
JOINT-STOCK INSURANCE COMPANY

“SQB INSURANCE”

FINANCIAL STATEMENTS

**PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS (IFRS) FOR THE YEAR ENDED 31
DECEMBER 2022**

Tashkent-2023

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№ 5
17.03.2023r

Tashkent

AUDIT CONCLUSION OF AN INDEPENDENT AUDITOR

To the management and owners of JSC IC "SQB INSURANCE"

Auditor's opinion

We conducted an audit of the financial statements of the Joint-Stock Company 'SQB INSURANCE' (hereinafter referred to as the Company) for the financial position as of December 31, 2022, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year ended on the specified date. This also includes notes to the financial statements, including a brief overview of the key accounting policy provisions.

In our opinion, the attached financial statements fairly present, in all material respects, the financial position of the Company as of December 31, 2022, as well as its financial results and cash flows for the year ended on the specified date, in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted the audit in accordance with International Standards on Auditing (ISA). Our responsibility as per these standards is further disclosed in the section 'Auditor's Responsibility for the Audit of the Financial Statements' in our report. We are independent with respect to the Organization in accordance with ethical requirements applicable to our audit of the financial statements of JSC IC 'SQB INSURANCE,' and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants. The International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of Management and Those Charged with the Fair Presentation of Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, including the design and implementation of internal control relevant to the preparation of financial statements that are free from material misstatements, 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.

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

The Auditor's Responsibility for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance that the financial statements are free from material misstatements 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 International Standards on Auditing 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.

Auditor

Auditor's certificate

№ 005148 from 12.10.2013

A.Ismoilov

Director

LLC «МАСЛАХАТАУДИТ-М»

M.Gulbaev

28.02.2023

Information about the audited entity

Name;	Joint-Stock Company "SQB INSURANCE"
Legal address;	Republic of Uzbekistan, city of Tashkent, Mustakillik Street, 5.
Details;	Checking account 2021 0000 9001 2497 0001 at the Mirzo-Ulugbek branch of AIKB Ipak Yuli, MFO (sort code) 00421, TIN (Taxpayer Identification Number) 200523159, OKED 42130.

Information about the auditing organization:

Name:	Auditing organization "LLC «МАСЛАХАТАУДИТ-М»" Registered with the Ministry of Finance of the Republic of Uzbekistan on: June 14, 2021 Certificate of State Registration Number: 658, issued by the Ministry of Justice of the Republic of Uzbekistan on July 23, 2013.
Legal Address:	130100, Republic of Uzbekistan, city of Jizzakh, Baynalminallar-5, Contact
Phone:	+99897-325-51-59

Management's Statement of Responsibility

Management is responsible for preparing the financial statements that fairly present, in all material aspects, the financial position of the Company as of December 31, 2022, as well as its results of operations, cash flows, and changes in equity for the year 2022, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the Company's financial statements, management is responsible for:

- Ensuring the proper selection and application of accounting policy principals;
- Presenting information, including data on accounting policies, in a form that ensures relevance, reliability, comparability, and understandability of such information;
- Compliance with IFRS requirements and disclosing additional information when compliance with IFRS requirements alone is insufficient for users to understand the impact that certain transactions, events, or conditions have on the financial position and financial results of the Company;
- Assessing the Company's ability to continue its operations in the foreseeable future. Management also has responsibility for:
- Developing, implementing, and maintaining an effective and reliable internal control system in the Company;
- Maintaining accounting records in a form that discloses and explains the Company's transactions and provides information with sufficient accuracy about the Company's financial position on any given date, ensuring compliance with IFRS requirements;
- Conducting accounting in accordance with the legislation and accounting standards of the Republic of Uzbekistan;
- Taking all reasonable measures to safeguard the Company's assets;
- Identifying and preventing instances of financial and other abuses.

Signed on behalf of the Company's Management:



"SQB INSURANCE" Joint-Stock Company**Financial Statement**

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Name of Indicators	Notes	31.12.2022	31.12.2021
Assets			
Long-term assets			
Fixed assets	12	1 554 314	1 968 432
Long-term investments	13	58 050 000	46 400 000
Total Long-term Assets		59 604 314	48 368 432
Current assets			
Cash and cash equivalent	5	2 259 468	1 100 186
Short-term investments	6	98 600 000	70 600 000
Accounts receivable	7	3 819 339	5 594 461
Reinsurer's share in reserve for insurance obligations	23	20 335 869	12 963 834
Loans issued and advances	6.8	28 137	39 622
Advance payments on taxes and fees	9	474 376	32 461
Inventory	10	171 808	123 433
Other current assets	11	0	48 040
Total Current assets		125 688 997	90 502 038
Total assets		185 293 311	138 870 469
Capital and Liabilities			
Capital			
Authorized Capital		45 501 750	38 600 000
Reserve capital		637 206	208 166
Retained Earnings (Accumulated Loss)	26	13 366 453	8 617 384
Total Capital		59 505 409	47 425 550
Liabilities			
Long-term liabilities			
Insurance Reserves	23	117 347 629	84 813 283
Total long-term liabilities		117 347 629	84 813 283
Current liabilities			
Accounts payable	16	2 403 330	2 990 987
Liabilities for Payments for Payment to Budget	18	496 893	253 585
Liabilities for Off-Budget Payments	19	23 735	264 998
Advances received	20	657 573	186 138
Employee-related liabilities	21	1 018 071	1 081 652
Other current liabilities	22	3 840 672	1 854 276
Total current liabilities		8 440 273	6 631 637
Total liabilities		125 787 903	91 444 919
Total capital and liabilities		185 293 311	138 870 469

"SQB INSURANCE" Joint-Stock Company**Statement of Comprehensive Income**

Name of Indicators	Notes	31.12.2022	31.12.2021
Income from insurance activities, including:			
Insurance premiums		64 358 054	61 577 641
Reinsurance premiums		13 391 403	10 775 123
Insurance premiums for contracts accepted for reinsurance		13 839 720	10 826 890
Compensation amounts received for regressive claims		5 301 475	2 038 745
Income from compensation for losses transferred to reinsurance and retrocession		6 293 639	5 996 415
Other income from insurance operations	29	2 047 402	1 805 253
Changes in insurance reserves		25 148 269	32 075 443
Net earned premium	27	53 300 616	39 394 378
Insurance payments		19 835 222	17 345 596
Acquisition expenses	28	27 778 786	17 948 292
Results of insurance activities, total		5 686 609	4 100 490
Sales expenses		325 516	268 491
Administrative expenses		11 957 224	9 289 136
Other operating expenses		788 047	669 309
Other operating income		26 648	266 309
Expenses from financial activities		58 638	23 193
Income from financial activities		23 151 144	16 020 155
Profit before taxes and reserves		15 707 976	10 137 076
Reserves for doubtful debts			
Profit before income tax		15 707 976	10 137 076
Income tax		2 342 717	1 556 275
Net profit		13 365 259	8 580 801
Other comprehensive income		0	71 452
Total comprehensive income		13 365 259	8 625 253
Total comprehensive income attributable to:			
- Company shareholders	100%	13 365 259	8 625 253
- Non-controlling shareholders			
- Average number of shares outstanding (common shares)			
Earnings per share			

Signed on behalf of the Company's Management:**"SQB INSURANCE" Joint-Stock Company***The copy is correct.*

"SQB INSURANCE" Joint-Stock Company**Cash Flow Statement**

Name of Indicators	31.12.2022	31.12.2021
Operating activities		
Cash receipts from insurance operations	87 922 434	75 258 105
Cash receipts in the form of insurance premiums under insurance and co-insurance contracts	65 971 344	61 800 757
Cash inflows from insurance premiums under reinsurance contracts	14 214 354	8 626 006
Cash inflows from providing services as an insurance intermediary, adjuster, surveyor	396 449	635 353
Cash inflows from commission fees, bonuses, and fees for reinsurance	-	-
Cash inflows from reimbursements for shares of losses transferred to reinsurance and retrocession	7 340 287	4 195 988
Cash outflows for insurance operations:	-33 201 943	-29 923 935
Cash payments for insurance premiums under reinsurance and retrocession contracts	-11 239 318	-6 644 868
Cash payments for insurance claims under insurance and co-insurance contracts	-19 967 109	-17 243 323
Cash payments for reimbursements of shares of losses received from reinsurance and retrocession	0	0
Cash payments to insurance intermediaries as remuneration for concluding insurance, co-insurance, and reinsurance contracts	- 1 995 516	-6 040 745
Cash payments for services provided by actuaries, adjusters, surveyors, and assistants	0	0
Cash payments for financing precautionary measures	-	-
Cash payments to employees and on their behalf	-29 463 968	-15 353 851
Other cash inflows and outflows from operating activities	-3 769 656	-2 527 650
Investing Activities	-39 993 201	-41 766 556
Acquisition and sale of fixed assets	-343 201	-966 556
Acquisition and sale of intangible assets	-	-
Acquisition and sale of long-term and short-term investments	-39 650 000	-40 800 000
Other receipts/payments from investing activities	-	-
Financial Activities	22 470 487	15 866 093
Interest received and paid	23 048 737	15 971 093
Dividends received and paid	-578 250	-105 000
Total: taxes paid	-2 809 506	-1 630 099
Income tax paid	-2 809 506	-1 630 099
Total: net cash inflow/outflow from financial and economic activities	1 154 647	-82 893
Effect of exchange rate changes	4 635	3 581
Cash at the beginning of the year	1 100 186	1 179 498
Cash at the end of the year	2 259 468	1 100 186

Signed on behalf of the Company's Management:

Director
"SQB INSURANCE" Joint-Stock Company

Chief Accountant

Statement of Changes in Equity

Thousand sum

	Authorised Capital	Reserves	Undistributed profit	Total changes in equity
Balance as of January 1, 2021	35 000 000	0	4 073 297	39 073 297
Increase/Decrease in authorized capital	3 600 000			3 600 000
Net profit/loss			8 580 801	8 580 801
Other comprehensive income			71 452	71 452
Increase/Decrease in reserves		208 166	(208 166)	0
Dividends			(3 900 000)	(3 900 000)
Balance as of December 31, 2021	38 600 000	208 166	8 617 384	47 425 550
Increase/Decrease in authorized capital	6 901 750			6 901 750
Net profit/loss			13 365 259	13 365 259
Other comprehensive income			0	0
Increase/Decrease in reserves		429 040	(429 040)	0
Dividends			(8 187 150)	(8 187 150)
Balance as of December 31, 2022	45 501 750	637 206	13 366 453	59 505 409

1. Primary Activity

"SQB INSURANCE" SUG'URTA KOMPANIYASI AJ (hereinafter referred to as the "Company") has the status of a limited liability company. The Company commenced its operations in 2018, according to the Certificate of State Registration of Legal Entities No. 653371 dated November 29, 2018.

The main activities of the Company include:

- ✓ Voluntary insurance;
- ✓ Compulsory insurance;
- ✓ Provision of other insurance services.

The Company holds the following licenses:

License for insurance activities of insurers and insurance brokers, Series SF No. 00248 dated August 16, 2019, issued in accordance with the Order of the Ministry of Finance of the Republic of Uzbekistan No. 9-sf dated August 2, 2019, for insurance activities in the general insurance sector under the following classes:

Class 1: "Accident insurance"

Class 2: "Health insurance"

Class 3: "Insurance of ground transport vehicles"

Class 4: "Insurance of railway rolling stock"

Class 5: "Aviation insurance"

Class 6: "Marine insurance"

Class 7: "Insurance of property in transit"

Class 8: "Insurance of property against fire and natural disasters"

Class 9: "Insurance of property against damage"

Class 10: "Motor third-party liability insurance"

Class 11: "Liability insurance within aviation insurance"

Class 12: "Liability insurance within marine insurance"

Class 13: "General liability insurance"

Class 14: "Credit insurance"

Class 15: "Suretyship (guarantee) insurance"

Class 16: "Insurance against other financial risks"

Class 17: "Insurance of expenses related to legal protection"

Below is information about the participants in the Company.

	2022 year	2021 year
«'O'ZBEKISTON SANOAT-QURILISH BANKI»'		
Joint-Stock Commercial Bank	100%	100 %
Total	100 %	100 %

The company is registered at the address: Republic of Uzbekistan, Tashkent, Mustakillik street, 5.

2. Economic environment in which the Company operates

"The main activity of the Company takes place on the territory of the Republic of Uzbekistan and is accordingly subject to the influence of its economic situation. The economy of the Republic of Uzbekistan, despite significant improvement in the economic situation in recent years, still exhibits typical characteristics of developing markets. Among them, in particular, are the non-convertibility of Uzbek sums in most countries outside the Republic of Uzbekistan and the low liquidity in the markets of debt and equity securities.

In 2022, the Government of the Republic of Uzbekistan continued to implement socio-economic reforms, liberalizing the market with a focus primarily on attracting foreign direct investment. In connection with this, laws and regulations governing business conduct in the Republic of Uzbekistan have been rapidly changing. The prospects for economic stability and the future direction of development in the Republic of Uzbekistan largely depend on the effectiveness of economic, financial, and currency measures taken by the Government, as well as on the development of the legislative framework and the political situation, which are beyond the control of the Company.

Political and economic transformations in the Republic of Uzbekistan, including the application of existing and future legislation and tax regulations, which significantly impact the financial markets of the Republic of Uzbekistan and the economy as a whole, will continue to influence the financial condition and operating results of the Company. At the moment, the Management of the Company is unable to predict all transformations that could further affect the decline in liquidity in financial markets and the increase in instability in currency and stock markets on the financial position of the Company.

In Uzbekistan, the following key economic indicators were observed during the 12 months of 2022:

- Gross Domestic Product (GDP) growth: 5.7% (as of the end of 2021: 6.2%);
- Central Bank of the Republic of Uzbekistan's main interest rate: 15% (in 2021: 15%);
- Inflation rate not exceeding: 12.25% (as of the end of 2021: 9.8%);
- Official exchange rate: December 31, 2022: 1 US Dollar = 11,225.46 UZS (December 31, 2021: 1 US Dollar = 10,837.66 UZS);

- Composite Index of the Republican Stock Exchange "Toshkent" as of December 31, 2022: "TCI Composite" 1000.00 points (December 31, 2021: 1000.00).

In accordance with the Decree of the President of the Republic of Uzbekistan PD-5468 dated June 29, 2018, "On the Concept of Improving the Tax Policy of the Republic of Uzbekistan," the working commission was tasked with developing a draft of the Tax Code of the Republic of Uzbekistan in a new edition. By the Law of the Republic of Uzbekistan LRU599 dated December 30, 2019, the new Tax Code of the Republic of Uzbekistan has been put into effect. Sections VI, VII, and Chapter 5 of the Tax Code (LRU599) come into effect from January 1, 2022. Paragraph 1 of the first part of Article 40 of the Tax Code (LRU599) comes into effect from January 1, 2023. The Tax Code (LRU599) is constantly being improved and supplemented. Accordingly, the tax environment in the Republic of Uzbekistan remains unstable and may change significantly in the foreseeable future.

At present, the management of the Company is monitoring developments in the current conditions and taking measures it deems necessary to support the stability and development of the Company's business in the foreseeable future. However, it is difficult to determine the impact of further economic changes on the future activities and financial position of the Company at this stage.

These facts affect the preparation of the Financial Statements in accordance with IFRS and reflect the management's assessment of the impact of economic conditions in the Republic on the activities and financial position of the Company. Future economic conditions may differ from the management's assessment.

3. Reporting Basics

The company maintains its accounting records in Uzbek soms in accordance with the legislation, rules, and regulations of the Republic of Uzbekistan in the field of accounting and reporting. This financial statement is prepared based on these accounting records with adjustments necessary to bring it into compliance with all

material aspects of IFRS. However, Uzbek accounting principles have some differences from similar principles for IFRS purposes.

The company first applied some new standards and amendments to existing standards, which are effective for annual periods beginning on or after January 1, 2018. The company did not early adopt standards, interpretations, and amendments that were issued but not yet effective.

Although the new standards and amendments were first applied in 2019, they did not have a material impact on the annual financial statements. The nature and impact of these changes are discussed below.

Continuity of operations.

The financial statements have been prepared on the assumption that the company will adhere to the going concern principle in the foreseeable future. The company's management has no plans to liquidate or cease its operations. Under the going concern assumption, assets and liabilities are accounted for on the basis that the company will be able to realize its assets and discharge its liabilities in the normal course of business.

The net profit of the company for the year 2022 amounted to 13,365,258.7 thousand sum. The company has positive net assets as of December 31, 2022, totaling 59,505,408.5 thousand sum.

In addition, the company pays employee salaries on time, promptly and in full pays the corresponding amounts of social contributions to insurance funds and other taxes, and also makes all payments related to the financial and economic activities of the company and obligations to creditors without delay. As of the date of signing this financial statement, there are no lawsuits against the company, and there is no risk of bankruptcy or insolvency, making it impossible for creditors to recover debts.

The implementation of these measures, according to the company's management, will reduce liquidity risk, have a positive impact on the company's financial results, and allow it to meet its obligations within the established deadlines.

Application of requirements

The company has applied the requirements of IFRS (International Financial Reporting Standards) from the inception of its operations for periods ending on December 31, 2022:

- (a) When preparing the initial financial statements at the beginning of its operations; and
- (b) When preparing and presenting its statement of financial position at the reporting date, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the reporting year, and its disclosure of information.

The company has not applied certain new standards and amendments to existing standards that become effective for annual periods beginning on or after January 1, 2020. The company has not early adopted standards, interpretations, and amendments that were issued but not yet effective.

IFRS 15 "Revenue from Contracts with Customers" - IFRS 15, issued in May 2014, provides a five-step model that will be applied to recognize revenue from contracts with customers. The standard replaces all existing revenue recognition standards, including IAS 18 "Revenue," IAS 11 "Construction Contracts," and relevant interpretations.

The key principle of IFRS 15 is that an organization should recognize revenue when or as it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The five-step model includes the following:

- Identification of the contract with the customer;
- Identification of the performance obligations in the contract;

- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations;
- Recognition of revenue when or as the entity satisfies a performance obligation.

According to IFRS 15, an organization recognizes revenue when or as the entity satisfies a performance obligation, i.e., when control over the goods or services that make up the performance obligation is transferred to the customer. The standard introduces much clearer guidance on issues such as the timing of revenue recognition, accounting for variable consideration, costs related to contract fulfillment, and others. This standard did not have a significant impact on the company.

IFRS 9 "Financial Instruments" - IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. Amendments were made to IFRS 9 in October 2010, including new requirements for the classification and measurement of financial liabilities and for derecognition of financial instruments. In November 2013, new requirements for hedge accounting were issued. In July 2014, the IASB issued the final version of IFRS 9, introducing requirements for the accounting of financial assets and some changes to impairment requirements for financial assets. IFRS 9 also introduced new requirements for hedge accounting..

The main distinguishing characteristics of the new standard are as follows:

IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement." In accordance with the key requirements of IFRS 9, new disclosure requirements are introduced:

Classification and Measurement of Financial Assets and Liabilities:

Financial assets are classified based on the business model within which they are held and the characteristics of cash flows specified in the contract. Specifically, debt instruments held within a business model whose objective is to collect contractual cash flows (comprising only principal and interest) are generally measured at amortized cost after initial recognition. The version of IFRS 9 issued in 2014 introduces a category of instruments measured at fair value through other comprehensive income for debt instruments held within a business model whose objective is both to collect contractual cash flows and to sell financial assets. Such instruments are measured at fair value through other comprehensive income. All other debt instruments and equity securities are measured at fair value. Additionally, organizations, in accordance with IFRS 9, may make an irrevocable election to present subsequent changes in the fair value of an equity instrument in other comprehensive income, with only dividend income recognized in profit or loss.

Classification of Financial Liabilities:

Financial liabilities are classified similarly to the requirements of IFRS 9, with differences in the assessment of an entity's own credit risk. IFRS 9 requires that the amount of changes in the fair value of a financial liability attributable to changes in its credit risk be recognized in other comprehensive income unless such recognition in other comprehensive income creates or increases an accounting mismatch in profit or loss. Changes in the fair value related to the credit risk of a financial liability are not subsequently reclassified to profit or loss.

Impairment: IFRS 9, issued in 2014, introduces an expected credit loss model for assessing the impairment of financial assets, replacing the incurred credit loss model provided by IAS 39. Under the expected credit loss model, organizations recognize expected credit losses and their changes at each reporting date, reflecting changes in credit risk from the initial recognition date. In other words, the recognition of credit losses does not require the occurrence of an event indicating impairment.

Hedge Accounting: A new hedge accounting model is introduced, aiming to align hedge accounting more closely with an entity's risk management activities for hedging financial and non-financial items. According to IFRS 9, the list of eligible hedged items is expanded, including new instruments that can be designated as hedging instruments. Additionally, components of risk for non-financial items may now qualify as hedged items. The assessment of hedge effectiveness is replaced by the principle of economic relationship between

the hedged item and hedging instrument. Retrospective effectiveness assessment is no longer required. Furthermore, enhanced disclosure requirements regarding an organization's risk management activities are introduced.

"Ceasing of Recognition" – Requirements for the derecognition of financial assets and liabilities have not changed significantly compared to IAS 39.

The company did not transition to IFRS 9 from January 1, 2020. The company chose the approach without restating comparative figures and will recognize adjustments to the carrying amounts of financial assets and liabilities as of January 1, 2020, at the date of initial application in subsequent periods.

As of January 1, 2019, amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions," IAS 40 "Investment Property," and amendments to IFRS 10 and IAS 28 become mandatory as part of the annual improvements to IFRS cycle 2014-2016.

Amendments to IAS 40 "Investment Property".

The amendments clarify that for transfers of real estate into or out of the investment property category, an analysis is required to determine whether the definition of investment property is met or ceases to be met, which must be supported by objective evidence of a change in the property's use. The amendments emphasize that situations beyond those provided in the standard as examples may also be evidence of a change in the property's use. Furthermore, a change in use is possible for properties under construction (i.e., the change in use is not limited to completed properties). The amendments are applied retrospectively (only if possible without using later information) or prospectively. These provisions do not affect the company's reporting in the reporting period.

Amendments to IFRIC 22 "Foreign Currency Transactions and Advance Consideration":

The amendment clarifies how to determine the transaction date for the purpose of determining the exchange rate to be used at initial recognition of an asset, expense, or income when reimbursement for such an asset, expense, or income was paid or received in advance in a foreign currency and led to the recognition of a non-monetary asset or liability (i.e., an irrecoverable advance or liability for prepaid income). The clarification explains that the date of the transaction is the date of recognition of the non-monetary asset or liability resulting from the payment or receipt of the advance. If the company makes or receives multiple advance payments, the transaction date is determined separately for each payment or receipt of the advance.

Amendments to IFRS 10 "Application of IFRS 9 'Financial Instruments' together with IFRS 4 'Insurance Contracts':"

The amendments allow organizations whose activities are predominantly connected with insurance to defer the transition from IAS 39 to IFRS 9 until the period beginning no earlier than January 1, 2023, or the effective date of the new insurance standard, if earlier than January 1, 2023. The assessment of whether the organization's activities are predominantly related to insurance should be made at the reporting entity's level as of the annual reporting date immediately preceding April 1, 2016. Subsequently, the assessment should be made again only if there has been a significant change in the organization's activities satisfying certain criteria.

Additionally, the amendments provide an option for all insurance companies with insurance contracts within the scope of IFRS 4 to apply IFRS 9 fully but reclassify, from profit or loss to other comprehensive income, the amounts resulting from the difference in accounting treatment between IFRS 9 and IAS 39 for certain financial assets chosen by the organization. This approach is referred to as the "overlay method" and can be applied to specific assets, considering special requirements for determining the assets to which this approach will be applied and discontinuing the application of this approach for selected assets. The organization must apply

the mentioned amendments allowing the overlay method for certain financial assets at its discretion when it first applies IFRS 9.

The organization applies the amendments related to the temporary exemption from applying IFRS 9 for the annual period beginning on January 1, 2018.

Amendments to IFRS for annual periods beginning on or after January 1, 2017, include the following revisions:

Amendments to IFRS (IAS) 7 "Statement of Cash Flows" - "Disclosure of Information about Changes in Liabilities Arising from Financing Activities." These amendments require disclosure of information that allows users of financial statements to assess changes in liabilities resulting from financing activities. The amendments do not provide a specific definition of financing activities but clarify that financing activities are based on the existing definition in IFRS (IAS) 7. The amendments do not prescribe a specific format for disclosing financing activities; however, they indicate that the company can meet the disclosure requirements by providing in the statement of cash flows:

- Changes resulting from cash flows from financing activities;
- Changes resulting from gaining or losing control over subsidiaries and other businesses;
- The impact of changes in exchange rates;
- Changes in fair value.

Upon initial application of these amendments, the company is not required to provide comparative information for preceding periods. The company will disclose additional information in its annual financial statements for the year ending December 31, 2020.

Amendments to IFRS (IAS) 12 "Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses on Debt Instruments Measured at Fair Value."

These amendments clarify that the entity should consider whether tax legislation limits the sources of taxable profit against which it can make deductions when recovering such deducted temporary differences. Additionally, the amendments provide guidance on how the entity should determine future taxable profit and describe circumstances under which taxable profit may include recovery of some assets in an amount exceeding their carrying amount. Entities applying this exemption must disclose this fact.

The entity should apply these amendments retrospectively. However, upon initial application of the amendments, the change in equity at the beginning of the earliest comparative period may be recognized in retained earnings at the beginning of the period (or in another component of equity, as applicable) without spreading the change between retained earnings and other components of equity at the beginning of the period.

The entity has applied these amendments retrospectively. However, their application did not have a material impact on the entity's financial position and results of operations.

Annual Improvements to IFRSs, Cycle 2014–2016.

This document includes the following amendments:

IFRS 12 "Disclosure of Involvement with Other Entities": The amendments require disclosure in the notes to the financial statements about subsidiaries, associates, joint ventures, and unconsolidated structured entities. There was previous uncertainty about whether all this information about subsidiaries and associates classified as held for sale, distributed to owners, or held for distribution as dividends should be disclosed. In December 2016, the IASB clarified (paragraph 5 of IFRS 12) that disclosure requirements apply to those interests, even if

they are classified as held for sale, for distribution to owners, or as discontinued operations. General financial information (paragraphs B10–B16 of IFRS 12) is an exception, and it is not required to disclose information about discontinued assets. General financial information includes dividends paid to non-controlling interests, financial information about assets, liabilities, profit or loss, and cash flows, etc. The Company did not apply these amendments in the annual financial statements for the year ended December 31, 2019, as it did not have subsidiaries, associates, or joint ventures in 2018.

IAS 28 "Investments in Associates and Joint Ventures" – "Revised Fair Value Measurement: The previous edition of IAS 28 "Investments in Associates" suggested that the fair value measurement decision should be made for each investment or class of investments. This choice was to be stated in the accounting policy. In December 2016, the IASB allowed investment entities to measure investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 "Financial Instruments." The decision for each investment is made individually at initial recognition (paragraph 18 of IAS 28). Non-investment entities may retain the fair value measurement applied by their associates or joint ventures that are investment entities for their subsidiaries. The decision must be made separately for each such investment at the latest of the following dates: на дату первоначального признания инвестиции в ассоциированную организацию или совместное предприятие, являющиеся инвестиционной организацией;

- the date when an associated entity or joint venture becomes an investment entity;
- the date when an associated entity or joint venture, which is an investment entity, first becomes a parent company.

The Company did not apply these amendments in the annual financial statements for the year ended December 31, 2022, as it did not have associated organizations and joint ventures in 2022.

IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 is an optional standard that allows entities subject to regulatory control to continue applying most of their existing accounting policy principles regarding deferred tariff differences after the initial application of IFRS. Entities applying IFRS 14 should present deferred tariff differences as separate line items in the statement of financial position, and movements in these balances should be presented as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosure of information about the nature of tariff regulation and related risks, as well as the impact of such regulation on the entity's financial statements.

The Company prepares financial statements under IFRS, and as its activities are not subject to regulatory control, this standard is not applicable to its financial statements.

Amendments to IFRS 11 "Joint Arrangements" – "Accounting for Acquisitions of Interests in Joint Operations"

Amendments to IFRS 11 require a participant in joint operations to account for the acquisition of an interest in a joint operation, the activities of which constitute a business, in accordance with the relevant principles of IFRS 3 "Business Combinations" for business combinations. The amendments also clarify that previously held interests in a joint operation are not remeasured upon acquiring an additional interest in the same joint operation if joint control is maintained. Additionally, an exception was included in IFRS 11, stating that these amendments do not apply if the parties exercising joint control (including the reporting entity) are under the common control of the same ultimate controlling party. The amendments apply prospectively to the acquisition of both the initial interest in a joint operation and additional interests in the same joint operation and are effective for the reporting period starting on or after a specified date. The amendments have no impact on the Company's financial statements as there were no acquisitions of interests in joint operations during the relevant period.

Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation"

The amendments provide clarification on the principles of IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets," stating that revenue reflects the economic benefits generated by the business activity (of which the asset is a part) rather than the economic benefits consumed through the use of the asset. As a result, the revenue-based method cannot be used for the depreciation of property, plant, and equipment and may only be used in rare cases for the depreciation of intangible assets. The amendments are applied prospectively.

These amendments have no impact on the Company's financial statements as it did not use the revenue-based method for the depreciation of its non-current assets.

Amendments to IAS 27 "Equity Method in Separate Financial Statements"

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures, and associates in their separate financial statements. Entities currently applying IFRS and deciding to transition to the equity method in their separate financial statements must apply this change retrospectively. Entities applying IFRS for the first time and choosing to use the equity method in their separate financial statements must apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

The Company did not apply these amendments to its annual financial statements for the year ended December 31, 2022..

Annual Improvements to IFRS, Period 2012-2014

This document includes the following amendments:

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies that the transition from one disposal method to another should be considered a continuation of the initial plan rather than a new disposal plan. Thus, the application of IFRS 5 requirements is not interrupted. This amendment is applied prospectively.

(i) The Company did not apply these amendments to the annual financial statements ending on December 31, 2022, as it did not have assets held for sale.

IFRS 7 "Financial Instruments: Disclosures"

(i) Servicing Agreements

The amendment clarifies that a servicing agreement involving compensation may represent ongoing involvement in a financial asset. To determine the need for disclosure, the organization must assess the nature of compensation and agreements in line with the guidance on continuing involvement in IFRS 7. The assessment of which servicing agreements constitute ongoing involvement should be conducted retrospectively. Disclosure is not required for periods beginning before the annual period in which the organization first applies this amendment.

(ii) Application of amendments to IFRS 7 in condensed interim financial statements

The amendment clarifies that disclosure requirements on offsetting do not apply to condensed interim financial statements, except when such information represents significant updates from the last annual report. This amendment is applied retrospectively. The Company did not apply these amendments to the annual financial statements ending on December 31, 2022.

IAS 19 "Employee Benefits"

This standard is applied by the employer to account for all employee benefits except those covered by IFRS 2 "Share-based Payment".

IAS 19 "Employee Benefits"

Employee benefits to which this standard applies include compensation provided:

- (a) under formalized plans or other formalized agreements between the entity and its employees, employee groups, or their representatives;
- (b) under legal requirements or in connection with industry-wide agreements, whereby entities are required to contribute to national, state, industry, or other plans jointly established by multiple employers; or
- (c) through established practices that give rise to an obligation, as long as the entity has no realistic alternative but to make the employee benefits. An obligation arising from established practice arises if the entity has no realistic alternative to the employees' compensation. An example of an obligation arising from established practice could be a situation where a change in the established practice would cause undue harm to the entity's relationship with its employees. The Company has accrued leave balances for the reporting period.

IAS 34 "Interim Financial Reporting"

The amendment clarifies that information for the interim period should be disclosed either in the interim financial statements or elsewhere in the interim financial report (e.g., in management comments or risk assessment reports) with corresponding cross-references in the interim financial statements.

Other information in the interim financial report should be made available to users on the same terms and within the same timeframe as the interim financial statements. This amendment is applied retrospectively. It is expected that these amendments will not have an impact on the Company's financial statements.

Amendments to IAS 1 "Disclosure Initiative"

The amendments to IAS 1 "Presentation of Financial Statements" primarily provide clarification rather than significantly changing existing requirements of IAS 1. The amendments clarify the following:

- Requirements for materiality in IAS 1;
- Specific items in the statement(s) of profit or loss and other comprehensive income and in the statement of financial position can be disaggregated;
- Entities have the option to choose the order of presenting notes to the financial statements;
- The portion of other comprehensive income of associates and joint ventures accounted for using the equity method should be presented as an aggregate within one line item and classified as items that will not be subsequently reclassified to profit or loss.

Additionally, the amendments provide clarification on the requirements applied when presenting additional subtotals in the statement of financial position and statement(s) of profit or loss and other comprehensive income. These amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. It is expected that these amendments will not have an impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 12, and IAS 28 "Investment Entities: Applying the Consolidation Exception"

These amendments address issues that have arisen when applying the consolidation exception for investment entities under IFRS 10 "Consolidated Financial Statements." Amendments to IFRS 10 clarify that the consolidation exception applies to the parent entity that is a subsidiary of an investment entity if the investment entity measures all its subsidiaries at fair value. Additionally, the amendments to IFRS 10 clarify

that only those subsidiaries of an investment entity that are not themselves investment entities and provide services that are auxiliary to the investment entity should be consolidated. All other subsidiaries of an investment entity should be measured at fair value. Amendments to IAS 28 "Investments in Associates and Joint Ventures" allow an investor, when applying the equity method, to retain the fair value measurement applied by its associate or joint venture, which is itself an investment entity, to its interests in subsidiaries. These amendments are applied retrospectively. The amendments do not impact the Company's financial statements as it does not have subsidiaries, associates, or joint ventures that meet the definition of an investment entity.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

These amendments address inconsistencies between IFRS 10 and IAS 28 regarding the accounting for the loss of control over a subsidiary that is sold to an associate or joint venture or contributed to them.

The amendments clarify that gains or losses arising from the sale or contribution of assets that constitute a business according to the definition in IFRS 3 in a transaction between an investor and its associate or joint venture are fully recognized. However, gains or losses arising from the sale or contribution of assets that do not constitute a business are only recognized up to the extent of interests held by entities other than the investing entity in the associate or joint venture. These amendments are applied prospectively and are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. It is expected that these amendments will not have an impact on the Company's financial statements.

New and Revised IFRS, Issued but Not Yet Effective

IFRS 17 "Insurance Contracts"

In May 2017, the IFRS Foundation released IFRS 17 "Insurance Contracts," a comprehensive new financial reporting standard for insurance contracts addressing issues related to recognition, measurement, presentation, and disclosure. When IFRS 17 becomes effective, it will replace IFRS 4 "Insurance Contracts," issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life insurance and non-life insurance, direct insurance, and reinsurance) regardless of the type of entity issuing them. There are certain exceptions to the scope of the standard.

The primary objective of IFRS 17 is to provide a more effective and consistent accounting model for insurers. In contrast to the requirements of IFRS 4, primarily based on previous local accounting policies, IFRS 17 offers a comprehensive accounting model covering all relevant aspects. At its core, IFRS 17 includes a general model supplemented by:

- Specific modifications for insurance contracts with direct participation features (variable fee approach).
- A simplified approach (premium allocation approach) mainly for short-term contracts.

IFRS 17 becomes effective for reporting periods beginning on or after January 1, 2023, requiring comparative information. Early adoption is permitted, provided the organization also applies IFRS 9 and IFRS 15 at the date of initial application. In 2022, the Company did not apply IFRS 17 to its financial statements.

Amendments to IFRS 3 "Business Combinations"

In October 2018, the IFRS Foundation issued amendments to IFRS 3 "Business Combinations," altering the definition of the term "business" to assist organizations in determining whether the

acquired set of activities and assets qualifies as a business. These amendments clarify the minimal requirements for a business, eliminate the assessment of whether market participants can replace any missing element, provide guidance to help organizations assess the significance of the acquired process, narrow the definitions of "business" and "output," and introduce an optional fair value concentration test. New illustrative examples were also presented with these amendments.

Since these amendments are applied prospectively to transactions or other events occurring at or after the initial application date, they do not impact the Company as of the transition date.

Amendments to IAS 1 and IAS 8 "Definition of Materiality"

In October 2018, the IFRS Foundation issued amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors" to align the definition of materiality across different standards and clarify certain aspects of this definition. According to the new definition, "information is material if it is reasonably expected that its omission, misstatement, or obscuring will influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

It is expected that the amendments to the definition of materiality will not have a significant impact on the Company's financial statements..

"Reform of the Reference Interest Rate": Amendments to IFRS 9, IAS 39, and IFRS 7

Amendments to IFRS 9, IAS 39, and IFRS 7 introduce several exemptions that apply to all hedging relationships directly affected by the reform of the reference interest rate. Hedging relationships will be impacted if the reform introduces uncertainty regarding the terms and/or cash flows based on the reference interest rate for the hedged item or hedging instrument. As a result of the reform, uncertainties may arise regarding the timing and/or cash flows based on the reference interest rate for the hedged item or hedging instrument during the period until the replacement of the existing reference interest rate with an alternative practically risk-free interest rate. This may lead to uncertainties in assessing the likelihood of the forecasted transaction and whether the hedging relationships will remain highly effective.

The amendments become effective on January 1, 2020, but early adoption is permitted. The Company applies the exemption from IFRS 9, and therefore, the amendments will not have a significant impact on the Company's financial statements.

"Annual Improvements to IFRSs, 2014-2017"

This document includes the following amendments:

IFRS 3 "Business Combinations": The amendments clarify that the acquirer should remeasure its previously held interest in joint operations when it obtains control over a business.

IFRS 11 "Joint Arrangements": The amendments clarify that an investor should not remeasure its "previously held interest" when it obtains joint control over joint operations, consistent with existing requirements for changes in interests in joint operations when an associate becomes a joint venture or vice versa.

IAS 12 "Income Taxes": Tax consequences regarding dividends on financial instruments classified as equity instruments. The amendments clarify that an entity should recognize all tax consequences relating to dividends within profit or loss, other comprehensive income, or equity, depending on where the entity recognized the initial transaction or event that generated the distributable profit serving as the source of dividends.

IAS 23 "Borrowing Costs": Borrowing costs eligible for capitalization. The amendments clarify that in situations where a qualifying asset is ready for use or sale, and some loans, specifically taken out to acquire the qualifying asset, remain outstanding, the amount of such loans should be included in the funds that the entity borrows generally.

IFRS (International Financial Reporting Standards) 12 "Disclosure of Interests in Other Entities": Amendments require disclosure in the notes to the financial statements regarding subsidiaries, associates, joint ventures, and unconsolidated structured entities. There were previous uncertainties about whether all this information about subsidiaries and associates classified as held for sale needed to be disclosed.

In December 2016, the IFRS Foundation's IASB clarified (IFRS 12.B5) that disclosure requirements apply to equity interests classified as held for distribution to owners or held for sale, and to those related to discontinued operations. General purpose financial information, excluding specific information about disposals, is an exception (IFRS 12.B10–B16). Regarding disposed assets, this information need not be disclosed. General purpose financial information includes dividends paid to non-controlling interests, financial information about assets, liabilities, income or loss, and cash flows, etc. The amendments will not impact the Company's financial statements.

Amendments to the Conceptual Framework for Financial Reporting (issued on March 29, 2018, effective for annual periods beginning on or after January 1, 2020): The revised Conceptual Framework includes a new chapter on measurement, recommendations on reporting financial performance, refined definitions and guidance (particularly the definition of liabilities), and explanations on important issues such as the role of stewardship, prudence, and uncertainty in measurement in preparing financial statements.

In the Company's management view, the application of the aforementioned standards and interpretations will not have a significant impact on the Company's financial statements during the initial application period. The Company does not disclose information about new standards and interpretations that are not applicable to its operations or that will not significantly affect its financial statements.

Use of Estimates and Assumptions:

Preparing financial statements in accordance with IFRS involves management's use of estimates and assumptions that affect the amounts of assets and liabilities, income and expenses presented in the statements, and the disclosure of contingent assets and liabilities for the next financial period. Due to the inherent uncertainty in these estimates, actual results in future reporting periods may differ from these estimates.

Initial Recognition of Financial Instruments:

Financial assets and financial liabilities are reflected in the statement of financial position when the Company becomes a party to the contract related to the respective financial instrument. The Company recognizes the acquisition and disposal of financial assets and liabilities at standard conditions as of the settlement date. All financial assets are initially measured at amortized cost. The initial cost includes costs directly attributable to the acquisition or issuance, except for financial assets revalued at fair value through profit or loss.

Based on the assessment conducted, the Company concludes that as of December 31, 2022, its activities are predominantly related to insurance. Since there have been no significant changes in the Company's

operations after December 31, 2022, the Company has not reassessed whether its activities are predominantly related to insurance on the subsequent annual reporting date.

All financial instruments reflected in the Company's financial statements at a value other than fair value meet the SPPI criterion according to IFRS 9. The SPPI criterion is a characteristic of a financial asset, meaning that the contract terms stipulate cash flows within specified periods that represent payments solely of principal and interest on the unpaid principal amount of the debt.

Functional Currency and Presentation Currency:

The financial statements are presented in the currency of the Republic of Uzbekistan (Uzbekistani som), which is the Company's functional and presentation currency, reflecting the underlying economic substance of its primary operations. Financial information in the financial statements has been rounded to the nearest thousand.

The Uzbekistani som is not a freely convertible currency outside the Republic of Uzbekistan. Changes in the Uzbekistani government's policy regarding the regulation of the Uzbekistani som may impact the Company's financial position and results of operations.

The Company's accounting policies include rules revised by standards that are mandatory for annual periods beginning on or after January 1, 2019.

4. Basic accounting policies

Basic policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, as modified by the initial recognition of financial instruments at fair value. The accounting policies used in the preparation of these financial statements are set out below. These principles have been applied consistently to all periods presented.

Financial Reporting:

Financial reporting must accurately represent the financial position, financial results, and cash flows of the Company. The Company has prepared a complete set of financial statements, which includes:

- Statement of financial position as of the end of the period;
- Statement of comprehensive income for the period;
- Statement of changes in equity for the period;
- Statement of cash flows for the period;
- Notes, consisting of a brief overview of significant accounting policies and other explanatory information;
- Comparative information for the preceding period and statement of financial position as of the beginning of the preceding period.

The Company has prepared a unified statement of profit or loss and other comprehensive income, in which profit or loss and other comprehensive income are presented in two sections. These sections are presented together, with the profit or loss section first, followed immediately by the other comprehensive income section.

The attached accounting (financial) statements have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS").

The Company has utilized the temporary exemption from the requirement to apply IFRS 9 "Financial Instruments," as permitted by IFRS 4 "Insurance Contracts," and did not early adopt any version of IFRS 9 for

annual periods beginning before January 1, 2018. Accordingly, the Company plans to fully implement IFRS 9 from January 1, 2023.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, current accounts of the Company, and equivalents of cash, representing short-term, highly liquid investments that are easily convertible into a known amount of cash and are subject to insignificant risk of changes in their value. Amounts with any restrictions on their use are excluded from the composition of cash and cash equivalents.

Accounts Receivable:

Accounts receivable refers to non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise when an entity provides money, goods, and services directly to a debtor without the intention to trade the receivable. They are reflected in current assets, except for those with a maturity date exceeding 12 months from the reporting date, which are classified as long-term assets. Accounts receivable are initially recognized at fair value.

Subsequently, accounts receivable are recognized at the invoiced amounts net of an allowance for doubtful debts related to debtors. The accounts receivable reflected in the statement of financial position are considered realizable and collectible.

Advances Issued:

Advances issued represent amounts paid to suppliers and contractors for goods and services not yet received.

Advance Payments on Taxes and Levies:

Advance payments on taxes and levies represent overpaid and/or pre-paid amounts to the budget for tax contributions.

Inventory:

Inventory, intended for use in the production process, is accounted for using the FIFO method. The primary components of inventory include fuel, inventory, office supplies, as well as strict reporting forms (policies).

Inventory is recorded at cost, including the cost of acquisition, paid duties and taxes, product certification expenses, commission fees, taxes (excluding future reimbursable taxes), transportation and procurement expenses, and storage expenses incurred to bring them into proper condition.

Property, Plant, and Equipment:

Property, plant, and equipment are reflected at the cost of acquisition or creation, net of accumulated depreciation and accumulated impairment loss, if any.

Construction in progress is accounted for at the initial cost, net of impairment reserve. The initial cost includes borrowing costs related to obtaining specific or general loans for financing the construction of respective assets. Upon completion of construction, the assets are transferred to the corresponding category of property, plant, and equipment and reflected at the carrying amount at the time of transfer. Construction in progress is not subject to depreciation until put into operation.

The company recognizes the cost of property, plant, and equipment, including additional expenses related to its acquisition and necessary for its operation. The cost of a replaced component of a property, plant, and equipment is accounted for as part of its carrying amount at the time of expenditure if there is a probability of the company obtaining future economic benefits from the use of this asset, and if the cost of the property,

plant, and equipment can be reliably determined. Replaced components are expensed at the time of replacement. All other costs are reflected in the statement of comprehensive income as they occur. Gains and losses from the disposal are determined as the difference between the revenue and the carrying amount and reflected in the statement of comprehensive income.

Depreciation of Property, Plant, and Equipment:

Depreciation of property, plant, and equipment is reflected in the statement of comprehensive income in such a way that the cost of property, plant, and equipment, net of the estimated residual value, is depreciated on a straight-line basis over their useful lives. The calculation of depreciation assumes a residual (liquidation) value of the asset. Based on IAS 16 paragraph 53, if the residual value of the asset is insignificant and, therefore, immaterial in the calculation of the amortizable cost, the liquidation value is recognized as zero.

On the transition date (January 1, 2019), the useful lives of property, plant, and equipment were reassessed by the company in accordance with IFRS, and the depreciation of property, plant, and equipment was recalculated based on the new estimate of the useful life. The information on useful lives (number of years) is presented below:

Group Name	Number of Years
Buildings, Structures, and Facilities	20
Mobile Transport	5
Furniture and Office Equipment	6-7
Computers, Peripheral Devices, Data Processing Equipment	5
Long-Term Plantings	10
Other	6-7

Long-Term Investments

Investments include investment securities that management intends to hold for an indefinite period until maturity, generating interest income at contract-specified interest rates. Initially, investment securities are recognized at cost and then assessed at amortized cost. Any decreases in value, except for temporary declines in market value, are accounted for in the comprehensive income statement.

Capital Expenditures

Capital expenditures represent the company's own investments in the construction of necessary assets. After the completion of construction and the commissioning of the asset, they are recognized on the fixed assets accounts. Capital expenditures involve the acquisition of fixed assets with a useful life of more than twelve months.

Financial Instruments: Recognition and Measurement

Cash provided (placed) under a loan agreement or a deposit agreement is accounted for as Deposits (Loans) and accounts receivable, which represent non-derivative financial assets with fixed or determinable payments not quoted on an actively traded market, except for those which the Company:

- Intends to sell immediately or in the near future;
- At initial recognition, designates at fair value through profit or loss, with changes reflected in the income statement for the period;
- At initial recognition, designates as available for sale; or
- May not recover all initially recognized amounts for reasons other than credit impairment.

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets. If such evidence exists, the Company evaluates the amount of any impairment loss. A financial asset or a group of financial assets is impaired, and impairment losses occur only if there is objective evidence of impairment resulting from one or more events that occurred after the initial recognition of the financial asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows from the financial asset or group of financial assets that can be reliably estimated.

Objective evidence of impairment of financial assets may include non-performance (default) or arrears by a borrower, a borrower's breach of a loan agreement or terms of a contract, restructuring of a financial asset or group of financial assets on terms that the Company would not otherwise consider, signs of possible bankruptcy of a borrower or issuer, disappearance of an active market for a security, a decrease in the value of collateral, or other observable data related to a group of assets, such as the deterioration of the creditworthiness of entities in the group or changes in economic conditions that correlate with defaults by borrowers in the group.

A significant or prolonged decline in the fair value of an investment in an equity instrument classified as available for sale to an amount below its cost is objective evidence of impairment.

The Company regularly assesses Loans and accounts receivable for potential impairment. The Company initially assesses for evidence of impairment separately for Loans and accounts receivable that are individually significant and collectively for Loans and accounts receivable that are not individually significant. If the Company determines that there is no objective evidence of impairment for a loan or accounts receivable assessed individually, whether significant or not, the loan is included in a group of loans and accounts receivable with similar credit risk characteristics and is evaluated for impairment as part of a collective assessment. Loans and accounts receivable assessed individually for impairment for which an impairment loss is or continues to be recognized are not included in the collective assessment.

In the event of objective evidence of impairment of a loan or accounts receivable, the amount of the loss is measured as the difference between the carrying amount of the loan or accounts receivable and the present value of the estimated future cash flows, including recoverable amounts of collateral and guarantees, discounted at the loan's or accounts receivable's original effective interest rate. Cash flows in accordance with the terms of the contracts and historical experience of losses, adjusted on the basis of relevant information available, reflecting current economic conditions, form the basis for determining estimated cash flows.

In some cases, the information available to determine the amount of impairment loss on a loan or accounts receivable may be limited or may no longer correspond to current conditions and circumstances. This may occur if a borrower is experiencing financial difficulties and the volume of available information about similar borrowers is limited. In such cases, the Company uses its experience and judgment to determine the amount of the impairment loss.

All impairment losses on loans and accounts receivable are recognized in the income statement and are subject to reversal only if subsequent increases in recoverable amounts can be objectively linked to an event occurring after the recognition of impairment losses.

In cases where the collection of a loan is deemed impossible, the loan is written off against the corresponding provision for loan impairment. Such loans (and any corresponding provisions for loan impairment) are written off after management determines that the collection of loans is not possible and all necessary procedures for the collection of loans have been completed.

Recognition and Subsequent Measurement of Financial Assets Measured at Fair Value with Changes Reflected in Profit or Loss

Financial instruments measured at fair value with changes reflected in profit or loss for the period are financial assets or liabilities that:

- Are primarily acquired or incurred for the purpose of selling or repurchasing in the near future;
- Are part of a portfolio of identified financial instruments that are managed together, and for which there is evidence of profit extraction in the short term;
- Are derivatives (except for derivative instruments that are financial guarantee contracts or instruments used in effective hedging); or
- Are, at initial recognition, designated into the category measured at fair value with changes reflected in profit or loss for the period. The company may designate financial assets and liabilities into the category measured at fair value with changes reflected in profit or loss for the period if one of the following conditions is met:
 - Management, assessment, and reporting of assets or liabilities, their valuation, and presentation in internal reports are based on fair value;
 - Such an approach eliminates completely or substantially the effect of inconsistency in accounting that would otherwise exist; or
 - The asset or liability contains an embedded derivative instrument that significantly modifies the cash flows that would otherwise be expected under the contract.

All derivative instruments intended for trading with a positive fair value, as well as purchased option contracts, are reflected in the financial statements as assets. All derivative instruments intended for trading with a negative fair value, as well as issued option contracts, are reflected in the financial statements as liabilities.

Management determines the category to which a financial instrument should be assigned at the time of its initial recognition. Derivative instruments and financial instruments initially classified into the category measured at fair value with changes reflected in profit or loss for the period are not reclassified from the category of financial instruments measured at fair value with changes reflected in profit or loss for the period. If financial assets meet the definition of loans and accounts receivable, they may be reclassified from the category of financial instruments measured at fair value with changes reflected in profit or loss for the period, or from the category of available-for-sale assets, if the company has the intention and ability to hold these assets in the foreseeable future or until their maturity. Other financial instruments may be reclassified from the category of financial instruments measured at fair value with changes reflected in profit or loss for the period only in rare cases. Rare cases are unusual one-time events that are unlikely to recur in the near future.

Profit or loss on a financial instrument classified in the category measured at fair value with changes reflected in profit or loss for the period is reflected in the income statement. Cessation of recognition of all categories of financial assets:

The company ceases to recognize a financial asset at the moment when it loses the contractual rights to cash flows from that financial asset, or when it transfers the financial asset as a result of a transaction in which practically all risks and benefits associated with ownership rights to that financial asset are transferred to another party, or in which the company neither transfers nor retains a substantial portion of all risks and benefits associated with ownership rights to that financial asset but does not retain control over the financial asset. Any residual interest in transferred financial assets that meets the requirements for discontinuing recognition, created or retained by the company, is recognized as a separate asset or liability in the statement of financial position. The company ceases to recognize a financial liability when the contractual obligations are fulfilled, cancelled, or extinguished.

The company enters into transactions under the terms of which it transfers assets recognized in the statement of financial position but retains all or part of the risks and benefits derived from the ownership rights to the transferred assets. If all or virtually all risks and benefits are retained, the company does not cease to recognize the transferred assets.

Recognition and Subsequent Measurement of Investments in Subsidiaries, Jointly Controlled Entities, and Associates

The company does not have investments in subsidiaries, jointly controlled entities, and associates.

Recognition and Subsequent Measurement of Held-to-Maturity Financial Assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company intends and has the ability to hold to maturity, except for those that:

- At the initial recognition, the company designates into the fair value through profit or loss category;
- The company designates into the available-for-sale category; or meet the definition of loans and accounts receivable.

Upon initial recognition, held-to-maturity financial assets are measured at fair value. Subsequently, held-to-maturity financial assets are measured at amortized cost using the effective interest rate method.

Procedure for Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities of the company are offset and presented in the statement of financial position on a net basis when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the obligation on a net basis or to realize the asset and settle the liability simultaneously.

Accounts Payable

Accounts payable represent the company's obligations to suppliers of goods, services, and works.

Short-Term Loans and Borrowings

Short-term loans and borrowings are initially recognized at the fair value of the consideration received, net of transaction costs incurred. Subsequently, loans and borrowings are measured at amortized cost using the effective interest method. Costs incurred in obtaining loans, which are directly attributable to the acquisition of those loans, are recognized as expenses.

Liabilities for Payments to the Budget

Liabilities for payments to the budget represent accrued taxes that are due for payment. Income tax is recognized in the statement of profit or loss unless it relates to items directly transferred to equity, in which case it is recognized in equity through profit or loss.

Liabilities for Off-Budget Payments

This category of liabilities consists of mandatory contributions and includes contributions to off-budget funds for various purposes.

Advances Received

Liabilities for advances received include amounts received for providing ancillary insurance services (commission fees, adjuster fees, surveyor fees, etc.) by the Company to its customers and clients that have not yet been fulfilled.

Employee Settlements

Employee settlements are based on agreements (contracts, individual employment contracts) and include:

Basic salary payments to employees, bonuses provided by the Company's remuneration system, allowances, paid leave;

Deposited wages;

Social security benefits (temporary disability, maternity, and childbirth, disability);

Leave allowances and other compensatory payments, in accordance with labor legislation and internal regulations on remuneration of the Company. The Company makes wage payments to employees according to established remuneration systems and mandatory contributions to pension funds on behalf of its employees in accordance with the pension legislation of the Republic of Uzbekistan.

Long-Term Liabilities

Long-term liabilities are intended to summarize information about the Company's long-term obligations to legal and physical entities. Foreign currency obligations are accounted for in the accounts of this section in amounts by revaluing foreign currency at the exchange rate of the Central Bank of the Republic of Uzbekistan on the date of the preparation of financial documents.

Authorized Capital and Issued Income

Investments in the authorized capital in the form of non-monetary assets are reflected at fair value on the date of the contribution. Treasury shares repurchased from participant(s) are reflected at cost adjusted for inflation.

Dividends

Dividends are recognized as liabilities and deducted from the capital amount as of the reporting date only if they have been declared on or before the reporting date. Information about dividends is disclosed in the financial statements if they have been declared on or before the reporting date and recommended or declared after the reporting date but before the date of approval of the financial statements and reflected in the reduction of other comprehensive income.

Insurance Activities of the Company

According to IFRS 4, an entity's activity is predominantly associated with insurance if and only if:

- (a) The carrying amount of its liabilities arising from contracts within the scope of IFRS 4, including any deposit components or embedded derivatives separated from insurance contracts, is significant compared to the total carrying amount of its liabilities; and
- (b) The percentage ratio of the carrying amount of its insurance-related liabilities to the total carrying amount of all its liabilities is:
 - (i) More than 90%; or
 - (ii) Equal to or less than 90% but exceeds 80%, and the entity is not engaged in significant activities unrelated to insurance.

According to IFRS 4, insurance-related liabilities include:

- (a) Liabilities arising from contracts within the scope of IFRS 4; (b) Liabilities under an investment contract that is not a derivative, measured at fair value through profit or loss using IAS 39 (including those classified at the entity's discretion as fair value through profit or loss for which the entity has applied the requirements of IFRS 9 regarding the presentation of profit or loss amounts); and (c) Liabilities arising because the entity issues contracts specified in (a) and (b) or fulfills obligations arising from those contracts.

Examples of such liabilities include derivative instruments used to reduce risks associated with such contracts, as well as assets securing such contracts, corresponding tax liabilities such as deferred tax liabilities related to taxable temporary differences on obligations arising from such contracts, and issued debt instruments

included in the insurer's regulatory capital, wage-related obligations, and other types of compensation to employees involved in insurance activities.

The Company does not engage in any significant activities unrelated to insurance, from which it could derive income or incur expenses. All requirements related to insurers are applicable to the Company, considering insurance risk as its primary business risk. Additionally, the Company has not identified any quantitative or qualitative factors (or both), including publicly available information, indicating that regulatory authorities or other users of the Company's financial statements apply a different industry classification to the Company. The Company does not undertake life insurance operations.

Insurance Reserves

The key assumptions influencing the evaluation of insurance reserves are loss development factors and expected loss ratios calculated based on data from recent loss occurrence years. The loss development factor represents the relative increase in the total amount of paid losses from one development period to the next. The expected loss ratio is the ratio of the expected losses to the earned insurance premiums. In determining the total amount of liabilities, future cash flows are forecasted, considering estimated parameters that may affect the individual insurance payment amount (e.g., loss frequency, risks related to insurance contracts—harm to life due to accidents, long-tail effects, recovery time, the period between the occurrence date of the insured event and the loss settlement date).

The actuarial assessment of the Company's insurance technical reserves is conducted annually at the end of the reporting period.

Fair Value

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date on the principal market or, in the absence of a principal market, the most advantageous market to which the Company has access on that date. The fair value of a liability reflects the risk of non-performance.

Recognition and Classification of Insurance Contracts

Contracts under which the Company assumes significant insurance risk from another party (hereinafter referred to as the "insured") by agreeing to compensate for losses to the insured or another beneficiary in the event of an uncertain future event specified in the contract (hereinafter referred to as the "insured event"), leading to damage to the insured or another beneficiary, fall into the category of insurance contracts.

Insurance risk is considered a risk distinct from financial risk. Financial risk is the risk of possible changes in one or more specified factors in the future, such as interest rates, securities prices, commodity prices, exchange rates, price or rate indices, credit ratings, or credit indices, or other variables, provided that, in relation to a non-financial variable, it is not specific to a party to the contract. Certain financial risks may also be transferred under insurance contracts.

Insurance risk is deemed significant only if, upon the occurrence of an event specified in the insurance contract, the Company is obligated to make significant insurance payments.

Once a contract is recognized as an insurance contract, it remains as such until all obligations or rights under it are fulfilled or the contract's term expires. Contracts under which the insurance risk transferred by the Company from the insured is not significant fall into the category of financial instruments. Contracts entered into by the Company that do not contain significant insurance risk and do not create financial assets or financial liabilities, where services are provided in an amount commensurate with the contract premium, are recognized as service contracts.

Recognition, Classification, Evaluation, Subsequent Measurement, Impairment Testing, and Termination of Recognition of Liabilities under Non-Life Insurance Contracts

As of each reporting date, the Company assesses whether its insurance liabilities (insurance reserves net of deferred acquisition costs and related intangible assets acquired through business combinations or transfer of insurance portfolios) are adequate. Current best estimate assumptions are used in this assessment for all future cash flows under the contracts, as well as related loss adjustment expenses. If a deficiency is identified, the Company writes off the corresponding deferred acquisition costs and intangible assets and, if necessary, establishes an additional reserve. The deficiency is reflected in the profit or loss for the year.

Recognition, Measurement, Derecognition of Reinsurance-Related Assets, Impairment Testing Procedure for Reinsurance-Related Assets, Composition, and Determination of Reinsurance-Related Assets

The Company establishes insurance reserves covering insurance events that occurred before the reporting date in accordance with the principles of the best estimate. The best estimate of reinsurers' shares in insurance reserves is the weighted average future reinsurer shares in expenses net of the weighted average future reinsurer shares in income arising from reinsurance contracts, taking into account the probability of their occurrence. Amounts recoverable under reinsurance contracts are assessed for indicators of impairment at each reporting date. Such assets are impaired if an event occurs after the initial recognition of assets indicating that the Company may not receive the entire amount, provided that it is possible to estimate the recoverable amount reliably. Only rights to recoveries under contracts transferring significant insurance risk to reinsurers are reflected in reinsurance-related assets. Rights to recoveries under contracts where significant insurance risk is not transferred to reinsurers are reflected in the financial instruments.

Recognition and Subsequent Accounting of Insurance Premiums for Insurance and Reinsurance Contracts

Net insurance premiums include premiums for insurance contracts concluded during the year and are recognized as earned in the current reporting period, regardless of whether they relate entirely or partially to future periods. Premiums are reflected after deducting commissions paid to intermediaries. The earned portion of received premiums is recognized as revenue. Premium revenue is recognized evenly over the term of the insurance contract from the moment of assuming the risk throughout the entire period of responsibility.

Insurance premiums for contracts ceded to reinsurance are recognized as expenses evenly over the term of the insurance contract. Premiums for contracts ceded to reinsurance that have not been recognized as expenses are reflected as advances.

The accounting of income and expenses by the Company for insurance premiums from insurance and reinsurance operations is done for each line of business. Revenues and expenses from insurance premiums for insurance contracts include:

- Insurance premiums (contributions) due from policyholders under insurance contracts;
- Changes in insurance premiums (contributions) due to changes in contract terms or termination of insurance contracts;
- Reduction of insurance premiums due to erroneously calculated insurance premiums (contributions) under insurance contracts;
- Accruals as income or expenses for insurance contracts related to the reporting period but for which the insurer did not have reliable data as of the date of preparation of the financial statements due to later receipt of primary accounting documents.

Recognition and Subsequent Accounting of Insurance Claims for Insurance and Reinsurance Contracts, as well as Reinsurers' Share in Payments

Payments for insurance contracts represent expenses incurred by the Company in connection with payments made to the policyholder, insured party, or beneficiary amounts due as a result of the occurrence of an insured event. Payments under insurance contracts include:

- Amounts of insurance compensation under insurance contracts paid in connection with the occurrence of an insured event;
- Amounts paid for the repair (restoration) of property damaged as a result of an insured event, carried out in accordance with the terms of the contract as part of an insurance payment;
- Amounts of insurance payments to policyholders (beneficiaries, insured parties, or their heirs) made based on a court decision, excluding court costs additionally awarded against the insurer, compensation for moral damages, court fees, and others;
- Amounts of insurance payments to policyholders (beneficiaries, insured parties, or their heirs) made at the end of the reporting period by a court decision in a non-acceptance procedure based on an enforcement order when it is impossible to identify the insurance contract and the insured event;
- Amounts withheld from insurance compensation or from insurance amounts for the repayment of the policyholder's debt for the payment of the next insurance premium;
- Amounts of withheld taxes from insurance payments in accordance with the legislation of the countries of partners' registration.

Reinsurers' share in insurance payments represents income for the Company in the form of compensation for insurance payments made by it under insurance contracts for which responsibility has been transferred to reinsurance.

Composition and Classification of Acquisition Expenses. Procedure for Recognition of Acquisition Expenses and Revenues

Acquisition expenses for insurance contracts are divided into direct and indirect. Direct expenses are variable costs incurred by the insurer when entering into or renewing specific insurance contracts. Indirect expenses are variable costs aimed at entering into or renewing insurance contracts, and it's challenging to attribute them to specific insurance contracts, but they are associated with promoting or incentivizing the sale of a specific product. The correlation between indirect expenses and the growth of revenue (insurance premiums) for such products can be established.

Direct acquisition expenses for insurance contracts are recognized when there are contractual relationships with intermediaries or other circumstances leading to the incurrence of obligations to pay remuneration, and if the amount of remuneration can be reliably determined. The recognition date for direct acquisition expenses for insurance contracts corresponds to the date of recognition of insurance premiums for the respective insurance contracts. If there is uncertainty about whether the insurance contract will be concluded, direct acquisition expenses are recognized on the date when these expenses are deemed incurred. Direct acquisition expenses in the form of remuneration for the conclusion/renewal of short-term insurance contracts are recognized in full in accordance with the terms of contracts with intermediaries. For long-term insurance contracts, they are recognized proportionally to the insurance premium. The Company capitalizes direct acquisition expenses for insurance contracts. Only remuneration to insurance agents, brokers, and other intermediaries for the conclusion or renewal of insurance contracts is included in capitalized acquisition expenses if it is possible to determine what part of the expenses was incurred for the conclusion or renewal of the contract or group of insurance contracts. Acquisition revenues include income in the form of reinsurance commissions for contracts ceded to reinsurance. Reinsurance commission for contracts ceded to reinsurance is recognized on the date of recognition of the insurance premium for the contract ceded to reinsurance, to the extent provided for by the terms of the reinsurance contract.

Recognition and Subsequent Accounting of Income from Subrogation and Regress

Expected recoveries obtained through subrogation and regress claims are separately reflected as assets. The assessment of these recoveries is carried out in a manner similar to the assessment of unsettled losses.

Income from subrogation and regress is included in total income, and information on these income items is disclosed additionally.

Recognition of Income from the Sale of Salvage (Abandonment)

The Company does not engage in property insurance operations in which salvage arises as a result of settling insurance claims.

Period Expenses

Expenses not directly related to the production process are recorded on period expense accounts at the time of their incurrence.

Financial income and expenses:

Financial income includes interest income from invested funds (including loans issued), the effect of discounting financial instruments, and positive currency exchange differences.

Interest income is recognized in the comprehensive income statement at the moment of occurrence, and its amount is calculated using the effective interest rate method.

Financial expenses include interest expenses on borrowed funds, negative currency exchange differences, and bank commissions. Interest expenses are recognized at the moment of occurrence, and their amount is determined using the effective interest rate method.

Profits and losses from the revaluation of currency assets due to changes in exchange rates (exchange differences) are reflected on a net basis.

Taxation:

Expenses or reimbursements related to income tax include current and deferred taxes and are reflected in the comprehensive income statement. Tax expenses are reflected in the financial statements in accordance with the requirements of the current legislation of the Republic of Uzbekistan.

Current tax payments are calculated using the unified tax rates applicable during the reporting period.

Current tax amounts represent funds payable to or refundable from the budget in connection with taxable profits or losses of the current or previous periods.

In case of issuing financial statements before submitting the corresponding tax declarations, the reflected tax amounts are based on estimated data.

5. Cash and Cash Equivalents

	31 december 2022 year	31 december 2021 year
Cash in Current Account	1 967 162	984 545
Cash in Foreign Currency Account	292 305	115 641
Total cash and cash equivalents	2 259 468	1 100 186

The company has cash in Uzbekistani som and foreign currency, stored in accounts at TGRF Uzpromstroybank, Universal Bank, and Tenge Bank in the Republic of Uzbekistan. The foreign currency funds are held in a foreign currency account at TGRF Uzpromstroybank in the amount of 26,039.5 US dollars at the exchange rate of 11,225.46 soms per 1 US dollar. The calculation of the sum equivalent was made on December 31, 2022.

6. Short-term investments

	31 december 2022 year	31 december 2021 year
Short-term deposits in banks	98 600 000	70 600 000
Other current investments	-	-
Total short-term investments	98 600 000	70 600 000

The company has short-term bank deposits in various banks of the Republic of Uzbekistan. All short-term deposits have a maturity of no more than 12 months and meet the conditions of the SPPI test. Income from interest payments is recognized on a monthly basis.

7. Accounts Receivable

	31 december 2022 year	31 december 2021 year
Accounts Receivable in Amounts	41 380	6 375
Accounts Receivable from Insurance Agents and Brokers	93 412	436 375
Receivables for Inward Reinsurance	2 039 625	2 556 893
Receivables for Reinsurance Risks in Amounts	778 169	1 824 508
Income Tax	463 696	32 461
Employee Payables	176 060	117 627
Receivables for Interest	467 900	396 825
Receivables for Claims	-	152 779
Other Receivables	222 762	100 135
Insurance Pool Participants	31	2 945
Provision for Doubtful Debts	-	-
Total Accounts Receivable	4 293 715	5 626 92

As of December 31, 2022, the accounts receivable is not overdue. Therefore, no provision for doubtful debts has been formed.

8. Advances issued.

	31 december 2022 year	31 december 2021 year
Advances issued to suppliers and contractors for inventory	28 137	39 622
Provisions for doubtful debts	-	-
Total advances issued	28 137	39 622

The balances of advances issued represent a prepayment for telephone and internet services, statement services, Fidex services, and other services amounting to 28,137 thousand Uzbekistani Som. No provision for doubtful debts has been formed, as there is no observed risk of non-repayment of advances.

9. Advance payments for taxes and fees

31 december 2022 year	31 december 2021 year
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Advance payments for taxes and fees to the budget	474 376	32 461
Total advance payments for taxes and fees to the budget	474 376	32 461

Advance payments for taxes and fees to the budget and state targeted funds represent the amount of advances transferred to the budget as mandatory payments that the Company pays based on its activities as of the reporting date.

9.1 Deferred Tax Asset

	31 december 2022 year	31 december 2021 year
Deferred Tax Asset	-	48040
Total deferred tax asset	-	48040

Deferred Tax Asset (paragraph IAS 12:5) is the portion of deferred income tax that should result in a reduction of income tax payable to the budget in the reporting period or subsequent reporting periods (DTA) are calculated as follows:

DTA = TDR * R, where TDR - deductible temporary difference formed during the transformation

R - income tax rate.

Due to the full transition of the Company to IFRS accounting, there are no temporary differences and DTA balances in 2022.

10. Inventory

	31 december 2022 year	31 december 2021 year
Fuel and lubricants	3 329	1 726
Spare parts for automobiles	75	110
Inventory and office supplies	60 225	33 034
Policies (strict reporting forms)	108 179	88 563
Total inventory	171 808	123 433

The inventory of the Company consists of fuel, spare parts for vehicles, lubricants, materials consumed by vehicles, inventory, and office supplies intended for use in the process of providing insurance services. It also includes strict reporting forms (policies) necessary for providing insurance services.

The last inventory in the Company was conducted as of January 1, 2022, according to the order of management No. 1027-p dated December 27, 2022. In this order, working commissions were appointed to conduct the inventory of inventories in storage locations. The auditors' opinion on the actual availability of inventories is based on the results of the inventory conducted independently by the Company.

11. Other current assets

	31 december 2022 year	31 december 2021 year
Liabilities of other debtors	222 762	100 135
Provision for doubtful debts	-	-
Total other current assets	222 762	100 135

The provision for doubtful debts was not formed as there is no observed risk of non-repayment of other accounts receivable.

12. Fixes assets

The information below provides details on the value of fixed assets as of December 31, 2022.

<i>Indicator</i>	<i>Buildings and Structures</i>	<i>Machinery and Equipment</i>	<i>Transport</i>	<i>Other Fixed Assets (furniture and computer equipment)</i>	<i>Construction in Progress and Equipment</i>	<i>Total</i>
<i>Value:</i>						
as of 01.01.2022y.	0	0	2 207 727	726 405	0	2 934 132
Acquisitions	0	0	40 253	302 949	0	343 201
Put into operation						-
Capitalized costs on loans						-
Disposals						-
as of 31.12.2022y.	0	0	2 463 405	813 927	0	3 277 333
<i>Accumulated depreciation and impairment</i>						
as of 01.01.2022y.	0	0	-726 185	-239 514		(965 699)
depreciation expenses for the year			(476 291)	(281 029)		(757 320)
impairment loss/reserve for impairment reversal						-
Disposals						-
as of 31.12.2022 y.	0	0	-1 202 476	-520 543	0	(1 723 019)
<i>Net book value</i>						
as of 01.01.2022y.	0	0	1 481 542	486 891	0	1 968 433
as of 31.12.2022 y.	0	0	1 045 503	508 811	0	1 554 314

The buildings, structures, transfer devices, as well as the assets in the "Machinery and Equipment" category on the Company's balance sheet as of December 31, 2022, are not present.

13. Long-term investments

	31 december 2022 year	31 december 2021 year
Investments in securities	2 500 000	2 500 000
Other long-term investments	55 550 000	43 900 000
Total long-term investments	58 050 000	46 400 000

Long-term securities in the form of bonds were acquired from "ASIA ALLIANCE BANK" under contract No. 004156-19/BD dated July 30, 2019, in the quantity of 2,500 units at a nominal value of 1,000,000 UZS with a maturity of 7 years and an interest rate of 20%. Payment was made in 2019.

The bonds are classified as held-to-maturity investments.

Other long-term investments consist of deposit agreements with banks that are residents of the Republic of Uzbekistan.

Deposit agreements are classified by the Company as held-to-maturity investments.

In case the Company cannot demonstrate an ability to hold the investment to maturity if:

(a) the entity does not have the financial resources available to continue to finance the investment until maturity; or

(b) the entity's activities are subject to legal or other restrictions that may hinder its intention to hold the financial asset to maturity.
The Company, if either of the conditions described above is met, will reclassify long-term investments as financial assets held for trading, and in subsequent periods, they will be reflected in the financial statements retrospectively.

14. Capital investments

	31 december 2022 year	31 december 2021 year
Acquisition of fixed assets	-	-
Total capital investments	-	-

15. Other long-term assets

	31 december 2022 year	31 december 2021 year
Payments to be received under long-term leases	-	-
Other long-term accounts receivable	-	-
Total other long-term assets	-	-

16. Accounts payable

	31 december 2022 year	31 december 2021 year
Accounts payable to suppliers and contractors	(4 502)	(10325)
Accounts payable to policyholders	(17 351)	(149 347)
Accounts payable to agents and brokers	(114 873)	(31 864)
Accounts payable to agents and brokers	(2 266 604)	(2 799 450)
Total accounts payable	(2 403 330)	2 990 987)

17. Short-term loans and borrowings

	31 december 2022 year	31 december 2021 year
Short-term loans	-	-
Total Short-term loans and borrowings	-	-

18. Liabilities for payments to the budget

	31 december 2022 year	31 december 2021 year
Liabilities for payments to the budget	(496 893)	(253 583)
Total Liabilities for payments to the budget	(496 893)	(253 583)

The company is a taxpayer of general taxes in accordance with the legislation of the Republic of Uzbekistan. These liabilities for payments to the budget arose in the course of ordinary activities during the reporting period and are accordingly reflected in the comprehensive income statement.

19. Debt for off-budget payments

	31 december 2022 year	31 december 2021 year
Liabilities to off-budget funds (social tax and deductions to the trade union)	(23735)	(264 998)
Total Debt for off-budget payments	(23735)	(264 998)

20. Advances received

	31 december 2022 year	31 december 2021 year
Advances received for direct insurance	(657 573)	(186 138)
Total Advances received	(657 573)	(186 138)

At the reporting date, advances received represent payments for the provision of services.

21. Calculation with personnel

	31 december 2022 year	31 december 2021 year
Payments to personnel regarding wages	(905 855)	(970 166)
Reserve for vacations (short-term estimated liabilities)	(112 216)	(111 486)
Total personnel calculations	(1 018 071)	(1 081 652)

Personnel calculations represent accrued but unpaid basic salaries to the employees of the Company, bonuses provided by the remuneration system, and other compensatory payments. These accruals have been subject to relevant taxes and are therefore tax-free within the operating territory.

Short-term estimated liabilities (leave reserve) have been accrued for the year 2022.

22. Other current liabilities

	31 december 2022 year	31 december 2021 year
Dividends payable	-	-
Liabilities to outgoing founders for their share	-	-
Other obligations	(3 839 257)	(1 854 225)
Insurance Pool (PU) obligations	(1,4)	(51)
Total other current liabilities	(3 840 672)	(1 854 276)

23. Reserves and reinsurers' share in non-life insurance reserves

	31 december 2022 year	31 december 2021 year
UNE reserve of unearned premiums	(90 793 282)	(71 227 367)
URR reserve for incurred but not reported losses	(25 927 605)	(13 116 345)

MP reserve for precautionary measures	(260 774)	(246 732)
Stabilization reserves	(365 968)	(222 838)
Reinsurers' share in UNE	15 925 633	10 802 420
Reinsurers' share in URR	4 410 236	2 161 414
Total insurance reserves	(97 011 760)	(71 849 449)

As of December 31, 2022, an assessment of the adequacy of reserves for non-life insurance contracts was conducted. The review of the adequacy of reserves for non-life insurance contracts as of December 31, 2022, demonstrated that the reserves are sufficient.

24. Authorised capital

The Company's charter was approved and registered through the Unified Center for the Provision of Public Services to Entrepreneurs under the "one-stop shop" principle on November 29, 2018.

In accordance with the minutes of the regular General Meeting of Founders dated May 18, 2021, the Company's authorized capital was increased to 38,600,000,000 Uzbekistani som and, as of the financial reporting date, was fully formed from undistributed profits of previous years and the founder's cash.

According to the minutes of the shareholders' meeting dated January 17, 2022, the prospectus for the issuance of ordinary shares with a nominal value of 1000 som each, totaling 38,600,000 shares, was approved in coordination with Uzbekistan People's Bank on January 17, 2022, and registered by the Ministry of Finance of the Republic of Uzbekistan on January 28, 2022, under No. R0934.

In accordance with the minutes of the shareholders' meeting dated May 24, 2022, the Company's authorized capital was increased to 45,501,750,000 som and, as of the financial reporting date, was fully formed from undistributed profits of previous years.

The new prospectus for the issuance of ordinary shares with a nominal value of 1000 som each, totaling 6,901,750 shares, was approved in coordination with Uzbekistan People's Bank on May 24, 2022, and registered by the Ministry of Finance of the Republic of Uzbekistan on June 6, 2022, under No. R0934-2.

The founder has the right to receive dividends as they are declared, which are distributed by a single participant.

25. Added and reserve capital

As of December 31, 2022, the Company does not have additional capital. The Company's reserve fund as of December 31, 2022, amounts to 637,206 thousand Uzbekistani som.

The general-purpose reserve fund is created for the purposes of covering the Company's potential losses resulting from its activities and increasing the statutory fund. The general-purpose reserve fund is formed from the profit of the reporting year that remains at the disposal of the Company after the payment of taxes and other mandatory payments.

According to the Law on Joint Stock Companies and Protection of Shareholders' Rights, the Company is obliged to create a reserve fund in the amount specified in the company's charter, but not less than fifteen percent of its statutory fund (charter capital). The reserve fund of the company is formed by annual contributions from net profit until it reaches the amount specified in the company's charter. The size of annual contributions is determined by the company's charter but cannot be less than five percent of the net profit until it reaches the amount specified in the company's charter.

26. Retained earnings

	2022 год	2021 год
Balance as of January 1	8 617 384	4 073 297
Net profit of the reporting period	13 365 259	8 580 801
Dividends and bonuses paid	(8 187 150)	(3 900 000)
Other comprehensive income	-	71 452
Contributions to the reserve fund for the period	(429 040)	(208 166)
Balance on December 31	(13 366 453)	(8 617 384)

The Company maintains accounting records in accordance with the requirements of the legislation of the Republic of Uzbekistan. This financial statement is prepared based on these accounting records with adjustments necessary to align it with all significant aspects of IFRS.

According to the financial statements prepared in accordance with IFRS for the year 2022, the net profit of the Company amounted to 13,365,259 thousand Uzbekistani som.

The amount of accrued dividends according to the Minutes of the Shareholders' Meeting dated May 24, 2022, was 7,537,150 thousand Uzbekistani som, including the amount directed to the increase of the Charter Capital - 6,901,750 thousand Uzbekistani som.

As of December 31, 2022, the undistributed profit of the Company according to IFRS amounted to 13,366,453 thousand Uzbekistani som.

In accordance with IFRS, only the accumulated undistributed profit of the Company, as per the financial statements prepared in accordance with IFRS, can be distributed as dividends. According to the legislation of the Republic of Uzbekistan, undistributed profit is the profit of the current year and previous years remaining at the disposal of the Company after the payment of dividends, taxes, and contributions to various funds.

27. Income from sales of insurance services

	2022 year	2021 year
Insurance premiums	64 358 054	61 577 641
Reinsurance premiums	(13 391 403)	(10 775 123)
Insurance premiums under contracts accepted for reinsurance	13 839 720	10 826 890
Amounts of compensation received under recourse claims	5 301 475	2 038 745
Income from compensation of losses on risks transferred to reinsurance and retrocession	6 293 639	5 996 415
Other income from insurance operations	2 047 402	1 805 253
Changes in insurance reserves	(25 148 269)	(32 075 443)
Net premiums earned	53 300 616	39 394 378

Income from the sale of goods and services is recognized at the time of their completion and presentation of settlement documents (invoices) to the buyer (customer).

28. Acquisition costs and insurance payments

	2022 год	2021 год
Acquisition expenses	(27 778 786)	(17 948 292)
Insurance payments	(19 835 222)	(17 345 596)
Total cost of insurance services	(47 614 008)	(35 293 888)

Acquisition expenses include remuneration to insurance agents, remuneration to insurance brokers, expenses for the payment of employees' salaries and accrued insurance contributions to the state off-budget fund,

mandatory insurance against accidents and occupational diseases (OSGO), in accordance with the legislation of the Republic of Uzbekistan, and other expenses.

29. Прочие доходы от основной деятельности

	2022 год	2021 год
Прочие операционные доходы	2 047 402	1 805 253
Total прочих доходов от основной деятельности	2 047 402	1 805 253

Other income from core activities includes reimbursement of expenses for goods and services provided to employees at the expense of the Company, as well as fines and other deductions.

30. Administrative expenses

	2022 год	2021 год
Sales costs	(325 516)	(268 541)
Administrative expenses	(11 957 224)	(9 289 085)
Other operating expenses	(788 047)	(669 059)
Total administrative expenses	(13 070 787)	(10 226 685)

Administrative expenses of the Company mainly consist of the following items:

Advertising expenses
 Fuel and spare parts expenses
 Remuneration to members of the supervisory board
 Property insurance
 Personnel expenses
 Contributions to social insurance
 Depreciation of fixed assets
 Payments to insurance agents
 Business trip expenses
 Consulting/auditing services
 Vacation reserve
 Bank services
 Employee training expenses
 Membership fees
 Development of computer programs
 Other expenses

31. Income from financial activities

	2022 год	2021 год
Income from financial activities	23 091 652	16 015 819
Dividend income	-	-
Income from foreign exchange rate differences	59 492	4 336
Total income from financial activities	23 151 144	16 020 155

32. Financial activities expenses

	2022 год	2021 год
Foreign exchange losses		
Other expenses for financial activities	(85 638)	(23 193)
	-	-
Total expenses for financial activities	(85 638)	(23193)

33. Income tax expense (income) reflected in profit (loss) by components

	2022 год	2021 год
Income tax	2 342 717	1 556 275

The current income tax rate applicable to pre-tax profits in 2022 is 15 percent.

34. Risk management

Risk management is a crucial aspect of financial management, involving the establishment of risk limits and ensuring compliance with these limits. The assessment of assumed risks serves as the basis for optimal capital allocation, pricing of operations, and evaluating performance. Effective risk management is essential for adherence to internal regulations and procedures to minimize operational and legal risks.

The financial risks managed by the Company include:

a) Liquidity risk; b) Geographical risk; c) Currency risk.

a) Liquidity risk - Liquidity risk involves the mismatch of maturity dates for active operations with the repayment dates for obligations.

The assessment of liquidity considers:

- The quantity of available assets and their potential maturity periods without significant losses for the Company;
- Existing obligations, their maturity periods, and the dynamics of changes in the quantity of obligations over time.

A position is considered risky if the available liquid assets and forecasted financial resource inflows are insufficient to meet obligations within a specific period.

The analysis of liquidity is based on evaluating the mismatch in maturity dates for asset requirements and Company obligations, involving the calculation of indicators and liquidity surplus (deficit) coefficients.

Liquidity risk management involves the following procedures:

- Forecasting cash flow by major currency types and determining the necessary volume of liquid assets;
- Monitoring liquidity coefficients and their forecasts;
- Maintaining diversified resource sources;
- Planning actions to restore the required level of liquidity in adverse and crisis conditions;
- Redistributing assets by maturity.

Currency risk

The Company was not exposed to currency risk during the 2022 period, which involves the risk of losses due to unfavorable changes in foreign currency against the national currency. As of December 31, 2022, the financial statement of the Company reflects cash in the amount of 26,039.50 US dollars and a cash equivalent of 292,305 thousand sums, calculated using the exchange rate of the Central Bank of the Republic of Uzbekistan as of December 31, 2022.

The amount of currency insurance reserves expressed in foreign currency is zero. Thus, changes in currency exchange rates cannot significantly impact the Company's financial statements, and the currency risk is minimal.

35. Contingent Liabilities

Tax Legislation

Due to the existence of ambiguous interpretations in the tax legislation of the Republic of Uzbekistan, the Company's assessment of business activity facts may differ from the tax authorities' interpretation. Consequently, if any transaction is contested by tax authorities, the Company may face additional tax assessments, fines, and penalties.

The current tax legislation generally considers the tax consequences of operations based on their legal form and accounting treatment according to national accounting and reporting rules. Therefore, the Company may structure its operations to utilize opportunities provided by tax legislation to reduce the overall effective tax rate. Management believes that restructuring taxable income and expenses to reduce the taxable base will not lead to additional tax obligations. Consequently, the Company's management has not formed a reserve for potential tax liabilities related to these operations.

Legal Proceedings: Periodically, lawsuits are filed against the Company in the course of its ongoing operations. Based on the internal assessment and recommendations of internal and external professional consultants, the Company's management believes that these legal proceedings will not result in significant losses for the Company. According to the management, there are currently no ongoing legal proceedings or filed claims that could have a materially negative impact on the Company's results of operations or financial position.

Economic Situation: Markets in developing countries, including the Republic of Uzbekistan, are subject to economic, social, judicial, and legislative risks different from those of more developed countries. Economic difficulties or an increase in the perceived risks of investing in these countries can adversely affect the economy and investment climate of the Republic of Uzbekistan.

Laws and Regulations: The laws and regulations governing business operations in the Republic of Uzbekistan are subject to change. There is a possibility of varying interpretations of tax, currency, and customs legislation, as well as other legal and fiscal issues faced by entities operating in the Republic of Uzbekistan. The future development direction of the Republic of Uzbekistan largely depends on economic, tax, and monetary policies implemented by the state, laws, and regulations.

36. Fair value of financial instruments

Fair Value represents the amount of compensation in a transaction involving an asset or liability between well-informed, independent parties acting on a voluntary basis. The best evidence of fair value is the market price of the financial instrument.

The Company calculated the estimated fair value of financial instruments based on available market information (if any) and appropriate valuation methods. However, professional judgment is necessary to interpret market information for fair value determination. As the economy of the Republic of Uzbekistan continues to exhibit some characteristics typical of developing countries, and economic conditions continue to limit the volume of activity in financial markets, market quotes may be outdated or reflect fire-sale prices, thus not reflecting the fair value of financial instruments. In determining the fair value of financial instruments, the management uses all available market information.

Financial Instruments Measured at Fair Value: Changes in the fair value of financial assets and liabilities recognized in profit or loss are reported in the statement of financial position at fair value. Fair value is determined based on quoted market prices. For some financial assets without external independent market

quotes, the fair value was determined by the Company using other valuation methods. Cash and cash equivalents are reported at amortized cost, which is approximately equal to their current fair value.

Financial Assets Held to Maturity: The fair value of financial assets held to maturity is calculated based on quoted market prices. The fair value of other financial assets, including trade and other receivables, is equal to their carrying amount, considering the short-term nature of the receivables.

Liabilities Measured at Amortized Cost: The fair value of these liabilities is based on market prices, if available. The estimated fair value of fixed-rate instruments with fixed maturities and no quoted market prices is based on discounted cash flows using interest rates for new instruments with similar credit risk and maturity. The fair value of liabilities payable on demand or with notice (liabilities payable on demand) is calculated as the amount payable on demand, discounted from the first date a demand for payment could be made.

37. Related party transactions

For the purpose of preparing this financial statement, parties are considered related if one of them has the ability to control the other or exercise significant influence over the financial and operational decisions of the other party, as outlined in IFRS 24 "Related Party Disclosures." When considering all possible relationships with related parties, the substance of such relationships is taken into account, not just their legal form. Related parties may engage in transactions that unrelated parties could not, and these transactions between related parties are not subject to the influence of terms and amounts as transactions with unrelated parties. The related parties of the Company include its shareholders and members of the Executive Body..

Transactions with founders

	<i>In thousands soums</i>	
	2022	2021
Dividends paid		
"УЗСАНОАТКУРИЛИШБАНКИ" JSCB main office	(204 250)	(105 000)
replenishment of the authorized capital		
"УЗСАНОАТКУРИЛИШБАНКИ" JSCB main office	6 901 750	3 600 000

38. Events after the reporting date

The management of the Company believes that the introduction of quarantine measures due to the COVID-19 pandemic in March 2020, as well as the extension of these measures throughout 2022, is not considered a adjusting event for the results of the 2022 operations and does not require disclosure in the financial statements for 2022 as events occurring after the reporting date.

In the opinion of the Management, the extension of quarantine measures, the increase in the inflation rate, the decrease in GDP, as well as global political and economic changes did not have a significant impact on the financial statements for 2022..