

**INDEPENDENT AUDITOR'S REPORT
COMPLIED WITH INTERNATIONAL STANDARDS ON AUDITING (ISAs) ON
FINANCIAL STATEMENTS OF**

**INSURANCE JOINT STOCK COMPANY
IJSC MOSAIC INSURANCE GROUP**

**FOR THE YEAR ENDED ON 31 DECEMBER 2022
COMPLIED WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Audit report received by:

O.N. Khalilov 07.03.2023
full name date signature

place of seal



LLC AUDIT-INCOME
License of the Ministry of Finance of RUz
№00743 series AΦ dd. March 29, 2019
№ 12 recorded in the register of the Ministry of
Finance
Ac/n: №2020800002482421001
Bank name: Uzpromstroybank Central
Financial Regulatory Authority MFO 00442
TIN 202344775 OKONKh (All-Union Classifier
of Economy Branches) 84400
Tel/ Fax: 71 256-25-18

License of the Ministry of Finance of RUz
№00743 series AΦ dd. March 29, 2019
№ 12 recorded in the register of the Ministry of
Finance
Ac/n: №2020800002482421001
Bank name: Uzpromstroybank Central
Financial Regulatory Authority MFO 00442
TIN 202344775 OKONKh (All-Union Classifier
of Economy Branches) 84400
Tel/ fax 71 256-25-18
E-mail: inkam_co@mail.ru



Tashkent city-2023

CONTENT

| | |
|--|----|
| INDEPENDENT AUDITOR'S REPORT | 3 |
| MANAGEMENT STATEMENT OF LIABILITY | 4 |
| FINANCIAL STATEMENTS | 6 |
| FOR THE YEAR ENDED 31 DECEMBER 2022 | 6 |
| STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME | 7 |
| STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022..... | 8 |
| STATEMENT OF CHANGES IN CAPITAL FOR THE YEAR ENDED 31 DECEMBER 2021 | 9 |
| STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2022 | 10 |
| 1. COMPANY ACTIVITY | 12 |
| 2. CONSTITUTING DOCUMENTS AUDIT | 14 |
| 3. ADMINISTRATIVE ACTIVITIES | 14 |
| 4. BASIS FOR REPORTING | 14 |
| 5. ADJUSTMENTS AND RECLASSIFICATIONS | 16 |
| 6. SIGNIFICANT ACCOUNTING POLICIES | 18 |
| 7. CASH AND CASH EQUIVALENTS..... | 28 |
| 8. FUNDS IN CREDIT INSTITUTIONS. SHORT-TERM INVESTMENTS..... | 28 |
| 9. INVESTMENT SECURITIES AVAILABLE FOR SALE..... | 28 |
| 10. INVESTMENTS IN ASSOCIATED COMPANIES | 28 |
| 11. INSURANCE AND REINSURANCE ACCOUNTS RECEIVABLE..... | 29 |
| 12. PREPAYMENTS | 29 |
| 13. SHARE OF REDINSURERS IN RESERVES | 30 |
| 14. INVENTORIES | 30 |
| 15. FIXED ASSETS | 31 |
| 16. INTANGIBLE ASSETS | 32 |
| 17. INSURANCE AND REINSURANCE OBLIGATIONS | 32 |
| 18. INSURANCE RESERVES..... | 32 |
| 19. OTHER LIABILITIES | 37 |
| 20. CAPITAL | 37 |
| 21. RETAINED EARNINGS | 38 |
| 22. RESULT FROM INSURANCE ACTIVITY | 39 |
| 23. CLAIMS PAID..... | 39 |
| 24. OTHER INCOME FROM MAIN ACTIVITIES | 39 |
| 25. INCOME FROM FINANCIAL ACTIVITIES..... | 39 |
| 26. EXPENSES..... | 40 |
| 27. COST OF INSURANCE SERVICES..... | 40 |
| 28. FINANCE EXPENSES AND OTHER INCOME | 41 |
| 29. INCOME TAX | 41 |
| 30. CONTRACTUAL AND CONTINGENT LIABILITIES | 42 |
| 31. CONTRACTUAL AND CONTINGENT LIABILITIES NOT INCLUDED IN THE FINANCIAL STATEMENTS..... | 44 |
| 32. RISK MANAGEMENT..... | 44 |
| 33. QUALITY OF LIABILITIES BY FINANCIAL ASSETS CLASS..... | 46 |
| 34. IMPAIRMENT ASSESSMENT | 47 |
| 35. MATURITY ANALYSIS OF ASSETS AND LIABILITIES | 49 |
| 36. FAIR VALUE MEASUREMENT..... | 50 |
| 37. DISCLOSURE OF INFORMATION ON RELATED PARTIES | 50 |
| 38. CAPITAL ADEQUACY | 51 |
| 39. EFFECT OF INFLATION..... | 52 |
| 40. LEGAL ACTIONS AND CLAIMS..... | 53 |
| 41. EVENTS AFTER THE REPORTING DATE..... | 53 |

INDEPENDENT AUDITOR'S REPORT

To the shareholders and management of Insurance Joint Stock Company MOSAIC INSURANCE GROUP

REPORT

We have audited the accompanying financial statements of IJSC MOSAIC INSURANCE GROUP (the "Company"), including the financial statement as at 31 December 2022, the statement of profit or loss and other comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements with a summary of significant accounting policies.

In our opinion, the financial statements of IJSC MOSAIC INSURANCE GROUP attached to this Report present fairly, in all material respects, the financial situation of the Company as at December 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Report

We have conducted an audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards shall be further described in the "Auditor's Responsibility for Financial Statements Audit" section of our audit report. We are taking an independent line on the Company, in accordance with the ethical requirements applicable to the audit of financial statements in the Republic of Uzbekistan, and we feel that we have fulfilled our other ethical obligations in accordance with these requirements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for report.

Management's Responsibility for Financial Statements

The Company's Management shall be responsible for preparation and accurate presentation of the financial statements in accordance with IFRS, as well as for the internal control system to prepare financial statements free from material misstatement due to fraudulent activities or errors.

In preparing the financial statements, the Company's management shall be responsible for assessing the Company's ability to ensure ongoing operations, disclosing, as applicable, issues related to operations and using the going concern basis of accounting unless the management intends to liquidate the Company, to cease operations or has no realistic alternative but to liquidate or cease operations.

Auditor's responsibility for financial statements audit

Our objectives are to obtain reasonable assurance on whether the financial statements free from material misstatement, due to fraud or error, and to issue an auditor's report with our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit conducted in accordance with International Auditing Standards shall always detect a material misstatement in case of existence. Misstatements can result from fraud or error and considered material if, individually or in the aggregate, be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit, we apply professional judgement and maintain professional scepticism throughout the audit.


In addition,

– we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; develop and perform audit procedures responsive to those risks; and obtain audit evidence being sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than the risk of not detecting a material misstatement resulting from error as fraud may include collusion, forgery, intentional omissions, misrepresentations, or actions to circumvent internal control;

Audit of financial statements compiled with IAS for 2022, 2021, 2020 yrs.

- we obtain an understanding of internal control relevant to the audit to develop audit procedures being appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's management;
- we make conclusion on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to perform ongoing operations. If we conclude that a material uncertainty exists, it shall be required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date, but future events or conditions may cause the Company to lose its ability to continue operations;
- we evaluate the overall presentation of the financial statements, their structure and content, including the disclosures, and whether the financial statements represent the underlying transactions and events in a fair manner.
- we communicate with those charged with corporate governance, making aware of, among other things, the planned scope and timing of the audit and significant audit observations, including significant deficiencies in internal control identified during our audit.

The Director responsible for the audit resulted in the issuance of this independent auditor's report.


General Director **T.A. Chursina**
Auditor Qualification Certificate No. 005350 dated 07 November 2015.
Date: 7 May 2023. Tashkent city, Republic of Uzbekistan.

Information on the audited entity.

IJSC Mosaic Insurance Group

Certificate No. 944334 dated Feb.2,2021 of the Inspectorate of Registration of Entrepreneurial Entities of Tashkent city. Licence for insurance activity SF №00031 dated July 22,2021, issued by the Ministry of Finance of the Republic of Uzbekistan, TIN 308 143 734, CCAE (OKED) 65120. Location address: Republic of Uzbekistan, Tashkent, Elbek str., bldg. 14 Business Centre Aviapark

Information on the auditing company:

LLC Audit income

The company registered with the Unified Register of Entrepreneurs on 24 July 1997 under No. 399.

The Company has recording in the register of audit organisations under number 12, placed on the official website of the Ministry of Finance of the Republic of Uzbekistan. TIN 202344775, OKDP 69202. Location: Republic of Uzbekistan, Tashkent city, Shakhrisabzskaya str., bldg. 36.

MANAGEMENT STATEMENT OF LIABILITY

The Company's Management is responsible for preparing the financial statements of Insurance company MOSAIC INSURANCE GROUP S.A. to present fairly, in all material respects, the financial statements of MOSAIC INSURANCE GROUP S.A. (the "Company") as at December 31, 2022 and the results of its operations, cash flows and changes in authorized capital for the year then ended.

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

- adopting and consistently applying appropriate accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosed information in case when compliance with the specific requirements of the standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial situation and financial performance;

- assessing the Company's ability to continue performing ongoing operations.

The Company's Management is also responsible for:

- developing, implementing and maintaining an effective and sound system of internal control within the Company;
- keeping records to disclose and explain the Company's transactions and provide, as of any date, information being reasonably accurate about the Company's financial situation and ensure that the financial statements comply with accounting standards;
- keeping accounting records in accordance with the legislation and accounting standards of the Republic of Uzbekistan;
- taking all reasonably possible measures to ensure the safety of the Company's assets;
- detecting and preventing financial and other irregularities.

We, relying on our knowledge and belief, confirm the following:

- no illegal transactions involving management or employees with significant accounting and internal control roles that could have a material effect on the Company's Financial Statements
- not entered into any surety agreements and the Company has no surety obligations.
- being provided with all accounting records and supporting documents as well as all minutes of meetings of the founders.
- the completeness of the information provided in respect of related party transactions.
- the financial statements being free from material misstatements, including assumptions.
- the Company committed to fulfil its obligations under contracts that could materially affect the financial statements if not fulfilled.
- no plans or intentions that would materially change the value or class of assets and liabilities recognised in the financial statements.
- all acquisitions and write-downs of the authorized capital and the tangible assets properly recorded.
- no formal or informal arrangements affecting the cash accounts.
- no further events after the end of 2022 that require amendment or disclosure in the financial statements.

On behalf of management



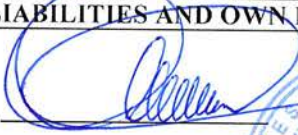
Director General:
Tashkent, Uzbekistan

Chief Accountant
Tashkent, Uzbekistan

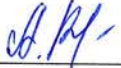
**IJSC MOSAIC INSURANCE GROUP
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(in thousand UZS)**

| | Note | Dec.31,2022 | Dec.31,2021 | Dec.31, 2020 |
|--|------|-------------------|-------------------|--------------|
| ASSETS | | | | |
| Cash and cash equivalents | 5 | 9 479 838 | 2 104 312 | |
| Short-term investments | 6 | 36 784 218 | 36 848 044 | |
| Investment securities | 7 | | | |
| Investments in associates | 8 | | | |
| Assets held for sale | 9 | | | |
| Interest payable on bank deposits and other indebtedness | 10 | 56 324 | 84 903 | |
| Indebtedness of insurers | 11 | 601 612 | 357 189 | |
| Indebtedness to suppliers | 12 | 82 157 | 183 158 | |
| Other current assets | 13 | 2 405 | 10 067 | |
| Tax advances | 14 | 16 678 | 6003 | |
| Reinsurers' share in unearned premium reserve | 15 | 5 188 349 | 198 881 | |
| Reinsurers' share in loss reserve | 16 | 601 360 | | |
| Inventories | 19 | 5 425 | 3 036 | |
| Fixed assets | 17 | 60 713 | 30 738 | |
| Long-term investments | | | | |
| Intangible assets | 18 | 113 000 | | |
| TOTAL ASSETS | | 52 992 079 | 39 826 331 | |
| LIABILITY | | | | |
| Insurance liabilities | 21 | 205 571 | 198 | |
| Unearned premium reserve | 22 | 10 114 039 | 1 441 910 | |
| Loss reserve | 23 | 1 662 173 | | |
| Preventive measures reserve | 24 | 139 090 | | |
| Payables to insurance suppliers | 25 | 915 400 | 329 438 | |
| Liabilities for labour remuneration | 26 | 240 636 | 170 588 | |
| Deferred income tax | 27 | | | |
| Taxes and social payments payable to the budget | 28 | 266 242 | 20 470 | |
| Liabilities on long-term bank loans | | | | |
| Other liabilities | | 19 798 | | |
| TOTAL LIABILITIES | | 13 562 948 | 1 962 605 | |
| OWNED CAPITAL | | | | |
| Authorized capital | 29 | 39 566 531 | 39 566 531 | |
| Added capital | 31 | 72 329 | 72 329 | |
| Retained earnings | 32 | -209 730 | -1 775 133 | |
| TOTAL OWN FUNDS | | 39 429 130 | 37 863 726 | |
| TOTAL LIABILITIES AND OWN FUNDS | | 52 992 079 | 39 826 331 | |

On behalf of management:


O.N. Khalilov
 Director General
 May 7, 2023
 Tashkent, Uzbekistan




A.F. Babikova
 Chief Accountant
 May 7, 2023
 Tashkent, Uzbekistan


IJSC MOSAIC INSURANCE GROUP
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(in thousand UZS)

| | Note | Dec. 31, 2022 | Dec. 31, 2021 |
|--|-----------|-------------------|--------------------|
| Insurance premiums, Gross | 19 | 16 694 633 | 1 469 487 |
| Insurance premiums under contracts transferred to reinsurance | 19 | (8,456,089) | (273,281) |
| Insurance premiums under contracts accepted for reinsurance | | 2 549 145 | 386 285 |
| Insurance premiums Net | | 10 787 689 | 1 582 490 |
| Changes in unearned premium reserve | 17/19 | (3,891,137) | (1,208,122) |
| Change in reinsurer's share in reserve of unearned premiums | 17/19 | 0 | 173 569 |
| Changes in other mandatory insurance reserves | 17/19 | (991 427) | (157,419) |
| Premiums Earned Net | | 5 905 125 | 390 519 |
| Insurance payments settled | 20 | (1,982,098) | (293,288) |
| Reimbursement of payments for risks transferred to reinsurance | 20 | 236 019 | |
| Changes in reserve for incurred but not reported losses | 17/20 | 0 | (51,057) |
| Change in reinsurer's share in loss reserve | 17/20 | | 0 |
| Occurred insured losses Net | | | 0 |
| Insurance commission income | 21 | 36,277 | 23 032 |
| Income from recourse claims | | - | |
| Cost of insurance services | 12/21/22 | (815 032) | (176 117) |
| Result of insurance activities | | 3 380 291 | (106,911) |
| Other income | 21 | | |
| Operating expenses | 22 | (5,140,600) | (2,811,110) |
| Interest income | 22 | 1 824 304 | 586 091 |
| Dividend income | 22 | | |
| Income from foreign exchange differences | | 4 016 930 | 1,094,720 |
| Expenses from foreign exchange differences | 22 | (2,601,083) | (346,865) |
| Profit before tax | 23 | 1 479 842 | (1,775,133) |
| Income tax | | (221,977) | |
| Net profit for the year | | 1,257,865 | (1,775,133) |


O.N. Khalilov
Director General
 May 7, 2023
 Tashkent, Uzbekistan



On behalf of management:


A.F. Babikova
Chief Accountant
 May 7, 2023
 Tashkent, Uzbekistan

IJSC «MOSAIC INSURANCE GROUP»
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022
 (in thousand UZS)

| | Authorized capital | Added capital | Reserve capital | Stabilization reserve | Retained earnings | Total |
|---|--------------------|---------------|-----------------|-----------------------|-------------------|------------|
| Balance as of Jan.1, 2022 | 39 566 531 | 72 329 | | | (1,775,133) | 37 863 726 |
| 2021 adjustment | | | | | 307 538 | 307 538 |
| Total cumulative loss / for the year 2022 | | | | | 1,257,865 | 1,257,865 |
| Stabilization reserve | | | | | | |
| Transactions with founders | | | | | | |
| Increased authorized capital due to 2020 profits | | | | | | 0 |
| Increased authorized capital due to investments of the founders | | | | | | |
| Dividends accrued from profits | | | | | | |
| Balance as of Dec. 31, 2022 | 39 566 531 | 72 329 | | | (209,730) | 39 429 130 |

O.N. Khallov
 Director General
 May 7, 2023
 Tashkent, Uzbekistan




От имени руководства:

A.F. Babikova
 Chief Accountant
 May 7, 2023
 Tashkent, Uzbekistan


IJSC MOSAIC INSURANCE GROUP
STATEMENT OF CHANGES IN CAPITAL FOR THE YEAR ENDED 31 DECEMBER 2021
 (in thousand UZS)

| | Authorized capital | Added capital | Reserve capital | Stabilization reserve | Retained earnings | Total |
|---|--------------------|---------------|-----------------|-----------------------|--------------------|-------------------|
| Balance as of Feb. 2, 2021 | 17 113 520 | 72 329 | 0 | 0 | | 17 185 849 |
| Total cumulative loss / for the year 2021 | | | | | (1,775,133) | (1,775,133) |
| Stabilization reserve | | | | | | (1,775,133) |
| Transactions with founders | | | | | | |
| Increased authorized capital due to 2020 profits. | | | | | | 0 |
| Increased authorized capital due to investments of the founders | | | | | 22 453 011 | 22 453 011 |
| Dividends accrued from 2020 profits | | | | | | |
| Balance as of Dec. 31, 2021 | 39 566 531 | 72 329 | | | (1,775,133) | 37 863 726 |

On behalf of management :


O.N. Khalilov
 Director General
 May 7, 2023
 Tashkent, Uzbekistan




A.F. Babikova
 Chief Accountant
 May 7, 2023
 Tashkent, Uzbekistan

IJSC MOSAIC INSURANCE GROUP
STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2022
(in thousand UZS)

| Indicators | Code page | Credit | Debit |
|--|------------|-------------------|------------------|
| Operating activities | | | |
| Cash receipts from insurance operations, total (line 020 + 030 + 040 + 050 + 060), including: | 010 | 13 250 484 | X |
| Cash receipts in the form of insurance premiums under insurance and co-insurance contracts | 020 | 11 018 716 | |
| Cash receipts in the form of insurance premiums under reinsurance contracts | 030 | 2 195 491 | |
| Cash receipts from the provision of services of an insurance intermediary, adjuster, surveyor | 040 | 36,277 | |
| Cash receipts in the form of commissions, bonuses and reinsurance fees | 050 | | |
| Cash receipts from compensation of shares of losses for risks transferred to reinsurance and retrocession | 060 | | |
| Cash payments for insurance operations, total (line 080 + 090 + 100 + 110 + 120 + 130), including: | 070 | 0 | 5 591 657 |
| Cash paid in the form of insurance premiums under reinsurance and retrocession agreements | 080 | | 2 968 849 |
| Cash paid in the form of insurance compensation under insurance and co-insurance contracts | 090 | | 1 873 707 |
| Cash paid in the form of compensation for a share of losses on risks received under reinsurance and retrocession | 100 | | |
| Cash paid to insurance intermediaries in the form of fees for concluding insurance, co-insurance and reinsurance contracts | 110 | | 320 685 |
| Cash paid for services provided by actuaries, adjusters, surveyors, assistance | 120 | | 428 416 |
| Cash paid to finance preventive measures | 130 | | |
| Cash paid to and on behalf of employees | 140 | | 2 635 850 |
| Other cash receipts and payments from operating activities | 150 | | 1,001,515 |
| Total: net cash inflow/outflow from operating activities (line 010 - 070 - 140 + /-150) | 160 | 4 021 461 | |
| Investment activities | | | |
| Acquisition and sale of fixed assets | 170 | | 49,564 |
| Acquisition and sale of intangible assets | 180 | | |
| Purchase and sale of long-term and short-term investments | 190 | | |
| Other cash receipts and payments from investing activities | 200 | | |
| Total: net cash inflow/outflow from investment activities (line 170 + /-180 + /-190 + /-200) | 210 | | 49,564 |
| Financial activities | | | |
| Interest received and paid | 220 | | |
| Dividends received and paid | 230 | | |
| Cash proceeds from the issue of shares or other equity instruments | 240 | | |
| Cash payments and receipts upon repurchase and sale of own shares | 250 | | |
| Cash receipts and payments on long-term and short-term loans and borrowings | 260 | | |
| Cash receipts and payments under long-term lease (leasing) | 270 | | |
| Other cash receipts and payments from financing activities | 280 | 270 846 | 1,000,000 |
| Total: net cash inflow/outflow from financial activities (line 220 + /-230 + 240 + /-250 + /-260 + /-270 + /-280) | 290 | | 729 153 |
| Taxation | | | |
| Paid income tax | 300 | | |
| Other taxes paid | 310 | | 687 687 |

Audit of financial statements compiled with IAS for 2022, 2021, 2020 yrs.

| | | | |
|--|------------|------------------|----------------|
| Total: taxes paid (line 300 + 310) | 320 | 0 | 687 687 |
| Total: net cash inflow/outflow from financial and economic activities (line 160 + /-210 + /- 290 - 320) | 330 | 2 555 057 | |
| Balance of exchange rate differences resulting from the revaluation of funds in foreign currency | 331 | | |
| Cash at the beginning of the year | 340 | 60,036.2 | |
| Cash at the end of the year | 350 | 2 615 093 | |


Certificate of cash flow in foreign currency

| Indicators | Code page | Amount |
|--|------------|----------------------|
| Balance at the beginning of the year | 360 | 2,044,435.90 |
| Received foreign currency funds, total (line 371 + 372 + 373 + 374), including | 370 | 14,304,526.15 |
| Revenues from sales | 371 | 5,827,021.12 |
| Converted | 372 | |
| By financial activity | 373 | 8,477,505.03 |
| Other sources | 374 | |
| Total currency spent (line 381 + 382 + 383), including | 380 | 9,600,653.18 |
| Payments to suppliers and contractors | 381 | 4,714,394.90 |
| Payments for financial activities | 382 | 4,490,120.00 |
| For other purposes | 383 | 396,138.28 |
| Balance of exchange rate differences resulting from the revaluation of funds in foreign currency | 390 | 129,523.56 |
| Balance at the end of the year (line 360 + 370-380 + /-390) | 400 | 6,877,832.43 |


O.N. Khalilov
Director General
 May 7, 2023
 Tashkent, Uzbekistan



On behalf of management:


A.F. Babikova
Chief Accountant
 May 7, 2023
 Tashkent, Uzbekistan

1. COMPANY ACTIVITY

The insurance company IJSC MOSAIC INSURANCE GROUP (formerly FE IJSC "AZIMUTH INSURANCE COMPANY") in the form of JSC, hereinafter referred to as the Company, established in Tashkent, the Republic of Uzbekistan and registered on February 2, 2021 under No. 944 334 with the Single Window Public Service Center for registration of entities at the legal address: Tashkent, Elbek str., bldg.14, Business center "Aviapark" with the authorized capital of 15,000,000 thousand UZS.

According to the Charter, the shares of the founders as of the registration date distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|--|--------------|------------------------|
| ICA Group Limited British Virgin Islands | 100% | 15 000 000 |
| TOTAL | 100,0 | 15 000 000 |

The organizational form of ownership is "Limited Liability Company" as of the date of registration. During the audit period, the Company has the status of "Joint Stock Company" with one shareholder. The changes made in accordance with changes in the legislation of Uzbekistan for insurance companies.

Due to the increased authorized capital in June 2021 changes made to the Company's Charter. The new edition of the Charter registered with the Single Window Public Service Center for registration of entities.

| Founders | Share (%) | Amount in thousand UZS |
|--|--------------|------------------------|
| ICA Group Limited British Virgin Islands | 100% | 17 113 520 |
| BCEFO TOTAL | 100,0 | 17 113 520 |

Due to the increased authorized capital on October 4, 2021. changes made to the Charter. The new edition of the charter registered with the Single Window Public Service Center for registration of entities under No. 4460582 dated Oct.4, 2021.

According to the new edition of the Charter, the shares as of the registration date distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|--|--------------|------------------------|
| ICA Group Limited British Virgin Islands | 100% | 39 566 531 |
| BCEFO TOTAL | 100,0 | 39 566 531 |

Due to the name change on December 27, 2022 the new edition of the Charter registered with Single Window Public Service Center for registration of entities.

According to the new edition of the Charter:

Company name: IJSC MOSAIC INSURANCE GROUP

The shares as of the registration date distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|-------------------------------|--------------|------------------------|
| UZBEK OPPORTUNITIES FUND, LTD | 100% | 39 566 531 |
| TOTAL | 100,0 | 39 566 531 |

During the audit period, the Company operates on the basis of legislative acts of the Republic of Uzbekistan and in accordance with the Charter, approved by the minutes of the General Meeting of Founders and registered with the Single Window Public Service Center for registration of entities under No. 944344 dated December 27, 2022.

As of December 31, 2022, the Company has 5 affiliated entities, 1 legal entity and 4 affiliated individuals.

To ensure insurance activities, the Company drawn up the following License Agreements:

Serial license number: SF No. 0014 for insurance activities of insurers and insurance brokers. The license issued on March 18, 2021 by MF of RUz. The license period not limited. Serial number according to the register No. 00014.

According to the issued licence, the Company being allowed to provide voluntary and compulsory insurance in the general insurance industry such as:

1. Accident insurance;
2. Health insurance;

3. Land vehicle insurance;
4. Insurance of railway rolling stock;
5. Aviation insurance;
6. Marine insurance;
7. Insurance of property in transit;
8. Property insurance against fire and natural disasters;
9. Property damage insurance;
10. Vehicle/liability insurance;
11. Liability insurance within the framework of aviation insurance;
12. Liability insurance under marine insurance;
13. General civil liability insurance;
14. Credit insurance;
15. Surety insurance (guarantees);
16. Insurance against other financial risks;
17. Insurance of expenses related to legal defense.

Types of activities provided for by the regulations and charter of the Company:

- Insurance (17 types);
- Insurance activities in accordance with the obtained license.
- Determination of conditions, insurance procedures, as well as establishment of tariffs for insurance products,
- Determination of the amount of insurance coverage and payment of insurance coverage and the insured amount.
- Investment activities in the manner prescribed by law.
- Improving the instruments of social protection of the general population of the Republic of Uzbekistan through the development of appropriate insurance products.
- Other activities within the framework of current legislation.

The company has separate property with the rights of full economic ownership, can acquire property rights in its own name, have obligations, be a plaintiff and defendant in the courts, and operates on the principle of self-sufficiency and self-financing.

The Company accepts funds from legal entities (Customers), makes payments on the territory of the Republic of Uzbekistan and abroad, provides other services to legal entities, and also carries out investment activities on the territory of the Republic of Uzbekistan. As of December 31, 2022, the Company operates from the Head Office in Tashkent on the territory of the Republic of Uzbekistan on the basis of a lease agreement. Legal address of the Company: Tashkent, Yashnabad district, st. Elbek, bldg.14 Business center "Aviapark".

Branches and subsidiaries

For the period of 2022, the Insurance Company carried out insurance activities from its main office at its legal address. Branches and subsidiaries not established during the period of 2022.

The financial statements of the Joint-Stock Company prepared in accordance with the state registration certificate No. 944334 dated December 27, 2022. Certificate (license) No. 3900754 dated Feb.2,2021 issued by the department of the unified registration service in Tashkent with registration codes:

| | |
|------------------------|---|
| 1. KOPF | 153 (Joint Stock Company) |
| 2. Ownership form code | 144 (Property of a limited liability company) |
| 3. SOATO | 1726290 (Tashkent city, Yashnabad district) |
| 4. OKPO | 30459397 (Legal entity code) |
| 5. TIN | 308 143 734 (Identification number) |
| 7. CCEA | 65120 (insurance excluding life insurance) |

2. CONSTITUTING DOCUMENTS AUDIT

During the audit period, the Company carried out activities in accordance with the Charter, approved by Minutes No. 1 of the General Meeting of the Founders of the Company dated Feb.2, 2021 and registered with the Single Window Center for Public Services on Feb.2, 2021.

As of the date of inspection, the Authorized Capital registered in the amount of 39,566,531 thousand UZS, the latest changes to the Company's Charter made on the basis of the minutes of the general meeting of founders and registered by the Single Window Public Service Center in Tashkent, reg. No. 944334 dated Feb.2, 2021. In 2022, no changes or additions made to the company's Charter to change shares or the Authorized Capital. The authorized capital is formed entirely in cash.

According to the latest edition of the Charter, the shares distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|-------------------------------|--------------|------------------------|
| UZBEK OPPORTUNITIES FUND, LTD | 100% | 39 566 531 |
| TOTAL | 100,0 | 39 566 531 |

3. ADMINISTRATIVE ACTIVITIES

In 2022, the company managed by

| Full name | Work period | Order number | Position |
|--------------|-----------------------|--------------------|------------------|
| O.N.Khalilov | Feb.2,2021 to present | №1- dd. Feb.2,2021 | Director General |
| A.F.Babikova | Feb.2,2021 to present | №2-dd. Feb.2,2021 | Chief Accountant |

The company is liable for its obligations with all its property. Members of the Company are not liable for its obligations and bear the risk of losses associated with the activities of the Company, within the value of the contributions made by them. In accordance with the Law of the Republic of Uzbekistan "On Insurance Activities" IJSC "MOSAIC INSURANCE GROUP" is recognized as an insurer, being as the legal entity, commercial company having a general license to carry out insurance activities. The Insurance Company accepts, in accordance with the insurance contract, the obligation to pay the insurance compensation (insured amount) to the policyholder. The period of activity of the Company not limited.

4. BASIS FOR REPORTING

General

These financial statements compiled with International Financial Reporting Standards ("IFRS"). The Company is obliged to maintain accounting records and prepare financial statements in accordance with the legislation and regulations of the Republic of Uzbekistan on accounting and insurance activities (hereinafter referred to as "UzIAS"). These financial statements are based on NAS, subject to adjustments and reclassifications of items necessary to conform them to IFRS.

The financial statements prepared in accordance with the historical cost basis, except noted section in "Significant Accounting Policies".

The basis of the financial statements includes financial transactions of the Company's insurance activities for the period from January 1, 2022 to December 31, 2022.

Reporting currency. The currency of these financial statements is the Uzbek Soum, indicated by the symbol UZS. These financial statements are presented in thousands of Uzbek soums (hereinafter referred to as "thousand UZS")

The Company has foreign currency accounts: in USD and EUR. In the financial statements, balance sheet currency items are translated into "thousand UZS" at the rate established by the Central Bank on the date of the report.

Exchange rates. At the end of the year, the Company used the official foreign exchange rate of the Central Bank of the Republic of Uzbekistan to prepare financial statements:

The official exchange rate of 1 USD, set by the Central Bank of the Republic of Uzbekistan:

| As of Jan.1, 2022 | As of Dec.2022 |
|-------------------|----------------|
| 10837,66 | 11225,46 |
| UZS to 1 USD | UZS to 1 USD |

Audit of financial statements compiled with IAS for 2022, 2021, 2020 yrs.

| | |
|--------------------------|--------------------------|
| As of Jan.1, 2021 | As of Dec.2021 |
| 10476,92 UZS to 1 USD | 10837,66 UZS to 1 USD |
| As of Jan.1, 2020 | As of Dec.2020 |
| 9 507,56 UZS to 1 USD | 10476,92 UZS to 1 USD |

5. ADJUSTMENTS AND RECLASSIFICATIONS

Adjustments on the JSC's consolidated financial statements are summarized as follows:

| Indicators | No. | Dec.31, 2022 NAS | Dec.31, 2022 IFRS | Adjustments for 2022 |
|---------------------------------------|-----|---------------------|----------------------|-------------------------|
| ASSETS | | | | |
| Net value of fixed assets | | 60 713 | 60 713 | 0 |
| Intangible asset | | 113,000 | 113,000 | |
| Investments in securities | | | | |
| Total long-term assets: | | 173 713 | 173713 | |
| Current assets: | | | | |
| Inventory | 1 | 92,966 | 5425 | -87 541 |
| Deferred expenses (account 31) | | 2,638 | 2405 | -233 |
| Debt of policyholders | | 622 220 | 601 612 | -20 608 |
| Employees' debt | 4 | | 0 | |
| Expenses paid in advance to suppliers | 4 | 116 302 | 82 157 | -34 145 |
| Deferred tax | | | | |
| Advances on taxes | 3 | 16.678 | 16.678 | |
| Debt of reinsurance companies | | | 5 789 709 | 5 789 709 |
| Cash and cash equivalents | 2 | 9 492 926 | 9 479 838 | - 13,088 |
| Deposits | | 36 921 472 | 36 784 217 | -137 255 |
| Other current assets | | 62,561 | 56 324 | -6236 |
| Total current assets: | | 47 154 049 | 52 818 366 | 5 664 317 |
| TOTAL ASSETS | | 47 327 762 | 52 992 079 | 5 664 317 |
| CAPITAL | | | | |
| Declared capital | | 39 566 531 | 39 566 531 | 0 |
| Additional paid-in capital | | 72 329 | 72 329 | |
| retained earnings | 8 | -1 354 296 | - 209 730 | 1,144,566 |
| Other reserves | | | 0 | |
| Total equity | | 38 284 564 | 39 429 130 | 1,144,566 |
| OBLIGATIONS | | | | |
| Long term duties: | | | | |
| Deferred tax liabilities | | | | |
| Long-term estimated liabilities | | | | |
| Total long-term liabilities | | 0 | 0 | |
| Current responsibility: | | | | |
| Debt to suppliers | | 29,798 | 19,798 | -10 000 |
| Insurance reserves | | 14 624 212 | 11 915 302 | -2 708 910 |
| Reinsurer's share | | -6 598 955 | | -6 598 955 |
| Deferred income | | | | |
| Advances received from the Customer | 5 | 915 400 | 915 400 | |
| Income tax | | | | |
| Debt in payments to the budget | 3 | 40,886 | 266 242 | 225 356 |
| Social tax debt | 7 | | | |
| Debt to founders | | | | |
| Short-term wage obligations | 6 | | | |
| Vacation reserve | | 0 | 240 636 | 240 636 |
| Long-term debt | | | | |
| Other current liabilities | | | | |
| Total current liabilities: | | 9 043 198 | 13 562 948 | 4 519 750 |
| TOTAL LIABILITIES AND CAPITAL | | 47 327 762 | 52 992 079 | 5 664 317 |

Adjustments to the Company's consolidated financial statements and statements of income summarized as follows.

“Adjustments to the financial statements “Balance as of Dec.31, 2022.”

1. Adjustment to tangible assets carrying amount. Data on material assets located in the Company's office submitted for audit. Of these, low-value items of 40,973 thousand UZS and furniture worth of 46,568 thousand UZS not written off using the 100% depreciation method, already adopted by the Company for the

same group of small and medium-sized goods. The cost of low-value property with a total value of 87,541 thousand UZS written off to an off-balance sheet account.

2. Adjustment to the carrying amount of cash in national currency. Data on cash flows in national currency presented for audit. In December 2022, the exchange rate changed -0.4% for the period November - December, a reserve for depreciation in the amount of 13,088 thousand UZS added to the cash balance from the amount of the cash balance of 2,647,475 thousand UZS.
3. Adjustment to the book value of settlements with the budget (reclassification). Data on the placement of funds in deposits of national credit companies presented for audit. The Company's management practices placing insurance reserves in deposits in foreign currency, which is justified in the conditions of constant growth of foreign currency and asks the Company for income in the form of a positive exchange rate difference. Deposits are placed on average at 4% -4.2% per annum, with the exception of the deposit in JSCB "TBC BANK" (2%), which affects lost profits in the form of interest on deposits in the amount of 137,255 thousand UZS.
4. Adjustment of the carrying amount of accounts receivable from suppliers. Accounts receivable data by age of formation submitted for audit, and a supplier reserve accrued for a total amount of 24,145 thousand UZS. The amount of 10,000 thousand UZS written off by offsetting advances on suppliers' obligations.
5. Adjustment to the carrying amount of settlements with customers. Data from settlements with policyholders have been submitted for verification. The amount of 20,608 thousand UZS is included in the reserve for overdue receivables.
6. Adjustment to the carrying amount of liabilities for settlements with employees for wages. A reserve for unpaid vacations for 2022 accrued in the amount of 240,636 thousand UZS. The calculation made according to the wage fund data for 2022. Liabilities for wages increased in the balance sheet by the amount of 240,636 thousand UZS. The reserve for 2021 reduced by 170,588 thousand UZS.
7. Adjustment to the carrying amount of obligations for settlements with the budget for mandatory payments of social tax. Social tax accrued from the amount of the reserve for unpaid vacations in the amount of 28,876 thousand UZS. Liabilities for settlements with the budget were increased in the balance sheet in the amount of 28,876 thousand UZS. The reserve for 2021 reduced by 20,471 thousand UZS.
8. Regarding change in reserves, income increased due to a decrease in reserves by 1,893,428 UZS.
9. Profit tax charged on the amount of increase in profit before payment of income tax in the amount of 196,885 thousand UZS. Income tax liabilities increased by 196,885 thousand UZS.
10. Calculation of retained earnings balance as of Dec.31, 2022 in thousand UZS.

| | |
|---|-------------------|
| Balance as of Feb.2, 2022 according to NAS balance sheet | -1 354 296 |
| Amount of inventory items | -87 541 |
| Depreciation of funds in national currency | -13 088 |
| Deposits | -137 255 |
| Accounts receivable amount | -20 608 |
| Amount of period expenses - vacation reserve | -240 636 |
| Social tax on vacation pay reserve | -28 471 |
| Change in reserves | 1 893 428 |
| Increase in income tax | -196 885 |
| Period expenses for writing off expenses on cash accounts | -233 |
| Advances received are written off | - 24 145 |
| Interest receivable | -6 236 |
| Total adjusted acc.87 | 1,144,566 |
| Balance on acc.87 as of Dec. 31, 2022 | - 209 730 |

6. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policies

IJSC MOSAIC INSURANCE GROUP applied the following revised IFRS and interpretations, which entered into force for annual reporting periods beginning on February 2, 2021:

Amendments to IFRS 10, IFRS 12.

Amendments to IFRS 10 applied as the JSC meets the definition of an investment company under IFRS 10.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

This standard covers transactions with financial assets (accounts receivable under contracts with Customers (policyholders)) and offsets under contracts with a supplier being part of the Customer's system.

These amendments clarify the meaning of "currently has a legally enforceable right to set off" and clarify the criteria for set-off in relation to settlement systems that use non-simultaneous gross payment ways.

The existence of a legally enforceable right to offset a financial asset and a financial liability affects the rights and obligations associated with the financial asset and financial liability and may affect the Company's exposure to credit and liquidity risk. However, the existence of such a right, in itself, does not provide sufficient grounds for offset. In the absence of an intention to exercise this right or to make a contemporaneous settlement, the amount and timing of future cash flows remain unchanged. Where the Company intends to exercise its right or settle simultaneously, presenting the asset and liability on a net basis better reflects the amount and timing of expected future cash flows and the risks to which those flows are exposed. The intention of one or both parties to settle on a net basis without the existence of a corresponding legal right is not a sufficient basis for set-off, since the rights and obligations associated with the individual financial asset and financial liability remain unchanged.

The amendments currently have no impact on the Company's results.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement

This Standard should apply to those contracts for purchase or sale of non-financial items being settled net in cash or another financial instrument, or by exchanging financial instruments as if the contracts be financial instruments.

Amortized cost of a financial asset or financial liability means the amount at which financial assets or liabilities are measured at initial recognition, less principal payments (FCIAS 5 IAS 39), reduced or increased by the amount of accumulated (using the effective interest method) depreciation, the difference between cost and redemption amount, and less the amount of the reduction (directly or through the use of a valuation account) of the allowance for impairment or bad debt.

Clause 17: The Company shall derecognise a financial asset only when:

- (a) the contractual rights to the cash flows from the financial asset expire; or
- (b) the Company transfers a financial asset as set out in clauses 32 and 33, and the transfer satisfies the requirements for derecognition in accordance with clause 34.

Clause 20 When the Company transfers a financial asset (see clause 34), it should assess the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

- (a) if the Company transfers substantially all the risks and rewards of ownership of a financial asset, it shall derecognise the financial asset and recognize separately as assets or liabilities those rights and obligations created or retained by the transfer;
- (b) if the Company retains substantially all the risks and rewards of owning the financial asset, it shall continue to recognize the financial asset;
- (c) if the Company does not transfer and retain substantially all the risks and rewards of ownership of a financial asset, it shall determine whether control of the financial asset is retained. In this case:
 - (i) if the Company does not retain control, it shall derecognise the financial asset and recognize separately as assets or liabilities those rights and liabilities created or retained on the transfer;
 - (ii) if the Company retains control, it shall continue to recognize the financial asset to the extent that it continues to be involved in the financial asset (see clause 34).

Accounts receivable should be separated from financial assets on the balance sheet as of December 31, 2022.

Disclosure of recoverable amount for non-financial assets – Amendments to IAS 36

This standard applies to assets being carried at a revalued amount (in particular, fair value) in accordance with other standards, such as the revaluation model in IAS 16 Accounts Receivable. Determining whether revalued assets are impaired depends on the basis adopted for determining fair value:

(a) if the fair value of assets equal its market value, the only difference between the assets fair value and its fair value less costs to sell is the direct incremental cost of disposal of the assets:

These amendments remove the unintended consequences of applying IFRS 13 Fair Value Measurement to the disclosures required by IAS 36 Impairment of Assets. In addition, the amendments require disclosure of the recoverable amount of assets or cash-generating units for which an impairment recognized or an impairment reversed during the period. The amendments have an impact on the financial situation of the Company; these amendments made as of December 31, 2021.

Disclosure of Recoverable Amount for Employee Benefit Liabilities – Amendments to IAS 19.

The purpose of this standard is to prescribe rules for the accounting and disclosure of employee benefits. The standard requires the Company to recognize:

- (a) obligation, when the employee provides a service in exchange for remuneration payable in the future;
- (b) expense, when the Company utilizes the economic benefit arising from a service provided by an employee in exchange for remuneration. No shareholders among the employees.

Clause 1 An employer applies this standard to account for all employee benefits other than those that apply IFRS 2 Share-based Payment.

Clause 3 Employee benefits to which this standard applies include benefits being provided.

- (a) Subject to plans or other formalized agreements between the Company and its employees, groups of employees or their representatives.
- (b) As required by law or in connection with industry-wide agreements it is required the Companies to contribute to national, state, industry, or other multiemployer plans.
- (c) A established practice giving rise to an obligation arising from such practice. Established practice gives rise to a liability arising from it if the Company has no viable alternative to paying employee benefits.

Within the framework of this standard, employee benefits are considered in accordance with legal requirements, paid annual leave for services rendered by employees in 2022.

Disclosure of the value of intangible assets - Amendments to IAS 38.

For the purposes of these standards, some intangible assets may be contained or placed on a physical medium, such as a compact disc (in the case of computer software), legal documentation (in the case of a license or patent), or film. In determining whether an asset that has both intangible and tangible elements should be accounted for in accordance with IFRSs as an intangible asset in accordance with this Standard, an entity uses judgment to assess which element is more significant. For example, the software for a computer-controlled machine tool, not functioning without the specific software, is an integral part of the related equipment and is accounted for in the manner prescribed for the authorized capital, which in reality is not the case. The same is true for a computer's operating system. If software is not an integral part of the equipment to which it belongs, then it may be accounted for as an intangible asset.

Clause 17. Future economic benefits arising from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits arising from the entity's use of the asset.

Clause 9. Companies often expend resources or assume obligations when acquiring, developing, maintaining or improving (expanding technical capabilities) intangible resources, such as scientific or technical knowledge, design and implementation of new processes or systems, licenses, intellectual property, market knowledge and trademarks (including trade names and publishing rights). Common examples of items falling into these general categories are computer software, patents, copyrights, motion pictures, customer lists, mortgage servicing rights, fishing licenses, import quotas, franchises, customer or supplier relationships, customer loyalty, market share, and marketing rights.

Clause 10. Not all items described in clause 9 meet the definition of an intangible asset, namely, the criteria of identifiability, control over a resource and the presence of future economic benefits. If an item within the scope of this Standard does not meet the definition of an intangible asset, the cost of acquiring it or producing it internally is recognized as an expense when incurred.

Items included in the value of intangible assets meet the criteria reflected in the Accounting Policy.

This standard covers the costs of computer software.

Assessment of fair value of assets

The Company measures financial instruments such as trading and available-for-sale securities, derivatives, and non-financial assets such as investment property at fair value at each reporting date. Information on the fair value of financial instruments measured at amortized cost is disclosed in Clauses 33-34.

Fair value is the price that would be received to sell the assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the sale of an asset or transfer of a liability occurs:

- or in the primary market for the asset or liability;
- or, in the absence of a primary market, the most favorable market for the assets or liability.

The Company has access to the main or most favorable market. The fair value of assets or liability is measured using the assumptions that market participants would use in determining the price of the assets or liability, assuming that market participants acting in their best interests. The measurement of the fair value of a non-financial assets takes into account the ability of a market participant to generate economic benefits from using the assets in its best and most efficient manner or from selling to another market participant who will use the assets in its best and most efficient manner.

The Company uses valuation methods being appropriate in the circumstances and for which sufficient data are available to estimate fair value, while making maximum use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy described below based on the lowest level inputs being significant to the fair value measurement as a whole:

Level 1 - Quoted market prices in an active market for identical assets or liabilities (without any adjustments);

Level 2 - Valuation models in which the inputs relevant to the measurement of fair value at the lowest level of the hierarchy are directly or indirectly observable in the market;

Level 3 - Valuation models in which the inputs at the lowest level of the hierarchy that are significant to the measurement of fair value are not observable in the market.

For assets and liabilities being recognized in the financial statements on a periodic basis, the Company determines whether there has been a transfer between levels of the hierarchy sources by re-analyzing the classification (based on the lowest level inputs that are significant to the fair value measurement as a whole) at the end of each reporting period.

FINANCIAL ASSETS

Initial recognition

In accordance with the provisions of IAS 39, financial assets are classified as:

- financial assets at fair value through profit or loss; loans and receivables;
- financial assets available for sale.

The Company considers it inappropriate to invest in financial assets such as investments, deposits, and assets for sale.

Accounts receivable as non-derivative financial assets are assessed with fixed or determinable payments.

Date of recognition

All standard transactions for the purchase and sale of financial assets are reflected at the date of the transaction, i.e. on the date when the Company assumes an obligation to purchase the asset. Standard purchase or sale transactions include transactions for the purchase or sale of financial assets that require the delivery of assets within the time limits established by law or accepted by the market. There are no assets intended for sale on the balance sheet at the reporting date, i.e. assets that, before the date of the meeting of founders, will be sold in accordance with the plans of the administration, agreed upon with the supervisory board, with the exception of assets that can be sold in accordance with the decision of the meeting of founders.

Long-term accounts receivable

Accounts receivable are non-derivative financial assets not being traded in an active market with fixed or determinable payments. They are not intended for immediate or immediate sale and are not classified as trading securities or available-for-sale investment securities.” Such assets are stated at historical cost. Gains and losses on such assets are recognized in profit or loss when such assets are disposed of or impaired, as well as during the liquidation process.

Cash and cash equivalents

Cash and cash equivalents, for the purpose of preparing a statement of cash flows, include cash, funds in current accounts with banks of the Republic of Uzbekistan, funds in special bank accounts, funds in the accounts of branches and subsidiaries (excluding mandatory reserves) and funds in credit institutions with a maturity period of twelve months from the date of origin, not encumbered by any contractual obligations. Cash items are reflected in Uzbek. UZS, currency items are revalued taking into account the exchange rate at the reporting date.

Borrowed funds

Issued financial instruments or their components are classified as liabilities if, as a result of a contractual agreement, the Company has an obligation either to deliver cash or other financial assets or to satisfy an obligation otherwise than by exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. . Such instruments include debt: amounts due to credit institutions, amounts due to customers, debt securities issued, other borrowed funds and subordinated loans. Subsequent to initial recognition, borrowings are stated at amortized cost using the effective interest method (solely for obligations with customers and suppliers with whom the relevant legal documents and reconciliations have been signed). Income and expenses are recognized in profit or loss when liabilities are derecognized and through the amortization process.

If the Company acquires its own debt, the latter is excluded from the consolidated statement of financial position, and the difference between the carrying amount of the liability and the amount paid is reflected in the statement of comprehensive income.

As of December 31, 2022, the Company has no borrowed funds.

Lease

In accordance with the provisions of IAS 17, the standard applies to contracts that provide for the transfer of the right to use assets, even though the operation of such assets may require the lessor to provide significant services related to the maintenance of those assets. This Standard does not apply to service agreements that do not involve a transfer of the right to use assets from one party to the contract.

Operating lease - the Company as lessor.

The Company does not reflect assets being the subject of operating leases in the statement of financial position in accordance with the type of asset. Rental income from operating leases is recognized straight-line in the statement of comprehensive income over the lease term as other income. The aggregate value of benefits provided to tenants is not recognized as a reduction in rental income on a straight-line basis over the lease term. Initial direct costs incurred in connection with the operating lease are partially expensed. No income received from operating leases, excluding distributed expenses, in 2022, since the Company does not have its own premises.

Assessment of financial instruments at initial recognition

IAS 32 sets out the principles under which financial instruments are presented as liabilities or equity and the offsetting of financial assets and financial liabilities is carried out. This standard applies to the issuer's classification of financial instruments as financial assets, financial liabilities and equity instruments; classification of related interest, dividends, losses and other income; and the conditions under which financial assets and financial liabilities are subject to offset. An entity applies this standard to those contracts for the purchase or sale of non-financial items that can be settled net in cash or another financial instrument, or by exchanging financial instruments as if the contracts were financial instruments.

At initial recognition, financial instruments are measured at fair value, adjusted for directly attributable fees and costs for instruments not at fair value through profit or loss.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price. If the Company concludes that the fair value at initial recognition differs from the transaction price, it

recognizes the difference between the fair value at initial recognition and the transaction price as income or expense in the income statement.

Offsetting financial assets

Financial assets and liabilities can be offset on a net basis in the consolidated statement of financial position only if there is a legally enforceable right to offset and there is an intention to realize the asset at the same time that the liability is settled.

The right to set off shall not be conditional on a future event and be valid in all of the following circumstances:

- in the ordinary course of business;
- in case of failure to fulfill an obligation; and
- in case of insolvency of either the Company or any of the counterparties.

These conditions are generally not met for master netting agreements and the related assets and liabilities are reported in full in the statement of financial position.

Impairment of financial assets

In accordance with the provisions of IAS 39, the standard prescribes the treatment that an entity must take in accounting for assets to ensure that their carrying amount does not exceed their recoverable amount. An asset is carried at a cost in excess of its recoverable amount if its carrying amount exceeds the amount that can be obtained through the use or sale of the asset. If this occurs, the asset is considered to be impaired and the standard requires the entity to record an impairment loss. The standard also determines when an entity must reverse an impairment loss and prescribes disclosure procedures. At the end of each reporting period, an entity should assess whether there is objective evidence that a financial asset or group of financial assets is impaired. Losses expected to result from future events are not recognized, regardless of how likely they are to occur.

At each reporting date, the Company does not assess whether there is objective evidence of impairment of a financial asset or financial assets. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and a loss event (or events) occurred, that affects the expected future cash flows of a financial asset or financial assets and that can be estimated reliably.

Indicators of impairment may include evidence that a borrower or group of borrowers is experiencing significant financial difficulty, defaulting on interest or principal payments, a high probability of bankruptcy or financial reorganization, and evidence, based on observable market information, of a decline in expected future cash flows, such as changes in delinquency rates or economic conditions. The facts described above exist.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

Financial asset (or, where applicable, part of financial assets or part of similar financial assets) is derecognised in the financial statements if:

- the rights to receive cash flows from the asset expired;
- the company transferred the right to receive cash flows from the asset or accepted the obligation to transfer the received cash flows in full without significant delay to a third party under the terms of a "transit" agreement; and
- the company either (a) transferred practically all the risks and benefits of the asset, or (b) did not transfer, but does not retain all the risks and benefits of the asset, but transferred control over this asset.

Financial obligations

When one existing financial liability is replaced by another liability to the same lender on substantially different terms, or when there are material changes to the terms of an existing liability, the original liability is derecognised and the new liability is recognized, recognizing the difference in the carrying amount of the liability as profit or loss.

Tax imposition

Current income tax expenses are calculated in accordance with the tax legislation of the Republic of Uzbekistan. Deferred tax assets and liabilities are calculated for all temporary differences using the balance sheet liability method.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the taxable temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that will apply during the period in which the asset is realized or the liability is settled, based on laws enacted or substantively enacted at the reporting date.

In addition, in the Republic of Uzbekistan there are various operating taxes applicable to the activities of the Company. These taxes are recorded as other operating expenses.

Fixed assets

Fixed assets are stated at cost, excluding day-to-day servicing costs, less accumulated depreciation and excluding accumulated impairment losses. This cost includes costs associated with replacing equipment, which are recognized when incurred if they meet the criteria for asset recognition.

Depreciation of assets begins when it becomes available for use. Depreciation is calculated using the straight-line method without taking into account residual value over the following estimated useful lives of assets:

- Computers and office equipment -20% -5 years
- Vehicles 20% - 5 years
- Furniture and office equipment 15% - 7 years
- Other fixed assets 15% - 7 years

Residual values, useful lives and depreciation methods of assets are reviewed at the end of each reporting year and adjusted as necessary.

Расходы на ремонт и реконструкцию относятся на затраты по мере их осуществления и включаются в состав прочих операционных расходов, за исключением случаев, когда они подлежат капитализации.
/ Repair and reconstruction expenses are expensed as incurred and included in other operating expenses unless they are eligible for capitalization.

Analyzing fixed assets by type, they report that many types of fixed assets do not have a residual value; the cost of this property, according to the law, is included in the costs of calculating fines for worn-out property, and the amount of fines is transferred to the budget. Thus, the state exerts a coercive influence on Companies not caring about the performance of production assets. The Company carries out the following activities and for this purpose applies to the supervisory board, and for major transactions to the shareholder meeting:

- a. To allocate funds for the renovation of completely worn-out property;
- b. To include in the annual budget (planned estimate) the cost item for property renovation;
- c. To restore liquidation value (a minimum of measures to renew property, at least for the purpose of saving money through penalties);
- d. Independent decision to update using accumulated retained earnings.
- e. To write off unusable property from the balance sheet.

Intangible assets

Intangible assets include the cost of acquiring a software product that has a limited useful life. Intangible assets acquired separately are initially measured at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful life (but not more than 5 years) and analyzed for impairment if there are signs of possible impairment of the intangible asset.

Amortization of intangible assets starts when becoming available for use.

Depreciation is calculated using the straight-line method over the next estimated useful lives of intangible assets at a rate of 5 years.

As of the reporting date, the Company does not have assets that meet the criteria of an “intangible asset”

Obligations for pensions and other employee benefits

The Company does not have additional pension schemes, except for participation in the state pension system of the Republic of Uzbekistan, which provides for the calculation of current employer contributions as a percentage of current total payments to employees. These expenses are reflected in the reporting period to which the corresponding wages relate. In addition, the Company does not have significant benefits for employees after termination of employment.

Authorized capital

Contributions of the Founders are reflected in capital. Costs of payment for services to third parties directly related to the contribution of the founders, with the exception of cases of business combination, being reflected as an expense in the income statement. The amount of excess of the value of funds received in foreign currency over the nominal (authorized) value of the deposit reflected as additional capital. As of December 31, 2022 the amount of added capital is 72,328.7 thousand UZS.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed if they are proposed before the reporting date or being proposed or declared after the reporting date but before the financial statements authorized for issue.

Contingent assets and liabilities

In accordance with the provisions of IAS 37:

Contingent liability:

- (a) a possible liability arising from past events and the existence of which shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events being not entirely within the control of the entity; or
- (b) a present obligation arising from past events but not recognized for the reasons as:
 - (i) not probable that an outflow of resources embodying economic benefits be required to settle the obligation; or
 - (ii) the amount of the liability cannot be measured with sufficient reliability.

Contingent asset means a possible asset that arises from past events, and the existence of which shall be confirmed only by the occurrence or non-occurrence of one or more future events, the occurrence of which is uncertain and which are not entirely within the control of the enterprise.

Contingent liabilities are not recognized in the statement of financial position but are disclosed in the financial statements unless an outflow of resources to settle them is unlikely. Contingent assets are not recognized in the statement of financial position but are disclosed in the financial statements when it is probable that the economic benefits associated with them will flow.

Recognition of income and expenses

Revenue is recognized if it is probable that economic benefits will flow to the Company and if the revenue can be measured reliably. For revenue to be recognized in the financial statements, the following criteria must also be met:

Revenue from services

The Company receives revenue from all types of work specified above in the activity licenses, as well as from its own resources. Revenue is recognized as income received under Customer contracts to the Company's accounts. The date of recognition of income from received revenue is the period set out in the Law and in the Regulations on Insurance Activities of the Republic of Uzbekistan.

Income from other activities

In 2022, work was performed and services included in total income from operating activities were performed: other income from non-core activities.

Dividend income

Revenue is recognized when the Company's right to receive payment is established. In 2022, the Company's management does not direct investments into the authorized capitals of other legal entities; as of the date of inspection, we are not aware of management's plans to direct investments into other organizations in order to receive income in the form of dividends.

Conversion of foreign currencies

The financial statements are presented in Uzbek Soum, which is the functional and presentation currency. Items included in the financial statements are measured in the selected functional currency (UZS). Transactions in foreign currencies are initially translated into the functional currency at the exchange rate prevailing on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Income and expenses arising from the translation of transactions in foreign currencies are reflected in the statement of comprehensive income under the heading "Net income from transactions in foreign currencies - Revaluation of foreign currency items."

Standards that have been discussed but have not yet entered into force

Set forth below are standards that have been issued, but are not effective, as of the date the financial statements are issued. The Company plans to apply these standards, if necessary, when they become effective.

IFRS 9 Financial Instruments

The IASB has published the final version of IFRS 9 Financial Instruments, which includes all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2022, or after this date.

Early use is permitted. Retrospective application is required, but comparative information is not required. Early application of previous versions of IFRS 9 is permitted if the date of initial application is earlier. The application of IFRS 9 shall affect the classification and measurement of its financial assets, but will not affect the classification and measurement of its financial liabilities.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that applies to revenue from contracts with customers. Revenue from leases and from financial instruments and other contractual rights and obligations within the scope of IAS 17 Leases, IAS 39 Financial Instruments: Recognition and Measurement (or, in the case of Early adoption of IFRS 9 Financial Instruments is accordingly outside the scope of IFRS 15 and is subject to relevant standards.

Revenue under IFRS 15 is recognized at an amount that reflects the consideration that the Company expects to receive in exchange for the transfer of goods or services to the customer. The principles of IFRS 15 provide a more structured approach to revenue measurement and recognition.

The new standard is applicable to all organizations included in the Company's consolidated statements and will replace all current IFRS requirements for revenue recognition. Full or modified retrospective application is required for annual periods beginning on or after January 1, 2022. The Company is currently assessing the impact of IFRS 15 and plans to apply it on the effective date.

Amendments to IAS 16 and IAS 38: clarification on acceptable depreciation methods.

The amendments clarify one of the principles of IAS 16 and IAS 38, namely that revenue reflects the entity's expected pattern of consumption of the economic benefits from operating activities (of which the asset is part), rather than the economic benefits that are consumed by the entity from the use of the asset. As a result, the revenue-based depreciation method cannot be used to depreciate property, plant and equipment, and only in very limited circumstances can it be used to depreciate intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2022. Early use is permitted. These amendments are not expected to have any impact on the Company's financial position, as it does not use revenue-based methods for depreciation of non-current assets.

IFRS 3 Business Combinations

The amendment applies prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) in a business combination must subsequently be accounted for at fair value through profit or loss, regardless of whether they fall within the scope of IFRS 9 (or, if applicable, IAS 39).

IFRS 8 Operating Segments

The amendments apply retrospectively and clarify that:

- the Company shall disclose management's judgment in applying the aggregation criteria required by paragraph 12 of IFRS 8, including a general description of the operating segments that were aggregated and the economic characteristics (for example, sales or gross margin) that were used to assess whether segments are similar;
- Disclosure of a reconciliation of segment assets to total assets is required only if the reconciliation is provided to the chief operating decision maker in the same way as disclosure is required for segment liabilities.

IFRS 13 Short-term accounts receivable and payable – amendments to IFRS 13

This amendment to IFRS 13 clarifies in the Basis of Conclusion that short-term receivables and payables without stated interest rates may be taken into account if the effect of discounting is not material.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

This amendment applies retrospectively and clarifies the provisions of IAS 16 and IAS 38 that an asset can be remeasured based on observable data on both a gross and net basis. In addition, accumulated depreciation is defined as the difference between the gross valuation of an asset and its book value.

IAS 24 Related Party Disclosures

The amendment applies retrospectively and clarifies that the management company (the company providing services in a senior management capacity) is a related party and is included in related party disclosures. In addition, a company that uses a management company must disclose the amount of costs for management services.

Annual improvements to IAS:

These amendments are not expected to have a significant impact on the Company. These include the following changes:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in Disposal Method

Assets (or disposals) are usually disposed of through either sale or write-off. The amendment to IFRS 5 clarifies that replacing one of these methods with another should not be considered a new plan to sell, but rather a continuation of the original plan. Therefore, the requirements of IFRS 5 apply continuously. The amendment also clarifies that changing the method of disposal does not change the classification dates. The amendment is effective prospectively for changes in sales methods that occur in annual reporting periods.

IFRS 7 Financial Instruments: Disclosures – Service Agreements

IFRS 7 requires an entity to disclose any continuing involvement in a transferred asset that has been derecognised altogether. The IASB was asked whether service agreements constitute continuing involvement for purposes of the disclosure requirements. The amendment clarifies that a servicing arrangement that provides for a commission may constitute a continuing involvement in a financial asset. An entity must evaluate the nature of the arrangement and the fee in accordance with the guidance for continuing involvement in paragraphs B30 and 42C of IFRS 7 to assess whether disclosure is necessary. The amendment is effective for annual periods beginning on January 1, 2022, or after this date. Early use is permitted. The amendment should be applied so that the assessment of service contract relationships for continuing involvement is carried out retrospectively. However, the Company is not required to disclose the required information for any period prior to the period in which the Company first applied the amendments.

IFRS 7 Financial Instruments: Disclosures - Applicability of Offsetting Disclosures in Interim Financial Reports

Guidance on offsetting financial assets and financial liabilities was introduced as amendments to IFRS. However, the standard that contains disclosure requirements for interim periods, IAS 34, does not contain such a requirement. It is unclear whether the relevant information should be disclosed in the condensed interim financial statements.

The amendment removes the phrase “and for interim periods within such annual periods”, clarifying that these disclosures are not required in condensed interim statements.

IAS 19 Employee Benefits - the problem of determining the discount rate for the regional market

The amendment to IAS 19 clarifies that the assessment of the maturity of the market for high quality corporate bonds is based on the currency in which the obligation is denominated, rather than the country in which the obligation relates. If there is no developed market for high-quality corporate bonds in that currency, the government bond yield should be used.

IAS 34 Interim Financial Reporting – Disclosures in any other component of the interim financial statements

The amendment requires that the required disclosures must be presented either in the interim financial statements or included by cross-referencing between the interim financial statements and the document in which they are actually presented as part of the broader interim financial statements (for example, in management's commentary or in the report on financial statements). risks). The IASB has indicated that other information in interim financial statements should be made available to users on the same terms and at the same time as the interim financial statements. If users do not have such access to other information, the interim financial statements are considered incomplete.

Significant accounting judgments and estimates

The preparation of financial statements requires management to make estimates and judgments that affect the financial statement amounts. These estimates are based on information available at the date of the financial statements. Actual results may differ from these estimates and it is possible that the differences could have a material effect on the financial statements.

Set out below are key assumptions related to the future and other key sources of estimation uncertainty at the reporting date and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

Fair value of financial instruments

If the fair value of financial assets and financial liabilities as recorded in the statement of financial position cannot be determined from prices in an active market, they are determined using various valuation models, including mathematical models. The inputs for such models are determined based on the observed market, if possible; otherwise, judgment is required to determine fair value.

Provision for uncollectible receivables.

The Company regularly analyzes its liabilities and receivables for impairment. Based on existing experience, the Company uses its subjective judgment when assessing impairment losses in situations where a debtor is experiencing financial difficulties. Similarly, the Company estimates changes in future cash flows based on observable data indicating an unfavorable change in the payment status of debtors or a change in state or local economic conditions that correlates with defaults on assets within the Company.

Management does not use estimates based on historical data and objective evidence of impairment of accounts receivable. Based on its own judgment, the Company does not record a reserve for non-collectible and overdue accounts receivable.

Continuity of operations

Management has assessed the Company's ability to operate as a going concern financial institution and believes that it is well positioned to continue to operate for the foreseeable future. In addition, management has not identified any material circumstances that may interfere with continuing operations in the future. In this regard, the Company continues to prepare financial statements in accordance with the principle of continuity of operations.

However, there is a risk of violation of this principle in relation to the Company on the part of the main Customers included in the Company's structure.

In fact, overdue receivables contain hidden losses, which subsequently may lead to a violation of the going concern principle.

Tax imposition

Uzbek tax legislation is subject to varying interpretations and frequent changes.

Management's interpretation of this legislation as applied to the Company's operations and activities may be challenged by the appropriate local and state authorities. Tax authorities may take a more assertive stance

when interpreting legislation and reviewing tax calculations. As a result, tax authorities may make claims on those transactions and accounting methods for which they previously did not make claims. As a result, significant additional taxes, penalties and interest may be assessed. For example: not collecting fines for late payments on accounts receivable. Tax audits may cover five calendar years of activity immediately preceding the year of audit. Under certain conditions, earlier periods may also be subject to verification.

As of December 31, 2022, the Company's management believes that it adheres to an adequate interpretation of the relevant legislation, and the Company's position with respect to tax issues will be supported by the tax authorities.

7. CASH AND CASH EQUIVALENTS

Cash includes the following items at December 31:

| | 2022 | 2021 |
|---|--|----------------------------|
| Balances on the main current account | 2 606 765 | 52 982,3 |
| Depreciation of funds due to exchange rate changes | 0 | |
| Balances on secondary accounts | 8329 | 8 720,8 |
| Balances on foreign currency accounts at the Central Bank exchange rate: <i>as of December 31, 2022:</i> in USD – 11225.46 UZS | 6 877 832 606 720,05 USD 2904,18 - EUR | 2 042 769.0 188 488 USD |
| Cash and cash equivalents | 9 479 838 | 2 104 312 |

Funds are confirmed by bank statements.

The amount of the cash balance at the end of the reporting period in national currency due to a change in the exchange rate of 0.5% depreciates by 13,088 thousand UZS, the amount of depreciation reflected in the expenses of the period.

8. FUNDS IN CREDIT INSTITUTIONS. SHORT-TERM INVESTMENTS

Investment securities available at Dec.31 are as follows:

| | in thousands of UZS | |
|---|-----------------------|-----------------------|
| | 2022 | 2021 |
| Short-term investments denominated in USD with an original maturity of more than 3 months | 36 921 472 | 36 848 044 |
| | including \$3 200 000 | including \$3 400 000 |
| Depreciation of deposit | -137 255 | |
| Total: | 36 784 217 | 36 848 044 |

The adjusted amount of balance sheet value in banks presented as fair value.

The fair value of investment securities available for sale can be calculated using an interest rate of 16-15% per annum. When calculating the interest rate, the Company uses a valuation methodology that uses inputs that have a significant impact on the reported fair value, which are based on information observable in the short-term loan market.

Depreciation of deposits: The Company's management practices placing insurance reserves in deposits in foreign currency, which is justified in the conditions of constant growth of foreign currency and asks the Company for income in the form of a positive exchange rate difference. Deposits are placed on average at 4% -4.2% per annum, with the exception of the deposit in JSCB "TBC BANK" (2%), which affects lost profits in the form of interest on deposits in the amount of 137,255 thousand UZS.

9. INVESTMENT SECURITIES AVAILABLE FOR SALE

As of December 31, 2022, the management plans do not include investment securities available for sale.

10. INVESTMENTS IN ASSOCIATED COMPANIES

According to IAS 28 Investments in Associates and Joint Ventures, an associate means an entity having the significant impact of the investor on its activities, but is neither a subsidiary nor a joint venture. Significant influence refers to the ability to participate in decisions about the financial and operating policies of the investee, but not control over those policies. If an investor directly or indirectly, including through subsidiaries, owns at least 20% of shares entitled to vote, in such case the company shall be considered as an associate.

Investments in associates are accounted for using the equity method and are initially recognized at cost. Subsequent changes in the carrying amount do not reflect changes in the Company's share of the net assets of the associate that occurred after the acquisition; they are reflected at the date of sale. The Company's share of the profits and losses of associates is recognized in profit or loss and its share of changes in funds is recognized in other comprehensive income. However, if the Company's share of the associate's losses equals or exceeds its interest in the associate, the Company does not recognize further losses unless the Company is obligated to make payments to or on behalf of the associate.

Нереализованная прибыль по операциям между Обществом и ее ассоциированными компаниями исключается в части, соответствующей доле Общества в ассоциированных компаниях; нереализованные убытки также исключаются, кроме тех случаев, когда соответствующая операция свидетельствует об обесценении переданного актива./ Unrealized profits on transactions between the Company and its associated companies are eliminated to the extent corresponding to the Company's share in the associated companies; unrealized losses are also eliminated unless the transaction indicates that the transferred asset is impaired.

As of Dec.31, 2022, the management plans do not include investments in the authorized capital of other companies.

11. INSURANCE AND REINSURANCE ACCOUNTS RECEIVABLE

| | In thousand UZS | |
|------------------------------------|-----------------|----------------|
| | Dec.31, 2022 | Dec.31, 2021 |
| Debt of policyholders | 53 529 | 0 |
| Debt of reinsurance companies | 568 691 | 357 189 |
| Impairment reserves | -20 608 | 0 |
| Total insurance receivables | 601 612 | 357 189 |

Insurance and other receivables less than three months past due are generally not considered impaired unless other indicators of impairment exist.

In accordance with IAS requirements, reserves formed for the impairment of overdue receivables of reinsurance companies since 2021: for 2022 for a total amount of 20,608 thousand UZS.

12. PREPAYMENTS

| | in thousand UZS | |
|--|-------------------|------------------|
| | Dec.31, 2022 | Dec. 31, 2021 |
| Advances for taxes | 16,678 | 6003 |
| Advances to service providers (rent, medical services) | 72157=116,302-- | 183 158=233 158- |
| Offsetting accounts payable | 10,000 | 50 000 |
| Reserves for overdue receivables | -24 145 | |
| Other current assets | 2405=2 638 -233 | 10,067 |
| Interest receivable | 56 324=62361-6236 | 84 903 |
| Total prepayment | 157 564 | 278 128 |

Other receivable assets adjusted for the amount of overdue receivables, including:

- prepayments for future expenses - 233 thousand UZS written off for installation services of the current program;
- prepayments to suppliers of goods and services for business activities - 24,145 thousand UZS under contracts for 2021.
- according to calculations of interest receivable for 2021 – 6236 thousand UZS

13. SHARE OF REDINSURERS IN RESERVES

Share of reinsurers in unearned premium reserve (UPR)

| in thousands of UZS | December 31, 2022 | December 31, 2021 |
|---|-------------------|-------------------|
| Unearned premium reserve as of Jan. 1 | 198,881 | 0 |
| Increase (decrease) in reserve, gross amount | 4 989 468 | 198,881 |
| Unearned premium reserve as of Dec. 31 | 5 188 349 | 198,881 |

Share of reinsurers in reserve for incurred losses (ILR)

| in thousands of UZS | Dec. 31, 2022 | Dec.31, 2021 |
|--|---------------|--------------|
| Loss reserve as of Jan. 1 | 0 | 0 |
| Increase (decrease) in reserve, gross amount | 0 | 0 |
| Loss reserve as of Dec.31 | 0 | 0 |

Share of reinsurers in reserves for claim losses (CLR)

| in thousands of UZS | Dec.31, 2022 | Dec.31, 2021 |
|--|----------------|--------------|
| Loss reserve as of Jan. 1 | 0 | 0 |
| Increase (decrease) in reserve, gross amount | 601 360 | 0 |
| Loss reserve as of Dec. 31 | 601 360 | 0 |

14. INVENTORIES

The main inventory used by the Company in the course of its activities are office supplies, fuel, equipment and household supplies, receipt material, advertising materials, etc.

Inventories include:

(in thousands of UZS)

| | Dec.31, 2022 | Dec. 31, 2021 |
|--|-----------------|---------------|
| Receipts, insurance cards and policies | 4,037 | 2 850 |
| Office goods | 1 388 | 703 |
| Consumable supplies | 40 270 - 40 270 | 48 127-48 643 |
| Installed furniture | 46,568 -46,568 | |
| Total | 5 425 | 3,036 |

Inventories pledged as collateral for loans or accounts payablesocieties not transferred as of each date.

15. FIXED ASSETS

Below is the movement by items of fixed assets for 2022

| Remarks | Buildings | Furniture | Computer | Transport vehicles | Other FA | TOTAL |
|--|-----------|-----------|----------|--------------------|----------|---------|
| | | | | | | |
| Initial cost as of Jan.1, 2022. | 0 | 0 | 33 962 | 0 | 0 | 33 962 |
| Funds flow | | | 38 542 | | 3 242 | 41 783 |
| Write-off/ transfers | | | | | | 0 |
| Initial cost as of Dec/ 31, 2022. | 0 | 0 | 72 503 | 0 | 3 242 | 75 745 |
| Amortization and impairment losses | | | | | | |
| Accumulated amortization as of Jan.1, 2022. | 0 | 0 | -3 224 | 0 | 0 | -3 224 |
| depreciation charge | | | -11 619 | | -189 | -11 808 |
| Write-off and transfers | | | | | | 0 |
| Accumulated amortization as of Dec. 31, 2022 | 0 | 0 | -14 843 | 0 | -189 | -15 032 |
| Residual value | | | | | | |
| As of Jan. 1, 2022 | 0 | 0 | 30 738 | 0 | 0 | 30 738 |
| As of Dec. 31, 2022 | 0 | 0 | 57 661 | 0 | 3 053 | 60 713 |

Below is the movement by items of fixed assets for 2021

| Remarks | Building | Furniture | Computers | Transport vehicles | Other FA | TOTAL |
|--|----------|-----------|-----------|--------------------|----------|--------|
| | | | | | | |
| Initial cost as of Feb.2, 2021. | 0 | 0 | 0 | 0 | 0 | 0 |
| Funds flow | | | | | | |
| Write-off/ transfers | | | 33 962 | | | 33 962 |
| Initial cost as of Dec.31, 2021. | 0 | 0 | 33 962 | 0 | 0 | 33 962 |
| Amortization and impairment losses | | | | | | |
| Accumulated amortization as of Jan.1, 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation accrual according to NAS as of Dec.31, 2021 | | | 3 224 | | | 3 224 |
| Write-off/ transfers | | | | | | 0 |
| Accumulated depreciation as of Jan.31,2021 | | | 3 224 | | | 3 224 |
| Residual value | | | | | | |
| As of Feb. 2, 2021 | | | | | | |
| As of Dec. 31, 2021 | | | 30 738 | | | 30 738 |

16. INTANGIBLE ASSETS

In thousand UZS

| | Software product "Accounting software - insurance module" |
|--|---|
| Initial cost as of December 31, 2022 | 113 000 |
| Accumulated depreciation as of December 31, 2022 | 0 |
| Residual value as of December 31, 2022 | 113 000 |

17. INSURANCE AND REINSURANCE OBLIGATIONS

(in thousand UZS)

| | Dec.31,2022 | Dec.31, 2021 |
|---|------------------|----------------|
| Debt to policyholders - advances received | 205 571 | 198 |
| Debt to agents and brokers | | |
| Debt to reinsurers in national currency | 5 912 | |
| Debt to reinsurers in foreign currency | 739 958 | 202 109 |
| Debt assistance | 157 960 | 49 570 |
| Debt to actuaries, adjusters | 11 969 | 22 840 |
| Total other liabilities | 1 121 370 | 274 717 |

18. INSURANCE RESERVES

Unearned premium reserve (UPR).

Estimation of the unearned premium reserve -is carried out separately for each business line or smaller segment (even to the point of highlighting specific contracts), if this is necessary to obtain more accurate estimates. The amount of the unearned premium reserve is determined by summing the reserves of unearned premiums calculated for all business segments. The reserve for unearned premiums is formed in the currency of liability under the contract.

The assessment of the unearned premium reserve is carried out separately for short contracts (up to 13 months) and for long-term contracts (over 13 months). Under long-term contracts, premiums can be accrued over several stages (in installments).

Estimation of the unearned premium reserve for short-term contracts. To calculate the unearned premium under a contract, the basic insurance premium is used (i.e., the accrued premium for IFRS, which includes, in addition to the accrued premium under NAS, its various adjustments: reduction by the premium accrued under contracts that will begin to operate after the reporting date; reduction by the amount of returns made; decrease by the amount of change in the reserve for impairment of doubtful accounts receivable; increase by the amount of change in late accruals under contracts).

If there are objective reasons to believe that (due to an event that occurred before the reporting date) the company will not be able to receive the full premium due to it under the terms of the contract, then a reserve is created for the impairment of receivables (provision for doubtful receivables).

To assess the provision for doubtful accounts receivable for all contracts within a business line (or a smaller segment under consideration), contracts related to large clients are identified, the provision for doubtful accounts receivable for which is formed individually for each such client.

For other contracts, a statistical approach is used to estimate the provision for doubtful accounts receivable. There are several types of contracts (ended, as well as with different periods of non-payment). For each type of agreement, if there are sufficient grounds, a reserve for doubtful accounts receivable can be formed as a certain proportion of the debt amount. The specified share is estimated on the basis of statistical data for previous periods (based on the results of an analysis of the development of accounts receivable for each type of agreement).

UPR can be adjusted by the amount corresponding to the part of the reserve for doubtful accounts receivable that is carried forward to future periods. For short contracts (for all divisions), the adjustment is made using the pro rata method for each contract for which a reserve for doubtful accounts receivable was

formed (this reserve is distributed evenly over the entire term of the contract). For long-term (over 13 months) contracts, the adjustment is made in proportion to the ratio between the already automatically calculated UPR and the premium accrued under the contract. Deferred acquisition adjustment costs UPR in connection with the creation of a reserve for doubtful accounts receivable are assessed based on the ratio of deferred acquisition expenses already calculated (based only on the accrued premium) and UPR for each division.

To calculate the amount of unearned premium (unearned premium reserve), one of the following methods can be used:

- "pro rata temporis";
- "one twenty-fourth" (hereinafter referred to as "1/24");
- one eighth" (hereinafter referred to as "1/8").

To calculate unearned premiums for lines of business with a pronounced uneven distribution of risk (seasonality), adjusted methods based on seasonality coefficients can be used.

The unearned premium using the "pro rata temporis" method is determined for each contract as the product of the base insurance premium under the contract by the ratio of the contract period that has not expired as of the reporting date (in days) to the entire contract period (in days).

The pro rata temporis unearned premium reserve for the entire business line (or smaller segment) is determined by summing the unearned premiums calculated for each contract.

To calculate the unearned premium (unearned premium reserve) using the "1/24" method, contracts related to one line of business (or a smaller segment) are grouped into subgroups. The subgroup includes contracts with the same validity periods (in months) and with the start dates of their validity falling in the same months.

The total amount of the basic insurance premium for contracts included in the subgroup is determined by summing the basic insurance premiums calculated for each contract included in the subgroup.

To calculate the unearned premium (unearned premium reserve) using the "1/24" method, the following is accepted:

- the contract commencement date falls in the middle of the month;
- the term of the contract, which is not equal to an integer number of months, is equal to the nearest larger integer number of months.

The unearned premium (unearned premium reserve) is determined for each subgroup by multiplying the total amount of basic insurance premiums by the coefficients for calculating the amount of the unearned premium reserve.

The ratio is defined as the ratio of the contracts that have not expired as of the reporting date (in half months) to the entire validity period of contracts (in half months).

The reserve for unearned premiums using the "1/24" method as a whole for a business line (or a smaller segment) is determined by summing up unearned premiums (unearned premium reserves) calculated for each subgroup.

To calculate the unearned premium (unearned premium reserve) using the "1/8" method, contracts related to one line of business (or a smaller segment) are grouped into subgroups. The subgroup includes contracts with the same validity periods (in quarters) and with the start dates of their validity falling in the same quarters.

The total amount of the basic insurance premium for contracts included in the subgroup is determined by summing the basic insurance premiums calculated for each contract included in the subgroup.

To calculate the unearned premium (unearned premium reserve) using the "1/8" method, the following is accepted:

- the contract commencement date falls in the middle of the quarter;
- the term of the contract, which is not equal to an integer number of quarters, is equal to the nearest larger integer number of quarters.

Unearned premium (unearned premium reserve) is determined for each subgroup by multiplying the total amount of basic insurance premiums by coefficients to calculate the amount of the unearned premium

reserve.

The ratio is defined as the ratio of the contracts that have not expired as of the reporting date (in half quarters) to the entire validity period of contracts (in half quarters).

The reserve for unearned premiums using the "1/8" method as a whole for a business line (or a smaller segment) is determined by summing up unearned premiums (unearned premium reserves) calculated for each subgroup.

The accrued premium for the business line (smaller segment), as well as the RNP for the business line (smaller segment), are adjusted in accordance with the assessment of late accruals.

To assess late accruals, historical data is used. Based on the relationship between the premium initially accrued for any period and subsequent additional accruals, the amount of future additional accruals for the reporting period under consideration is predicted. For the forecast, methods similar to triangulation methods for assessing the loss reserve can be used.

The reserve for unearned premiums for a business line (smaller segment) is increased by the amount of the estimate of unearned premiums, calculated by one of the fractional methods (1/8 or 1/24) based on the assessment of future untimely accruals.

The insurer assesses the share of reinsurers in the unearned premium reserve at the same time as assessing the gross unearned premium reserve.

The share of the reinsurer (reinsurers) in the reserve of unearned premiums is determined for each line of business (smaller segment) in accordance with the terms of the reinsurance agreement (agreements). At the same time, adjustments are made to the premium accrued in favor of the reinsurers in accordance with the final assessment (based on the results of the contract) of the premium due to the reinsurers.

Assessment of unearned premiums reserve under long-term contracts - To assess the reserve for unearned premiums under long-term contracts, the period for which the premium has already been accrued (as of the reporting date) is assessed. The specified period is part of the contract period (with a common beginning). Its duration can be determined depending on assumptions about the equal or unequal distribution of risk under the contract, using the contract premium as an estimate of the entire contract premium that will ultimately accrue.

The reserve for unearned premiums for long-term contracts is assessed similarly to the reserve for short-term contracts (using the "pro rata temporis" method, possibly with adjustments reflecting the uneven distribution of risk over the contract term) with the only difference that the estimated period for which the contract is valid is selected as the contract period. bonus awarded.

The assessment of deferred acquisition costs is carried out in parallel with the assessment of the unearned premium reserve in a similar manner.

The assessment of the share of reinsurers in the reserve of unearned premiums - When describing the procedure for assessing the share of reinsurers in the UPR and assessing untimely accruals of premiums under outward reinsurance contracts, each section of the outgoing reinsurance contract is considered as an independent contract.

The assessment of unearned premium reserve under contracts of outgoing facultative and obligatory reinsurance of excess amounts and quotas, as well as excess of loss on the insurance base is calculated as the product of gross UPR and the share of reinsurers for each reinsured contract.

The assessment of unearned premiums reserve under an outgoing excess of loss facultative reinsurance agreement is calculated using the pro rata method based on the outgoing premium under the terms of the reinsurance agreement and the validity dates of the reinsurance agreement.

The assessment of the reserve of unearned premium under the outgoing obligatory reinsurance agreement for the excess of loss on a calendar basis is calculated using the pro rata method based on the minimum deposit premium under the terms of the outgoing obligatory reinsurance agreement and the validity dates of the reinsurance agreement.

In the event being not possible to isolate a list of reinsured contracts to assess the share of reinsurers in UPR using the methods described above, the share of reinsurers in the UPR is assessed by fractional

methods (1/8 and others) applied to the premium accrued for outgoing reinsurance.

Unearned premium reserve presented in the following way:

| In thousand UZS | 2022 | | |
|--|-------------------|-------------------|------------------|
| | Gross amount | Reinsurer's share | Net amount |
| Unearned premium reserve at Jan.1 | 1 441 910 | 198 881 | 1 243 029 |
| Increase (decrease) in reserve, gross amount | 8 672 129 | 4 989 468 | 3 682 661 |
| Loss reserve as of Dec. 31 | 10 114 039 | 5 188 349 | 4 925 690 |

Reserve for incurred but unsettled losses (IULR)

Reserve for losses (total of the reserve for reported but unsettled losses and the reserve for incurred but not reported losses) is presented as follows:

| In thousand UZS | 2022 | | |
|--|----------------|-------------------|----------------|
| | Gross amount | Reinsurer's share | Net amount |
| Loss reserve as of Jan. 1 | 0 | 0 | 0 |
| Increase (decrease) in reserve, gross amount | 139 090 | 0 | 139 090 |
| Loss reserve as of Dec. 31 | 139 090 | 0 | 139 090 |

Reserves for insurance losses (ILR).

The loss reserve (the total amount of the reserve for reported but unresolved losses and the reserve for occurred but not reported losses) is presented in the following way:

| In thousand UZS | 2022 | | |
|--|------------------|-------------------|------------------|
| | Gross amount | Reinsurer's share | Net amount |
| Loss reserve as of Jan. 1 | 0 | 0 | 0 |
| Increase (decrease) in reserve, gross amount | 1 662 173 | 601 360 | 1 060 813 |
| Loss reserve as of Dec. 31 | 1 662 173 | 601 360 | 1 060 813 |

Assessment of loss reserve is carried out separately for each business line, while division of business lines into more homogeneous segments is allowed.

The amount of the loss reserve is determined by summing the reserve estimates calculated for all business segments.

The following methods are used to estimate the loss reserve:

- individual (expert) assessment,
- statistical methods.

Expert assessment is used for those business segments where a small number of losses does not make it possible to effectively use statistical methods.

There are simple and complex statistical methods. In simple methods, the ratio of the loss reserve estimate to the total volume of payments or to the earned premium for the reporting period is derived. Simple methods can be used for business segments (lines) where losses are quickly resolved.

The most famous among complex statistical methods are those associated with development triangles.

The following are taken as initial data:

- amounts of payments for losses and their settlement
- amount of payments for losses and their settlement together with the reserve for declared losses (DLR) as of the end of the reporting period
- amount of damages claimed;
- amounts for settlement of losses.

To estimate the loss reserve using development triangles, various standard methods can be used (chain ladder method, London chain, divisions, Bronhuetter-Ferguson, etc.), as well as their modifications (using

trends for development coefficients, approximating development coefficients with curves, etc.) .

To increase the accuracy of estimates, it is allowed to divide business segments into smaller ones to achieve a smoother development of losses in triangles. In particular, it is allowed to isolate large losses from triangles, the reserve for which in this case is assessed by an expert.

The choice of the main parameters of an actuarial valuation: valuation methods, initial data, development period, number of years of development, dividing the business into segments of homogeneous development, the size of exclusion from triangles of large losses depends on the business segment and may change over time. The selection criterion is the closest approximation of the loss reserve assessment to the actual payments made under this reserve.

Based on the estimates made of the loss reserve, an analysis of the adequacy of the reserves formed as of previous reporting dates is carried out (run-off analysis).

The share of the reinsurer (reinsurers) in the loss reserve is determined for each business segment in accordance with the terms of the reinsurance agreement (agreements).

Insurance reserves are reviewed at each reporting date and adjusted to best reflect the current situation. If it is no longer probable that the Company will incur expenses to satisfy its obligations, the provision is restored. The reserve is used only for the purposes for which it was originally created.

CONDITIONS FOR PLACING (INVESTING) RESERVES.

The audit of the placement of insurance reserves was carried out on the basis of the requirements for the placement of assets of insurance organizations approved by the Agency for the Development of the Insurance Market.

1. **Inreal estate objects** not allowed to place more than 50% of the assets of the insurance Company in one land plot or other real estate object, or in a combination of land plots and real estate objects that can be considered as one object. **The audited insurance company does not have real estate.**
2. Bank deposit (deposit) in one commercial bank should not exceed 40% of the assets of the insurance company. See the "deposits" section.
3. When placed in the authorized capital of one legal entity or other rights of participation in one legal company - should not exceed 30% of the assets of the insurance Company, unless otherwise provided by law. The size of the investment meets this requirement.
4. The total amount of assets of the insurance Company placed in the authorized capitals of other legal entities is limited to 50% of the authorized capital of the insurance Company, unless otherwise provided by law. The size of the investment meets this requirement.
5. Equity participation of the insurance Company in the authorized capital of any one of a legal entity should not exceed 30% of the authorized capital of this legal entity (unless otherwise provided by law), except for subsidiaries engaged in insurance activities, as well as activities aimed at ensuring insurance activities.
6. In accordance with the requirements for the placement of reserves, it is prohibited to place the assets of the insurance Company by:
 - Investments in intellectual property (except for the acquisition of software, information databases, literature, brand names and trademarks). During the period under review, the Insurance Company acquired the above-mentioned assets worth 113 million UZS.
 - Concluding loan agreements (providing financial assistance) with individuals and legal entities with the exception of founders, shareholders and employees, as well as policyholders who have entered into life insurance agreements with them, guaranteed by these agreements. In this case, the total amount of loans provided should not exceed 10% of the authorized capital of the insurance Company.
 - Also, the insurance Company has the right to attract loans (financial assistance) in an amount exceeding 30% of the amount of sources of own funds only after notifying the Insurance Market Development Agency.
8. The Insurance Company is obliged to have funds in hand and/or in settlement (currency) and other bank accounts in the amount of at least 3% of the amount of accrued insurance compensation for the previous 12 months. Amount of insurance compensation for 2022 according to 1-C data, the accounting department compiled 1,982 million UZS For comparison we present the amount of funds available in the

Company's current accounts, which amounts to 9,472 million UZS, which satisfies the requirements of the Agency for the Development of the Insurance Market.

9. It is prohibited for an insurance company to provide preferential conditions to related parties. In accordance with the conditions and requirements of the insurance Company's activities with related parties, approved by the Insurance Market Development Agency, transactions with related parties were not carried out on preferential terms.

10. **When transferring your own property or the right to it as collateral**, issuing guarantees or accepting another obligation not reflected in the balance sheet, the insurance company is obliged to notify the Insurance Market Development Agency in writing within a period not exceeding 5 days.

19. OTHER LIABILITIES

Other liabilities include the following items in thousand UZS:

| | Dec.31, 2022 | Dec.31, 2021 |
|-------------------------------------|---------------------|----------------|
| Other accounts payable | 19 798=29 798-10000 | 0 |
| Payroll obligations | 240 636 | 170 588 |
| Total other accounts payable | 260 434 | 170 588 |
| Current tax liabilities | 240 636 | 20 471 |
| Total other liabilities | 501 070 | 191 059 |

20. CAPITAL

Authorized capital

IJSC MOSAIC INSURANCE GROUP (formerly FE JSC "AZIMUTH INSURANCE COMPANY" SO) in the form of a JSC, hereinafter referred to as the Company, established in Tashkent, the Republic of Uzbekistan and registered on February 02, 2021 under No. 944 334 by the United Center window" for the provision of public services for registration of entities at the legal address: Tashkent, Elbek str., bldg. 14, Business center "Aviapark" with an authorized capital of 15,000,000 thousand UZS.

According to the Charter, the shares of the founders as of the registration date distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|--|--------------|------------------------|
| ICA Group Limited British Virgin Islands | 100% | 15 000 000 |
| BCEFO | 100,0 | 15 000 000 |

The organizational form of ownership is "Limited Liability Company" as of the date of registration. During the audit period, the Company has the status of a "Joint Stock Company" with one shareholder. The changes made in accordance with changes in the legislation of Uzbekistan for insurance companies.

Due to the increased authorized capital in June 2021. changes made to the Company's Charter . The new edition of the charter registered with the Single Window Public Service Centers for registration of entities.

| Founders | Share (%) | Amount in thousand UZS |
|--|--------------|------------------------|
| ICA Group Limited British Virgin Islands | 100% | 17 113 520 |
| TOTAL | 100,0 | 17 113 520 |

Due to the increased authorized capital on October 4, 2021. changes were made to the Charter of the Organization. The new edition of the charter registered with the Single Window Public Service Center for registration of entities under No. 4460582 dated Oct.4, 2021.

According to the new edition of the Charter, the shares as of the registration date distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|--|--------------|------------------------|
| ICA Group Limited British Virgin Islands | 100% | 39 566 531 |
| TOTAL | 100,0 | 39 566 531 |

Due to the name change on December 27, 2022 the new edition of the Charter registered with the Single Window Public Service Centers for registration of entities.

According to the new edition of the Charter:

Name: IJSC "MOSAIC INSURANCE GROUP"

The shares as of the registration date distributed as follows:

| Founders | Share (%) | Amount in thousand UZS |
|-------------------------------|--------------|------------------------|
| UZBEK OPPORTUNITIES FUND, LTD | 100% | 39 566 531 |
| TOTAL | 100,0 | 39 566 531 |

During the audit period, the Company operates on the basis of legislative acts of the Republic of Uzbekistan and in accordance with the Charter, approved by the minutes of the General Meeting of Founders and registered by the Single Window Public Service Center for registration of entities under No. 944344 dated December 27, 2022.

On April 26, 2023, the decision has been made to issue an additional number of shares with a total value of 5,700,000 thousand UZS.

Added capital.

As of the reporting date, added capital was accrued in the amount of 72 329 thousand soums. The amount of added capital is accrued due to the difference in the exchange rate on the day of registration of the Authorized Capital and the date of actual payment of the contribution by the founders.

21. RETAINED EARNINGS

The Company's retained earnings include: Profit of previous years and net profit of the reporting period, adjusted for dividends paid to the Founders.

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Balance as of Jan.1 | -1 775 133 | 0 |
| Adjustments from previous years | 307 538 | |
| Total comprehensive income/loss for the year | 1 257 865 | -1 775 133 |
| Transactions with founders: | | |
| Increase in authorized capital from profit | | 0 |
| Balance as of Dec.31 | -209 730 | -1 775 133 |

On April 26, 2023, the decision has been made to issue an additional number of shares with a total value of 5,700,000 thousand UZS. An increase in the Authorized Capital shall have a positive effect on the Company's net assets.

22. RESULT FROM INSURANCE ACTIVITY

Earned insurance premiums

| | (in thousand UZS) | |
|---|-------------------|------------------|
| | Dec.31, 2022 | Dec.31,2021 |
| Insurance premiums, Gross | 16 694 633 | 1 469 487 |
| Insurance premiums under contracts accepted for reinsurance | 2 549 145 | 386 285 |
| Insurance premiums under contracts transferred to reinsurance | -8 456 089 | -273 281 |
| Insurance premiums net reinsurance | 10 787 689 | 1 582 490 |
| Change in unearned premium reserve | -3 891 137 | -1 208 122 |
| Change in share of reinsurers in reserve of unearned premiums | 0 | 173 569 |
| Change in other technical reserves | -991 427 | -157 419 |
| Net reinsurance premiums earned | 5 905 125 | 390 519 |

23. CLAIMS PAID

| | (in thousand UZS) | |
|--|-------------------|-----------------|
| | Dec.31, 2022 | Dec.31, 2021 |
| Insurance payments settled | -1 982 098 | -293 288 |
| Reimbursement of payments for risks transferred to reinsurance | 236 019 | 0 |
| Change in loss reserve | 0 | -51 057 |
| Change in the share of reinsurers in the loss reserve | | 0 |
| Occurred losses, net reinsurance | -1 746 079 | -344 345 |

24. OTHER INCOME FROM MAIN ACTIVITIES

| | (in thousands of UZS) | |
|-------------------------------|------------------------|---------------|
| | Dec.31,2022 | Dec.31, 2021 |
| Комиссионные страховые income | 36 277 | 23 032 |
| Income from recourse claims | | 0 |
| Other income | | 0 |
| Total income | 36 277 | 23 032 |

25. INCOME FROM FINANCIAL ACTIVITIES

| | (in thousand UZS) | |
|--|-------------------|------------------|
| | Dec.31, 2022 | Dec.31, 2021 |
| Dividend income | 0 | 0 |
| Interest income | 1 824 304 | 586 091 |
| Income from foreign exchange differences | 4 016 930 | 1 094 720 |
| Total income | 5 841 234 | 1 680 811 |

26. EXPENSES

Personnel and other operating expenses include the following items:

| Expenses | in thousand UZS | |
|---|------------------|------------------|
| | Dec.31, 2022 | Dec.31, 2021 |
| Rent | 300 266 | 20 339 |
| Audit | 30 435 | |
| Accounting software and other software | 226 480 | 1 993 |
| Website and Internet | 5 991 | 52 962 |
| Labor costs | 3 106 250 | 2 105 765 |
| Social tax | 371 410 | |
| Износ Wear | 11 808 | 3 224 |
| Calendar contributions to the Agency | 8 605 | 659 |
| Business trips | 80 475 | 23 753 |
| Office utility costs | | 5 482 |
| Marketing | 143 478 | 190 821 |
| Material costs | 101 582 | 72 337 |
| Taxes | 207 678 | 19 182 |
| Unexpected expenses | 34 720 | 575 |
| Press announcement | | 9 488 |
| Translations | 2 309 | 1 890 |
| Fees | 10 104 | 9 573 |
| Representative costs | 25 878 | 5 959 |
| Other costs | 166 858 | 578 |
| Rating | 10 870 | 12 500 |
| Advertisement | 60 070 | 46 423 |
| Communication | 10 340 | 9 737 |
| Insurance | 1 594 | 1 487 |
| Bank service | 59 444 | 51 539 |
| Securities expenses | 33 546 | |
| APIMP membership fees (Association of Professional Insurance Market Participants) | 43 478 | 8 267 |
| AMCHAM membership fees (Associations and industrial unions) | 37 179 | 7 949 |
| Legal service | 5 000 | 32 259 |
| Provisions for overdue debts | 50 989 | 2 694 738 |
| Period expense adjustments | | 116 372 |
| TOTAL: | 5 140 600 | 2 811 110 |

27. COST OF INSURANCE SERVICES

| Cost price | In thousand UZS | |
|--|-----------------|----------------|
| | Dec.31,2022 | Dec.31,2021 |
| Strict reporting forms - insurance policies | 12 081 | 1 116 |
| Payments - compensation | | |
| Bonuses - commission from profits in favor of the policyholder | | |
| Adjuster, actuarial services, tow truck services, valuation, assistance services | 411 145 | 151 825 |
| Agent's commission | 391 806 | 23 176 |
| Иторо Total | 815 032 | 176 117 |

28. FINANCE EXPENSES AND OTHER INCOME

| | (in thousand UZS) | |
|--|-------------------|-----------------|
| | Dec.31,2022 | Dec.31,2021 |
| Expenses from foreign exchange differences | -2 601 083 | -346 865 |
| Total expenses: | -2 601 083 | -346 865 |

29. INCOME TAX

Tax imposition

Income tax expense represents the sum of current and deferred taxes.

Current income tax expenses are calculated in accordance with the tax legislation of the Republic of Uzbekistan. Tax paid on profits based on current legislation is recognized as an expense for the period in which the profits arise. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and items that are not taxable or deductible. The Company's current tax liability is calculated using tax rates enacted at the reporting date.

Deferred tax means the tax paid or recovered on differences between the carrying amounts of assets or liabilities in the financial statements and the corresponding tax bases used in computing taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Such claims and liabilities are not recognized if temporary differences arise from goodwill (or negative goodwill) or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable nor accounting profit.

Deferred tax assets and liabilities are calculated for all temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences that arise between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except to the extent that the deferred income tax arises from the initial recognition of goodwill, an asset or a liability in a transaction that does not represent is a business combination and which, at the time of the arrangement, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the taxable temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that will apply during the period in which the asset is realized or the liability is settled, based on laws enacted or substantively enacted at the reporting date.

In addition, in the Republic of Uzbekistan there are various operating taxes applicable to the activities of the Insurance Company. These taxes are recorded as other operating expenses.

The Company uses the balance sheet method in calculating deferred taxes. The Company reviews the carrying amount of deferred tax assets at each reporting date and reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realized.

The main temporary differences arise from the different measurement of certain financial assets and liabilities for financial reporting and tax reporting purposes, including property, plant and equipment and related accumulated depreciation, provisions, the inflationary effects of restatements of non-cash items, fair value adjustments and, in relation to acquisitions of subsidiaries, the difference between the fair value of the net assets acquired and their tax base.

Prior ton deferred tax calculation in accordance with IFRS, deferred tax assets and liabilities calculated in accordance with national accounting are written off by reverse entries.

Deferred tax is measured at enacted tax rates or tax rates that will substantively enact (apply) when the liability is settled or the asset is disposed of. Deferred tax is recognized in the income statement except to the extent it relates to items debited or credited directly to equity. In this case, deferred tax is also

recognized in equity.

Deferred tax assets and liabilities are offset only when they relate to income taxes levied by the same taxing authority and the Company intends to settle current tax assets and liabilities on a net basis.

Deferred tax is calculated in the following steps:

Stage 1: Calculation of the book value (according to IFRS) and the tax base of each asset and liability.

Stage 2: Calculation of temporary differences by subtracting the tax base from the book value (according to IFRS).

Stage 3: Calculation of deferred tax liability and requirement. To calculate deferred tax liabilities, an entity aggregates all positive temporary differences and applies enacted tax rates or tax rates that substantively will be applied to taxable income in the periods in which such temporary differences are expected to reverse or settle. To calculate deferred tax assets, an entity aggregates all negative temporary differences and applies enacted tax rates or tax rates that substantively will be applied to taxable income in the periods in which such temporary differences are expected to reverse or settle. (Deferred tax assets are recognized when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised). The result is an asset or liability shown on the balance sheet.

Stage 4: Calculate the net deferred tax liability or requirement by adding two amounts.

Stage 5: Subtracting the beginning balance of a deferred tax liability or claim. The difference represents the accrual/reduction of income tax in the income statement/capital account for the current year.

Currently, the Republic of Uzbekistan has a number of legislative acts regulating the system of taxes paid to the Republican and local state budgets. The company prepares income tax calculations based on legislative acts and requirements of the Republic of Uzbekistan.

Due to the fact that some types of expenses are not taken into account for tax purposes, as well as the availability of non-taxable income, the Company experiences temporary differences. The tax effect of temporary differences is determined between the carrying amounts of assets and liabilities and the amount that is determined for tax purposes.

The income tax rate applied to the Company's net profit consists of corporate tax (2022 – 15%).

Deferred tax includes the amount of income tax determined from the amount of temporary differences using the current income tax rate.

Deferred tax assets. The current tax amount is determined based on the taxable profit for the year after applying adjustments for previous years.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available from which temporary differences can be utilized for tax purposes.

Income tax expenses are presented as follows:

| | In thousand UZS | |
|--|------------------|-------------------|
| | 2022 | 2021 |
| Profit before tax according to IAS | 1 479 842 | -1 775 133 |
| Other items not deductible for tax purposes | | 0 |
| Taxable income | 1 479 842 | -1 775 133 |
| Conditional tax at a fixed rate | 221 977 | |
| Current income tax for the reporting period on the balance sheet | | 0 |
| Deferred tax | | 0 |

30. CONTRACTUAL AND CONTINGENT LIABILITIES

Business environment

Being a country with a developing economy, the Republic of Uzbekistan is in the process of developing its business and legislative infrastructure. The Government of the Republic of Uzbekistan is implementing reforms aimed at developing the business, legal, tax and regulatory systems that exist in countries with more stable market economies. Due to the fact that the reform process has not yet been completed,

operations carried out in the Republic of Uzbekistan are associated with risks that are not typical for economically developed countries. Such risks result in the local currency not being freely convertible, low levels of liquidity in the debt securities and capital markets, and ongoing inflation.

The economic downturn and recessions occurring in the world are also reflected in the economy of Uzbekistan. The current global financial crisis may lead to instability of the capital market, a significant decrease in liquidity in the construction and industrial sectors and tightening of credit conditions in the Republic of Uzbekistan.

The country's government has introduced a number of anti-crisis measures aimed at ensuring liquidity and supporting the largest companies in Uzbekistan. However, the global financial crisis has led to uncertainty regarding the state of the economy as a whole, since the Republic of Uzbekistan is largely dependent on exports and loans from international financial banks. Foreign currency, in particular the US dollar, plays a significant role in the economic essence of most transactions carried out in the Republic of Uzbekistan.

The Company's management believes that appropriate measures are being taken to ensure the sustainability of the Company's business in the current conditions: accumulated professional base, high professional level of personnel, impeccable reputation of the company as a preferred insurer, long-term experience, attractive location, constant monitoring of the quality of services. Although measures are being taken, further unforeseen negative changes in the above areas may adversely affect the results of operations and financial position of the Company. The effect of these changes cannot be determined at this time. The exchange rate of the Uzbek som against the US dollar and other currencies is set out in the general part of the report. There are reasons that may negatively affect the financial position already in the current period, without taking into account the economic downturn: insolvency of the main Customers for services already provided.

Legal issues

In the normal course of business, the Company is subject to lawsuits and claims. In the opinion of management, the probable liabilities, if any, arising from such claims or claims will not have a material adverse effect on the future financial position or results of operations.

As a result of this erroneous opinion, the Company does not conduct legal proceedings to collect receivables. The legal service does not have information on the execution of contracts. In accordance with the requirements of national legislation, concluded contracts with Customers and contractors contain clauses of liability for improper and non-fulfillment of contract terms and payments, however, in its current activities, the legal service does not use all the possibilities of the law to recover from those responsible for failure to fulfill obligations under the contract.

Tax imposition

Currently, the Republic of Uzbekistan has a number of legislative acts regulating the system of taxes paid to the Republican and local state budgets. The established legislation is often vaguely defined and there are no clear precedents. There are often different opinions regarding the interpretation of legislative acts, both between different departments and within one department (i.e. the State Tax Committee and its various inspectorates), which creates uncertainty and the ground for various disputes. Tax returns and other legal obligations (for example, customs and currency regulations) are subject to review and audit by a number of agencies, which by law have the right to impose significant administrative penalties (including fines and penalties). This situation creates a greater likelihood of tax risks arising in the Republic of Uzbekistan than, for example, in other countries with more developed tax systems. Management believes that the Company is generally in compliance with all provisions of tax legislation that affect its activities; however, the relevant tax authorities may take a different position with respect to controversial issues.

31. CONTRACTUAL AND CONTINGENT LIABILITIES NOT INCLUDED IN THE FINANCIAL STATEMENTS

As of December 31, the Company's contractual and contingent liabilities are not included in the financial statements, and the analysis of these items is carried out by management.

According to the accounting policy, contractual and contingent liabilities include the following items:

| Liabilities 2022 | |
|--|----------|
| Service obligations | 0 |
| Less secured funds under guarantees: | 0 |
| Total: Contractual and contingent liabilities | 0 |

32. RISK MANAGEMENT

Introduction

The Company's activities are inherent in risks: general from economic activities, from changes in exchange rates, professional, emergency. The Company manages risks through an ongoing process of identification, assessment and monitoring, as well as through the establishment of risk limits and other internal control measures. The risk management process is critical to maintaining sustainable profitability, and each individual employee is responsible for the risks associated with his or her responsibilities. The Company is exposed to liquidity and market risks. The company is also exposed to operational risks.

The independent risk control process does not include business risks such as environmental, technological or industry changes. Such risks shall not be controlled by the Company during the strategic planning process.

Risk Management Structure

Management shall be solely overall responsibility for identifying and controlling risks, however, there are also individual responsible persons appointed by management, such as internal audit manager, planning manager, insurance risk manager, insurance claims manager, who are responsible for managing and controlling risks, but these services insufficiently carry out control procedures due to the growth of activity. This year, Management plans to create risk management departments.

Risk control

The Risk Control Manager is responsible for monitoring compliance with risk management policies and risk limits.

Planning Manager

The Planning Manager is responsible for managing the Company's assets and liabilities, including the overall financial structure. The manager has primary responsibility for liquidity risk and funding risk.

Internal Audit Manager

Risk management processes are reviewed annually by the internal audit manager, checking both the adequacy of the procedures and the implementation of these procedures.

The internal audit manager is responsible for discussing the results of audits with management and presenting his findings and recommendations.

Risk assessment and risk communication systems

The Company's risks are assessed using a method that reflects both the expected loss that is likely to be incurred in the normal course of business, and unexpected losses, which are an estimate of the largest actual losses based on statistical models. The models use probabilities derived from past experience and adjusted for economic conditions.

Monitoring and control of risks is mainly based on the limits established by the Company. Such limits reflect the business strategy and market conditions in which the Company operates, as well as the level of risk that the Company is ready to accept. The control process is poorly carried out by the planning manager.

Information received on all aspects of activity is studied and processed for the purpose of analysis, control and early detection of risks. This information is partially presented with explanations to the manager from each manager.

Risk reduction

As part of risk management, the Company makes little use of derivatives and other instruments to manage positions arising from changes in external risks, as well as positions on forecast transactions.

Excessive risk concentrations

Concentrations of risk arise when there are a number of Customers that, as a result of changes in economic, political and other conditions, affect the ability of these Customers to fulfill contractual obligations.

Risks associated with obligations, except for risks from insurance activities.

The Company provides its clients with the opportunity to obtain guarantees under which it may be necessary to make payments on behalf of the Customer. Under these agreements, the Company bears risks that are mitigated using the same procedures and risk control policies.

33. QUALITY OF LIABILITIES BY FINANCIAL ASSETS CLASS

The table below provides an analysis by asset class for liability-related items in the statement of financial position based on the liquidity rating system.

For 2022 in thousand UZS

| Assets | Not past due and not impaired | | Deferred but not impaired | Deferred but discounted | Total financial assets |
|---|-------------------------------|-------------------|---------------------------|-------------------------|------------------------|
| | Good | Standard | | | |
| Cash and cash equivalents (except cash) | 9 479 838 | | | | 9 479 838 |
| Accounts receivable | 16,678 | 601 612 | 6 598 954 | 0 | 7 217 244 |
| Other financial assets | 2 404 | 138 481 | 113,000 | | 253 886 |
| Inventory | | 5 425 | | 0 | 5 425 |
| Prepayment for equipment and goods | | | | | 0 |
| Investments in bank deposits | | 36 784 218 | | | 36 784 218 |
| Property | | | 60 713 | | 60 713 |
| Total | 9 498 921 | 37 529 735 | 6,772,668 | 0 | 53 801 324 |

An analysis of overdue debtors by time elapsed since the payment was delayed is presented below.

Analysis of overdue but not impaired debts by periods elapsed from the date of delay in payment, by class of financial assets.

2022

in thousand UZS

| Accounts receivable | Less than 30 days | 30 days -1 year (current) | from 1 to 3 years (overdue - returnable) | Total |
|-------------------------------|-------------------|---------------------------|--|------------------|
| Customers' debt | | 601 612 | | 601 612 |
| Suppliers' debt | 2 405 | 56 324 | | 58,729 |
| Taxes | 16,678 | | | 16,678 |
| Personnel debt on loans | | | | 0 |
| Debt of other debtors | | 82 157 | | 82 157 |
| Debt of reinsurance companies | | | 6 598 954 | 6 598 954 |
| Total | 19,083 | 740 093 | 6 598 954 | 7 358 130 |

The reserve for accounts receivable accrued at 100% of the debt for more than a year, is 50,989 thousands of UZS, not included in the calculations for assessing the quality of accounts receivable.

34. IMPAIRMENT ASSESSMENT

The Company's clients are divided into 4 assessment groups:

Good. Timely repayment of debt on these assets is beyond doubt. The debtor is financially stable, has a sufficient level of capital, a high level of profitability and sufficient cash flow to satisfy all existing obligations, including debt to the Company. The assessment of the reputation of such a debtor includes factors such as payment history, market marketability of collateral (pledge of movable and immovable property).

Standard. Standard funds are secured by a reliable source of secondary repayment (guarantee or collateral). The payer's financial position is generally stable, but at the moment there are some unfavorable circumstances or trends that raise doubts about the debtor's ability to repay the debt on time. Good debtors with insufficient information or no collateral documentation may also be classified as standard debtors.

Overdue, but not devalued. Debtors who have all the disadvantages inherent in standard debtors and additional characteristics that make it highly doubtful and unlikely that full repayment of the debt amount under existing conditions.

Depreciated. Debtors classified as impaired are considered non-recoverable and have a value lower than the book value (possibly completely non-recoverable), so that continued accounting for them in the assets of the Company's balance sheet is impractical. This classification does not imply that there is no likelihood of their repayment, but it is not appropriate or advisable to defer the write-off of these assets, even though partial repayment may be possible in the future. The company must make attempts to eliminate such debt by selling the security or make every effort to repay them.

Impairment assessment

The main factors taken into account when auditing for impairment are: whether principal payments are more than 90 days overdue; whether the debtor is aware of financial difficulties, a decline in their payment rating, or violations of the original terms of the contract. A company must test for impairment at two levels - provisions assessed on the basis of information about individual insolvent debtors and their amounts overdue, and provisions assessed on an aggregate basis. This estimate is reflected in the calculation of the "Provision for accounts receivable" at the end of the reporting period.

Reserves measured on a cumulative basis

When assessed on a cumulative basis, impairment is determined on the basis of total accounts receivable, which may exist even in the absence of objective evidence of impairment. Losses are determined based on the following information: historical losses, expected amounts to be collected and recoverable amounts for historical periods, and expected amounts of insolvent debtors for the current period.

The division's management is responsible for determining this period, which can last up to one year. The reserve is then checked by the manager of the Company's planning department to ensure its compliance with the general policy of the Company. No such checks are carried out.

Liquidity risk

Liquidity risk means the risk that the Company will not be able to meet its payment obligations when they fall due under normal or unforeseen conditions. The company is at risk due to the daily need to use available funds for business settlements on accounts, supplier accounts, payment of wages, tax payments, payments under guarantees, settlements for which are made in cash. The Company accumulates funds in case of the need to simultaneously fulfill all of the above obligations, since, based on the accumulated operational experience, it is possible to predict with a sufficient degree of accuracy the level of funds required to fulfill these obligations. Liquidity analysis shows that the Company has sufficient liquid funds to repay short-term obligations.

Liquidity management requires an analysis of the level of liquid assets required to settle obligations as they fall due; having plans in case of problems with financing and monitoring the compliance of balance sheet liquidity ratios with legal requirements.

Liquidity is assessed and managed primarily on an autonomous basis, based on the current liquidity ratio, established professional opinion, and recommendations of the Central Bank of the Republic of Uzbekistan for liquidity calculations. As of December 31, these ratios were:

| | 2022 | 2021 |
|--|------|------|
| "Current liquidity ratio" (assets received or disposed of within 30 days/liabilities paid within 30 days) | 28.8 | 1.04 |

Analysis of financial liabilities by terms remaining until maturity

The table below presents financial liabilities as at Dec.31 by remaining maturity, based on contractual undiscounted repayment obligations.

Obligations due on demand are treated as if the request for payment made at the earliest possible date. However, the JSC expects that many customers will not request repayment on the earliest date on which the JSC would be required to make the relevant payment and, accordingly, the table does not reflect the expected cash flows calculated by the JSC based on historical demand information.

2022

| Financial obligations | in thousand UZS | | | | |
|------------------------------------|--------------------|---------------------|------------------------|-------------------|-------------------|
| | Less than 3 months | From 3 to 12 months | From 1 year to 5 years | More than 5 years | Total |
| Employee funds | 240 636 | | | | 240 636 |
| Supplier funds | 19,798 | 169 529 | 745 871 | | 935 198 |
| Customer funds | | 205 571 | | | 205 571 |
| Founders' funds | | | | | 0 |
| Taxes | 266 242 | | | | 266 242 |
| Insurance reserves | | | 11 915 302 | | 11 915 302 |
| Total financial liabilities | 330 196 | 375 100 | 15 370 083 | 0 | 13 562 948 |

The Company expects that not all contingent or contractual obligations shall need to be fulfilled before their expiration date.

The Company received significant funds in the form of urgent and current obligations from Customers. A significant withdrawal of these funds may adversely affect the Company's activities. Management believes that the Company's funding levels will remain at the same level for the foreseeable future, and that if payment of these funds becomes necessary, the Company will receive advance notice and will be able to sell its liquid assets to make the necessary payments.

Analysis of maturity differences does not reflect the historical stability of funds in checking accounts, which have traditionally been repaid over a longer period than indicated in the table above. These balances are included in the table under amounts due in "less than 12 months."

35. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows assets and liabilities by their expected maturities as of December 31, 2022.

| | Within one year | More than one year | More than 3 years | Total |
|-------------------------------------|------------------|--------------------|-------------------|-------------------|
| Assets - fair value | | | | |
| Cash and cash equivalents | 2 634 387 | 6 845 451 | | 9 479 838 |
| Accounts Receivable | 601 612 | | | 601 612 |
| Advances to suppliers | 138 481 | 5 789 709 | | 5 928 190 |
| Advances to associated companies | | | | 0 |
| Fixed assets at residual value | | | 60 713 | 60 713 |
| Intangible assets at residual value | | | 113,000 | 113,000 |
| Deposits | | | 36 784 218 | 36 784 218 |
| Inventory | 5 425 | | | 5 425 |
| Other assets | 19,083 | | | 19,083 |
| Total | 3,398,987 | 12 635 160 | 36 957 932 | 52 992 079 |
| Liabilities - fair value | | | | |
| Liabilities to associated companies | | | | 0 |
| Insurance obligations | 175 441 | 739 958 | | 915 399 |
| Supplier funds | 19,798 | | | 19,798 |
| Customer funds | | 205 571 | | 205 571 |
| Founders' funds | | | | 0 |
| Debt to the budget | 266 242 | | | 266 242 |
| Debt to employees | 240 636 | | | 240 636 |
| Deferred income tax liabilities | | | | 0 |
| Insurance reserves | | | 11 915 302 | 11 915 302 |
| Other obligations | | | | 0 |
| Total | 702 117 | 945 529 | 11 915 302 | 13 562 948 |
| Net position | 2 696 870 | 11 689 631 | 25 042 630 | 39 429 131 |

As can be seen, the Company has stable assets in the foreseeable future.

Currency risk

Currency risk means the risk that the value of foreign currency items will fluctuate due to changes in exchange rates. The Company's management practices concluding financial transactions in foreign currency. 95% of deposits in national banks of Uzbekistan are placed in foreign currency - US dollars. The exchange rate of the Uzbek soum to foreign currency so far has stable, predictable dynamics. However, inflation in the market does not have a predictable stable level. Therefore, reporting the results of business activities and financial position in local currency without recalculation for inflation is useless, since money loses purchasing power at such a rate that comparison of amounts received from transactions and events that took place at different times, even within the same reporting period, is useless. period, will mislead users of the statements.

Operational risk

Operational risk means the risk arising from system failure, human error, fraud or external events. When controls fail, operational risks can cause reputational damage, legal consequences, or financial loss. The Company cannot assume that all operational risks have been eliminated, but through a control system and by monitoring and responding appropriately to potential risks, the Company can manage such risks.

The control system includes effective segregation of duties, access rights, approval and reconciliation procedures, personnel training, and evaluation procedures, including internal audit. The internal audit service functions poorly.

36. FAIR VALUE MEASUREMENT

Sources of fair value

For the purpose of disclosing information on fair value, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability, as well as the level of hierarchy of sources of fair value

Fair value of financial assets and liabilities not measured at fair value

Comparison between balance sheet value and fair value in breakdown by the Company's financial instruments not recorded at fair value in the financial statements is set forth below. The table shows the values of non-financial assets and non-financial liabilities.

| | Balance sheet value | Fair value | Unrecognized income/loss |
|---|---------------------|-------------------|--------------------------|
| Financial assets | 47 501 476 | 52 992 079 | 5 490 603 |
| Cash and cash equivalents | 9 492 926 | 9 479 838 | -13 088 |
| Receivables from policyholders | 622 220 | 601 612 | -20 608 |
| Receivables from reinsurance companies | 0 | 5 789 709 | 5 789 709 |
| Advances issued to suppliers | 116 302 | 82 157 | -34 145 |
| Accounts receivable to employees | | | 0 |
| Prepayments to the budget for taxes | 16,678 | 16,678 | 0 |
| Interest receivables | 62,561 | 56 324 | -6 236 |
| Other financial assets | 115 638 | 2 405 | -113 233 |
| Commodity material values | 92,966 | 5 425 | -87 541 |
| Deposits in banks of Uzbekistan | 36 921 472 | 36 784 217 | -137 255 |
| Intangible asset | | 113,000 | 113,000 |
| Property | 60 713 | 60 713 | 0 |
| Financial obligations | 9 216 912 | 13 562 948 | 4 346 036 |
| Supplier funds | 29,798 | 19,798 | -10 000 |
| Advances from policyholders | 205 571 | 205 571 | 0 |
| Debt to policyholders and reinsurers (Insurance reserves) | 14 624 212 | 11 915 302 | -2 708 910 |
| Debt of reinsurance companies | -6 598 955 | | 6 598 955 |
| Debt to insurance providers | 915 400 | 915 400 | 0 |
| Debt to the budget | 40,886 | 266 242 | 225 356 |
| Debt to employees | 0 | 240 636 | 240 636 |
| Other financial liabilities | | 0 | 0 |

Assessment Methods and Assumptions

The methods and assumptions used in determining the fair value of those financial instruments not measured at fair value in these financial statements are described below.

Assets with fair value approximating the carrying amount

For financial assets and financial liabilities that are liquid or have short maturities (less than three months), their fair value is assumed to approximate their carrying amount. This assumption also applies to assets without a specified maturity. For example: for accounts receivable reflected in the balance sheet at the book (contractual) value, the change in value is not provided for by the contract.

37. DISCLOSURE OF INFORMATION ON RELATED PARTIES

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

Related parties may enter into transactions that would not be entered into between unrelated parties. The prices and terms of such transactions may differ from the prices and terms of transactions between unrelated parties. The balances of transactions with related parties are presented below: The founder of the

Company UZBEK OPPORTUNITIES FUND, LTD has a share of 100% as of Dec.31, 2022. (the nominal value of the share is (39,566,531 UZS).

| Full name or company name | Location (residence) (state, region, city, district) | Basis for recognition as affiliates | Date (for basis) | Company expenses in thousand UZS |
|--|--|--|-------------------|----------------------------------|
| UZBEK OPPORTUNITIES FUND, LTD | Building 6, Caves Village, West Bay Street, Nassau, New Providence, in the Commonwealth of The Bahamas | Legal a person who owns 20 percent or more of the Company's shares | November 17, 2022 | no expenses |
| Brian Joseph Reilly | | Supervisory Board member | November 29, 2022 | |
| Nathan Wynn Bell | | Supervisory Board member | November 29, 2022 | |
| Bradley Steven Jensen | | Supervisory Board member | November 29, 2022 | |
| Xalilov Oybek Nosirovich / Khalilov Oybek Nosirovich | Republic of Uzbekistan, Tashkent, M. Ulugbek district | A person exercising the powers of a director (chairman of the board) | June 30, 2022 | 813 720 |

38. CAPITAL ADEQUACY

The Company does not implement all instruments for managing the level of capital adequacy to protect against risks inherent in its activities. Capital adequacy is monitored using, among other methods, principles and ratios. The capital adequacy ratio calculated separately.

The main goal of capital management for the Company is to ensure compliance with external capital requirements and maintain solvency and capital adequacy standards necessary to carry out its activities and maximize shareholder value.

The Company manages its capital structure and adjusts it in the light of changes in economic conditions and the risk of its activities. In order to maintain or change the capital structure, the Company may adjust the amount of dividends paid to the founders, return capital to the founders, or issue equity securities. Compared to previous years, there have been changes in capital management objectives, policies and procedures to the extent that solvency has deteriorated as a result of an increase in accounts receivable.

Capital adequacy ratios.

The capital adequacy ratio calculated separately. As of December 31, 2022, the capital adequacy ratio and Tier 1 capital, calculated in accordance with the above rules, were:

| | |
|--------------------------------|-------------------|
| | 2022 |
| Tier 1 capital | 39 525 860 |
| Tier 2 capital | 1,257,865 |
| Total capital | 40 783 725 |
| Risk-weighted assets | |
| Tier 1 capital adequacy ratio | 97% |
| Tier 2 capital adequacy ratio | 0.3% |
| General capital adequacy ratio | 99.45% |

Regulatory capital contained Tier 1 capital, including shares, retained earnings, excluding current period profit, less intangible assets. Another component of regulatory capital is Tier 2 capital, which includes current period profit and a reserve for possible losses.

According to the requirements of the Central Bank of the Republic of Uzbekistan, the capital adequacy ratio for banks must be maintained at the level of 10%, as well as Tier 1 capital adequacy - at least 5% of the amount of risk-weighted assets. Capital adequacy indicators for business entities have not been developed; auditors conducted this analysis in order to attract the attention of owners to the uniform distribution of capital over periods, to take into account when drawing up plans the influence of the processes described above (depreciation of assets, estimates of the fair value of assets, the impact of inflation, etc.). Tier 2 capital adequacy ratio is no less than 10% of the amount of risk-weighted assets.

39. EFFECT OF INFLATION

According to the requirements of IAS 29, financial statements are prepared in the functional currency. IAS 29 states that in hyperinflationary environments, reporting results of operations and financial position in local currency without restating for inflation is not useful because money is losing purchasing power at such a rate that comparisons of amounts arising from transactions and events that have occurred place at different times, even within the same reporting period, will mislead users of reporting.

Financial statements presented in UZS, the functional and presentation currency of the Company.

The official exchange rate of 1 USD, established by the Central Bank of the Republic of Uzbekistan:

| | |
|---------------------------|----------------------------|
| As of Jan.1, 2022 | As of Dec. 31, 2022 |
| 10837,66 UZS to 1 USD | 11225,46 UZS to 1 USD |
| As of Jan. 1, 2021 | As of Dec.31, 2021 |
| 10476,92 UZS to 1 USD | 10837,66 UZS to 1 USD |
| As of Jan.1, 2020 | As of Dec.31, 2020 |
| 9 507,56 UZS to 1 USD | 10476,92 UZS to 1 USD |
| As of Jan.1, 2019 | As of Dec.31, 2019 |
| 8 336,25 UZS to 1 USD | 9 507,56 UZS to 1 USD |

Change 3.5% for 2022

Change 3.4% for 2021

Change 10.19% for 2020

Change 14.05% for 2019

Property and non-monetary assets of the Company not indexed.

Currency funds indexed at the Central Bank exchange rate on the date of the business transaction.

Being a country with a developing economy, the Republic of Uzbekistan is under the process of developing its business and legislative infrastructure. The Government of the Republic of Uzbekistan is implementing reforms aimed at creating the legal, tax and regulatory systems existing in countries with more stable market economies. Due to the fact that the reform process has not yet been completed, operations carried out in the Republic of Uzbekistan associated with risks are not typical for economically developed countries. Such risks result in the local currency not being freely convertible, low levels of liquidity in the debt securities and capital markets, and ongoing inflation.

The economic downturn and recessions, the Covid-19 epidemic occurrence in the world also affected the economy of Uzbekistan. The current global financial crisis may lead to capital market instability, a significant decrease in liquidity in the insurance sector and tightening credit conditions in the Republic of Uzbekistan.

The country's government has introduced a number of anti-crisis measures aimed at ensuring liquidity and supporting the largest companies in Uzbekistan. However, the global financial crisis has led to uncertainty in the economic sector as a whole, since the Republic of Uzbekistan is largely dependent on the external influence of international financial institutions. Foreign currency, in particular USD, plays a significant role in most economic transactions carried out in the Republic of Uzbekistan.

40. LEGAL ACTIONS AND CLAIMS

In the normal course of varying out activities, the Company may be subject to lawsuits and claims. In the opinion of management, potential liabilities (if any) arising from such legal actions or claims shall not have a material adverse effect on the Company's future financial situation or results of operations. The Company shall take legal actions for compensation of losses in regressive cases. As of December 31, 2022, the Company has no lawsuits or claims.

41. EVENTS AFTER THE REPORTING DATE

The company's management has information on significant events after the reporting period. No events occurred after the reporting date prior to the date of issuing the auditor's report that may have a negative effect on the financial situation of the Company.

On April 26, 2023, the decision has been made to issue an additional number of shares with a total value of 5,700,000 UZS. An increase in the Authorized Capital shall have a positive effect on the Company's net assets.