INDEPENDENT AUDITOR'S REPORT,

DONE IN ACCORDANCE WITH THE INTERNATIONAL STANDARDS FOR AUDIT (ISA) SOFTWARE

FINANCIAL STATEMENTS
"MOSAIC INSURANCE GROUP"
JOINT STOCK COMPANY INSURANCE ORGANIZATION

FOR THE YEAR ENDED 31 DECEMBER 2024,

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Audit report received by:

Khalilov O.N 04/03/2025

full name **date** **signature**

place of seal

Tashkent-April 03, 2025

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AUDIT INCOME

AUDIT INCOME LLC
Shaxrizabs str. 22
Tashkent, Uzbekistan
Tel.: +998 (71) 256-25-18
Tel.: +998 (71) 256-03-05

INDEPENDENT AUDITOR'S REPORT

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

REPORT

We have audited the accompanying financial statements of MOSAIC INSURANCE GROUP JSC IO (the "Company"), including the financial statement as at 31 December 2024, 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 MOSAIC INSURANCE GROUP JSC IO attached to this Report present fairly, in all material respects, the financial situation of the Company as at December 31, 2024, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for Financial Statements

The Company's Management is 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 skepticism 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;

– 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 asset 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: 3 April 2025. Tashkent city, Republic of Uzbekistan.

Information on the audited entity.

Mosaic Insurance Group JSC IO

Certificate No. 2025544 dated Feb.2,2021 of the Inspectorate of Registration of Entrepreneurial Entities of Tashkent city. Licence for insurance activity SF №091338 dated Jun 14,2023, 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. 22.

MANAGEMENT STATEMENT OF LIABILITY

The Company's Management is responsible for preparing the financial statements of Insurance company MOSAIC INSURANCE GROUP JSC IO to present fairly, in all material respects, the financial statements of MOSAIC INSURANCE GROUP JSC IO (the "Company") as at December 31, 2024 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 recognized 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 2024 that require amendment or disclosure in the financial statements.

On behalf of management

Director General:
Tashkent, Uzbekistan

Chief Accountant
Tashkent, Uzbekistan

MOSAIC INSURANCE GROUP JSC IO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousand UZS)

	Note	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
ASSETS				
Cash and cash equivalents	5	56 203 770	36 222 297	9 479 838
Short-term investments	6	81 646 736	54 653 449	36 784 218
Investment securities	7			
Investments in associates	8			
Assets held for sale	9			
Interest payable on bank deposits and other indebtedness	10	992 531	150 873	56 324
Indebtedness of insurers	11	132 796 113	39 185 672	601 612
Indebtedness to suppliers	12	280 685	326 857	82 157
Other current assets	13	12 466		2 405
Tax advances	14	20 903	650 317	16 678
Reinsurers' share in unearned premium reserve	15	76 156 835	40 852 991	5 188 349
Reinsurers' share in loss reserve	16	-	1 252 851	601 360
Inventories	19	433	978	5 425
Fixed assets	17	189 362	158 566	60 713
Long-term investments				
Intangible assets	18	0	226 000	113 000
TOTAL ASSETS		**348 299 834**	**173 680 852**	**52 992 079**
LIABILITY				
Insurance liabilities	21	0	729 295	205 571
Unearned premium reserve	22	161 130 538	55 451 291	10 114 039
Loss reserve	23	27 535 165	6 955 265	1 662 173
Preventive measures reserve	24			139 090
Payables to insurance suppliers	25	37 250 683	35 363 787	915 400
Liabilities for labour remuneration	26	540 608	439 488	240 636
Taxes and social payments payable to the budget	28	933 984	205 277	266 242
Liabilities on long-term bank loans				
Other liabilities	29	2 721	7 243	19 798
TOTAL LIABILITIES		**227 393 699**	**99 151 644**	**13 562 948**
OWNED CAPITAL				
Authorized capital	30	104 106 531	72 106 531	39 566 531
Added capital	31	72 329	91 649	72 329
Revenue reserves		110 543		
Retained earnings	32	16 616 732	2 331 028	-209 730
TOTAL OWN FUNDS		**120 906 135**	**74 529 208**	**39 429 130**
TOTAL LIABILITIES AND OWN FUNDS		**348 299 834**	**173 680 852**	**52 992 079**

On behalf of management:

O.N. Khalilov
Director General
Tashkent, Uzbekistan

A.F. Babikova
Chief Accountant
Tashkent, Uzbekistan

MOSAIC INSURANCE GROUP JSC IO
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2024
(in thousand UZS)

	Note	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Insurance premiums, Gross	**19**	**95 877 843**	**73 100 812**	**16 694 633**
Insurance premiums under contracts transferred to reinsurance	19	(79 838 645)	(56 057 952)	(8 456 089)
Insurance premiums under contracts accepted for reinsurance		169 202 446		
Income from reimbursements and commissions		1 616 601	6 712 149	2 549 145
Insurance premiums Net		**186 858 245**	**23 755 010**	**10 787 689**
Changes in unearned premium reserve	17/19	(100 309 841)	(7 701 121)	(3,891,137)
Change in reinsurer's share in reserve of unearned premiums	17/19	22 112 212	(529 968)	0
Changes in other mandatory insurance reserves	17/19	(10 699 590)	(499 893)	(991 427)
Change in reinsurers' share of technical reserves		2 127 710		
Premiums Earned Net		**100 088 736**	**15 024 028**	**5 905 125**
Insurance payments settled	20	(13 197 026)	(5 306 794)	(1,982,098)
Reimbursement of payments for risks transferred to reinsurance	20			236 019
Changes in reserve for incurred but not reported losses	17/20	(3 993 315)	(5 987 214)	0
Change in reinsurer's share in loss reserve	17/20	692 019	2 442 740	
Occurred insured losses Net		**83 590 414**	**(8 851 268)**	**(1 746 079)**
Insurance commission income	21		1 863 835	36,277
Income from recourse claims	20		-	-
Cost of insurance services	12/21/22	(62 738 281)	(3 443 421)	(815 032)
Result of insurance activities		**20 852 133**	**4 593 174**	**3 380 291**
Other income	21		2	
Operating expenses	22	(11 140 372)	(7 713 114)	(5,140,600)
Interest income	22	4 989 271	2 798 159	1 824 304
Dividend income	22			
Income from foreign exchange differences		10 074 941	8 719 834	4 016 930
Expenses from foreign exchange differences	22	(5 911 138)	(4 167 545)	(2 601 083)
Profit before tax	**23**	**18 864 835**	**4 230 509**	**1 479 842**
Income tax		(2 994 123)	(545 184)	(221,977)
Net profit for the year		**15 870 712**	**3 685 324**	**1 257 865**

On behalf of management:

O.N. Khalilov
Director General
Tashkent, Uzbekistan

A.F. Babikova
Chief Accountant
Tashkent, Uzbekistan

MOSAIC INSURANCE GROUP JSC IO
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(in thousand UZS)

	Authorized capital	Added capital	Reserve capital	Stabilization reserve	Retained earnings	Total
Balance as of Jan. 1, 2024	**72 106 531**	**91 649**			**2 331 028**	**74 529 208**
2023 balance adjustment					- 1 493 785	**-1 493 785**
Total cumulative loss / for the year 2024					15 870 712	**15 870 712**
Deductions from profit		-19 320	110 543		-91 223	**0**
Transactions with founders						
Increased authorized capital due to profits						**0**
Increased authorized capital due to investments of the founders	32 000 000					**32 000 000**
Dividends accrued from profits						
Balance as of Dec. 31, 2024	**104 106 531**	**72 329**	**110 543**		**16 616 732**	**120 906 135**

MOSAIC INSURANCE GROUP JSC IO
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousand UZS)

	Authorized capital	Added capital	Reserve capital	Stabilization reserve	Retained earnings	Total
Balance as of Jan.1, 2023	**39 566 531**	**72 329**			**-209 730**	**39 429 130**
2022 adjustment					-1 144 566	**-1 144 566**
Total cumulative loss / for the year 2023					3 685 324	**3 685 324**
Stabilization reserve						
Transactions with founders						
Increased of authorized capital due to profits						**0**
Increased authorized capital due to investments of the founders	32 540 000	19 320				**32 559 320**
Dividends accrued from profits						
Balance as of Dec. 31, 2023	**72 106 531**	**91 649**			**2 331 028**	**74 529 208**

MOSAIC INSURANCE GROUP JSC IO
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 of authorized capital due to 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**

On behalf of management:

O.N. Khalilov
Director General
Tashkent, Uzbekistan

A.F. Babikova
Chief Accountant
Tashkent, Uzbekistan

MOSAIC INSURANCE GROUP JSC IO
STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousand UZS)

Indicators	Line code	Credit	Debit
Operating activities			
Cash receipts from insurance operations, total (line 020 + 030 + 040 + 050 + 060), including:	**010**	**112 479 009**	**X**
Cash receipts in the form of insurance premiums under insurance and co-insurance contracts	020	98 964 662	
Cash receipts in the form of insurance premiums under reinsurance contracts	030	13 105 209	
Cash receipts from the provision of services of an insurance intermediary, adjuster, surveyor	040		
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	409 138	
Cash payments for insurance operations, total (line 080 + 090 + 100 + 110 + 120 + 130), including:	**070**	**0**	**93 345 072**
Cash paid in the form of insurance premiums under reinsurance and retrocession agreements	080		78 325 121
Cash paid in the form of insurance compensation under insurance and co-insurance contracts	090		13 429 016
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		897 776
Cash paid for services provided by actuaries, adjusters, surveyors, assistance	120		693 159
Cash paid to finance preventive measures	130		
Cash paid to and on behalf of employees	140		5 736 537
Other cash receipts and payments from operating activities	150		3 959 212
Total: net cash inflow/outflow from operating activities (line 010 - 070 - 140 + /-150)	**160**	**9 438 188**	
Investment activities			
Acquisition and sale of fixed assets	170		85 111
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**		**85 111**
Financial activities			
Interest received and paid	220	5 067 140	
Dividends received and paid	230		
Cash proceeds from the issue of shares or other equity instruments	240	31 942 741	
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	6 060 036	30 475 268
Cash receipts and payments under long-term lease (leasing)	270		
Other cash receipts and payments from financing activities	280	4 091 778	4 148 787
Total: net cash inflow/outflow from financial activities (line 220 + /-230 + 240 + /-250 + /-260 + /-270 + /-280)	**290**	**12 537 640**	
Taxation			
Paid income tax	300		1 470 678

Other taxes paid	310		1 704 403
Total: taxes paid (line 300 + 310)	**320**	**0**	**3 175 080**
Total: net cash inflow/outflow from financial and economic activities (line 160 + /-210 + /- 290 - 320)	**330**	**18 715 637**	
Balance of exchange rate differences resulting from the revaluation of funds in foreign currency	331	1 265 836	
Cash at the beginning of the year	**340**	**36 222 297**	
Cash at the end of the year	**350**	**56 203 770**	

CERTIFICATE OF CASH FLOW IN FOREIGN CURRENCY FOR THE PERIOD OF JANUARY 1 TO DECEMBER 31, 2024

Indicators	Line code	Amount USD	Amount EURO	Amount RUB	Amount, thousand UZS
Balance at the beginning of the year	**360**	**$2 578 651**	**€14 931**	**53 134 ₽**	**32 097 130**
Received foreign currency funds, total (line 371 + 372 + 373 + 374), including	**370**	**$8 527 163**	**€562 317**	**439 335 ₽**	**117 740 195**
Revenues from sales	371	$5 382 214	€380 936	439 335 ₽	73 312 912
Converted	372		€181 381		4 091 777
Founder's contribution	no code	$2 481 973			31 942 741
By financial activity	373	$662 976			8 392 765
Other sources	374	0	0	0	0
Total currency spent (line 381 + 382 + 383), including	**380**	**$7 540 301**	**€358 299**	**0 ₽**	**101 912 736**
Payments to suppliers and contractors	381	$ 4 737 479	€357 826		71 036 602
Payments for financial activities	382	$2 597 724			30 475 268
For other purposes	383	$205 098	€472		400 866
Balance of exchange rate differences resulting from the revaluation of funds in foreign currency	390				-1 265 836
Balance at the end of the year (line 360 + 370-380 + /-390)	**400**	**$3 265 513**	**€218 949**	**$492 469**	**49 190 425**

On behalf of management:

O.N. Khalilov
Director General
Tashkent, Uzbekistan

A.F. Babikova
Chief Accountant
Tashkent, Uzbekistan

MOSAIC INSURANCE GROUP JSC IO
STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2023
(in thousand UZS)

Indicators	Line code	Credit	Debit
Operating activities			
Cash receipts from insurance operations, total (line 020 + 030 + 040 + 050 + 060), including:	**010**	**51 211 205**	**X**
Cash receipts in the form of insurance premiums under insurance and co-insurance contracts	020	42 060 534	
Cash receipts in the form of insurance premiums under reinsurance contracts	030	2 213 798	
Cash receipts from the provision of services of an insurance intermediary, adjuster, surveyor	040		
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	165 840	
Cash payments for insurance operations, total (line 080 + 090 + 100 + 110 + 120 + 130), including:	**070**	**0**	**37 164 371**
Cash paid in the form of insurance premiums under reinsurance and retrocession agreements	080		1 956 102
Cash paid in the form of insurance compensation under insurance and co-insurance contracts	090		29 776 905
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		
Cash paid for services provided by actuaries, adjusters, surveyors, assistance	120		160 756
Cash paid to finance preventive measures	130		
Cash paid to and on behalf of employees	140		3 939 618
Other cash receipts and payments from operating activities	150	10 604	1 330 990
Total: net cash inflow/outflow from operating activities (line 010 - 070 - 140 + /-150)	**160**	**7 286 405**	
Investment activities			
Acquisition and sale of fixed assets	170		
Acquisition and sale of intangible assets	180		
Purchase and sale of long-term and short-term investments	190		8 000 000
Other cash receipts and payments from investing activities	200	16 776 210	22 671 403
Total: net cash inflow/outflow from investment activities (line 170 + /-180 + /-190 + /-200)	**210**		**13 895 193**
Financial activities			
Interest received and paid	220	2 714 471	
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	32 559 321	
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		0
Total: net cash inflow/outflow from financial activities (line 220 + /-230 + 240 + /-250 + /-260 + /-270 + /-280)	**290**	**35 273 791**	
Taxation			
Paid income tax	300		1 280 643

Other taxes paid	310		1 154 647
Total: taxes paid (line 300 + 310)	**320**	**0**	**2 435 291**
Total: net cash inflow/outflow from financial and economic activities (line 160 + /-210 + /- 290 - 320)	**330**	**26 229 712**	
Balance of exchange rate differences resulting from the revaluation of funds in foreign currency	331	499 659	
Cash at the beginning of the year	**340**	**9 492 926**	
Cash at the end of the year	**350**	**36 222 297**	

CERTIFICATE OF CASH FLOW IN FOREIGN CURRENCY IN THE PERIOD OF JANUARY 1, 2023 TO DECEMBER 31, 2023

Indicators	Line code	Amount
Balance at the beginning of the year	**360**	**6 845 451**
Received foreign currency funds, total (line 371 + 372 + 373 + 374), including	**370**	**66 699 385**
Revenues from sales	371	34 561 703
Converted	372	6 771 033
By financial activity	373	1 897 827
Cash proceeds from investments-deposits		16 776 210
Other sources	374	26 859 321
Exchange rate difference	no code	499 659
Total currency spent (line 381 + 382 + 383), including	**380**	**41 515 180**
Payments to suppliers and contractors	381	18 654 876
Payments for financial activities	382	5 865 450,0
Cash payments on investments – deposits		22 641 660
For other purposes	383	218 643
Balance of exchange rate differences resulting from the revaluation of funds in foreign currency	390	
Balance at the end of the year (line 360 + 370-380 + /-390)	**400**	**32 029 656**

On behalf of management:

O.N. Khalilov
Director General
Tashkent, Uzbekistan

A.F.Babikova
Chief Accountant
Tashkent, Uzbekistan

1. COMPANY ACTIVITY

The insurance company MOSAIC INSURANCE GROUP JSC IO (formerly FE AZIMUTH INSURANCE COMPANY JSC IO) 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.

As of June 30, 2021:

Founders	Share (%)	Amount in thousand UZS
ICA Group Limited British Virgin Islands	100%	17 113 520
ВСЕГО 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.

As of December 27, 2022, according to the restated Charter, the shares as of the registration date were distributed as follows:

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

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

According to the restated Charter:

The Company name: MOSAIC INSURANCE GROUP JSC IO

The shares as of the registration date 31.12.2022 are distributed as follows:

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

In connection with the increase in the amount of the authorised capital, the Company's Charter was amended on 28 April 2023. The restated Charter was registered with the Single Window Public Service Center for registration of entities under No. 2025544 dated April 28, 2023.

As of April 28, 2023, according to the restated Charter, the shares as of the date of registration were distributed as follows:

Founders	Share (%)	Amount in thousand UZS
UZBEK OPPORTUNITIES FUND, LTD	100%	45 266 531
TOTAL	**100,0**	**45 266 531**

The Company has announced the maximum amount of authorised shares it may issue to increase its authorised capital. The maximum amount of authorised shares is 300,000,000,000,000 (Three hundred billion) UZS, ordinary registered shares - in the amount of 300,000,000 units with a nominal value of 1,000,000 UZS. In connection with the above mentioned, the Company amended the Charter of the Company on 19 October 2023. The restated Charter was registered with the Single Window Public Service Center for registration of entities under No. 2025544 dated October 19, 2023.

In November 2023, the Founder's decision to increase the Authorised Fund was adopted. The Authorised Fund was registered on 17 November 2023 in the amount of 72 106 531 thousand UZS. Replenishment of the Authorised Fund was carried out by cash.

As of the reporting date 31.12.2023, the Authorised fund is fully formed and amounts to:

Founders	Share (%)	Amount in thousand UZS
UZBEK OPPORTUNITIES FUND, LTD	100%	72 106 531
TOTAL	**100,0**	**72 106 531**

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. 2025544 dated November 17, 2023.

As of the reporting date 31.12.2024, the Authorised Fund is fully formed and amounts to:

Founders	Share (%)	Amount in thousand UZS
UZBEK OPPORTUNITIES FUND, LTD	100%	104 106 531
TOTAL	**100,0**	**104 106 531**

In order to ensure continuous growth of the Company, in October 2024, additional ordinary shares in the amount of 32,000,000 shares with a total value of 32,000,000,000 soums were declared and issued based on the Founder's Decision No. 23 dated October 29, 2024. The shares were placed through a closed subscription of private placement to the sole shareholder UZBEK OPPORTUNITIES FUND, LTD. On December 24, 2024, the Company's Charter was registered in accordance with the legislation of Uzbekistan with the size of the Authorised Fund of 104,106,531 thousand soums.

During the audit period in 2025, the Company operates on the basis of legislative acts of the Republic of Uzbekistan and in accordance with the Charter approved by the Decision of the Sole Shareholder and registered with the Single Window Public Service Center for registration of entities under No. 2025544 dated December 23, 2024 (registration number of additional Amendments 3544852).

The founder's contributions were made 100% due to additional investments in cash.

As of December 31, 2024, the Company has 2 affiliated entities, 1 legal entity and 1 affiliated individual.

To ensure insurance activities, the following License Agreements were issued to the Company:

The licence serial number: **No. 00014.** The licence was issued by the Insurance Market Development Agency under the Ministry of Finance of the Republic of Uzbekistan on March 18, 2021. The license term is unlimited. Due to the change of the legal address, it was replaced by the Licence with serial number: **No. 00019** issued by the Insurance Market Development Agency under the Ministry of Finance of the Republic of Uzbekistan on July 2, 2021. Due to the change in the form of ownership, the Licence was replaced by the Licence with serial number: **No. 00031** issued by the Insurance Market Development Agency under the Ministry of Finance of the Republic of Uzbekistan on February 2, 2022. Due to the change in the form of ownership, it was replaced by the Licence with serial number: **No. 058144** issued by the Ministry of Economy and Finance of the Republic of Uzbekistan on January 11, 2023. In connection with the implementation of activities for voluntary and compulsory insurance (without Compulsory Civil Liability Insurance for Motor Car Owners (CCLI MCO), Carrier's Compulsory Civil Liability Insurance (CCCLI), Employer's Compulsory Civil Liability Insurance (ECCLI)) it was replaced by the Licence with serial number: **091338**. The licence was issued by the Ministry of Economy and Finance of the Republic of Uzbekistan on June 14, 2023. The license term is unlimited.

According to the issued licence, the Company is allowed to provide voluntary and compulsory insurance (without CCLI MCO, CCCLI, ECCLI) in the general insurance industry (without CCLI MCO, CCCLI, ECCLI) 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.
18. Voluntary medical insurance

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

- Insurance (18 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, 2024, 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".

Ratings

In 2024, Mosaic Insurance Group achieved significant recognition both at the national and international levels.

National Rating:

The Company has confirmed the highest national rating of A++ assigned by the Uzbek rating agency Ahbor-Reyting, which reflects its impeccable business reputation, high solvency and stable position in the domestic insurance market.

International Rating:

Mosaic Insurance Group has received an international rating of B1 IFSR (Insurance Financial Strength Rating) assigned by Moody's Investors Service, which is a recognition of its strong financial position, operational stability and sound risk management strategy. This international recognition underlines the effectiveness of the Company's business model and ability to fulfill insurance obligations even in stressful economic conditions.

Key factors thanks to which the Moody's rating was assigned:

- Balanced product portfolio:

The Company maintains a well-diversified portfolio of insurance products, covering both commercial and retail segments, which contributes to stability and reduces dependence on individual sources of income.

- Profitable operations and effective reinsurance protection:

MIG's activity remains profitable due to a well-thought-out underwriting policy and stable partnerships with leading international reinsurance companies, which ensures a decrease in loss volatility.

- High level of capitalization:

Mosaic Insurance Group demonstrates high capital adequacy relative to the accepted insurance obligations, which serves as a guarantee of financial stability.

- Strong corporate governance:

The Company's professional management team ensures effective risk management, accurate technical pricing and sustainable strategic development. Commitment to high management standards was an important factor in obtaining the B1 rating.

Branches and subsidiaries

For the period of 2024, the Insurance Company carried out insurance activities from its main office at its legal address. Branches and subsidiaries not established during the period of 2024.

The financial statements of the Joint-Stock Company prepared in accordance with the state registration certificate No. 2025544 dated December 23, 2024. Certificate No. 2025544 of the Ministry of Justice of the Republic of Uzbekistan (change registration code 3544852) dated December 23, 2024 was issued by the Tashkent city branch of the unified registration service with the assignment of 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. OCED	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 the Founder's Decision No. 1 dated Jan 17, 2021 and registered with the Single Window Center for Public Services on Feb. 2, 2021.

As of the date of audit, the Authorised Fund was registered in the amount of **104 106 531** thousand UZS; the latest changes to the Company's Charter were made on the basis of the decision of the Sole Shareholder and registered with the Single Window Public Service Center in Tashkent, reg. No. **2025544** dated December 23, 2024. In 2024, by Decision No. 23 of the Sole Shareholder dated October 29, 2024, changes were made to increase the Authorised Fund by 32,000,000 thousand soums. The Authorised Fund is formed entirely in cash. Certificate of the Ministry of Justice of the Republic of Uzbekistan No. 2025544 (change registration code 3544852) dated December 23, 2024.

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

Founders	Share (%)	Amount in thousand UZS
UZBEK OPPORTUNITIES FUND, LTD	100%	104 106 531
TOTAL	**100,0**	**104 106 531**

3. ADMINISTRATIVE ACTIVITIES

In 2024, 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 "MOSAIC INSURANCE GROUP" JSC IO 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 is not limited.

4. BASIS FOR REPORTING

General Provisions

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 that are 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, 2024 to December 31, 2024.

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, 2024	**As of Dec. 31, 2024**
12 338.77 UZS to 1 USD	**12 920.48 UZS to 1 USD**
As of Jan. 1, 2023	**As of Dec. 31, 2023**
11 225.46 UZS to 1 USD	12 338.77 UZS to 1 USD
As of Jan. 1, 2022	**As of Dec. 31, 2022**
10837.66 UZS to 1 USD	11 225.46 UZS to 1 USD

IFRS 17 Disclosure

At the time of drawing up the statements, Mosaic Insurance Group was preparing to transition to IFRS 17. Due to the lack of a national regulatory requirement to transition to IFRS 17 in the Republic of Uzbekistan, as well as due to the current insufficient number of certified actuaries in the national market, the standard has not been officially introduced to be applied in a mandatory manner.

Despite this, the Company has recognized the need to comply with modern international requirements, and in 2025, parallel testing of models based on IFRS 17 is planned in order to analyze the impact on financial statements and preparation for the transition.

Brief characteristics of the planned approach:

Methodology: General Measurement Model (GMM) with possible use of Premium Allocation Approach (PAA) for short-term contracts;

Impact on reserves: approaches to the distribution of technical reserves, calculation of future cash flows, and reflection of Contractual Service Margin (CSM) are expected to change;

Changes in the reporting structure: it is expected that income and liabilities will be redistributed across groups of insurance contracts with disclosure of analytics at the portfolio level;

The company monitors the methodological recommendations of the IAIS, IFRS Foundation and major international insurers on the implementation of the standard and adapts its approach depending on global trends and local legislation.

Use of Judgments and Sources of Estimation Uncertainty

In preparing the financial statements, management makes professional judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The key areas where judgments or assumptions were applied include:

- Assessment of insurance reserves (unearned premium reserves, loss reserves);
- Assessment of the fair value of financial assets;
- Recognition of tax assets and liabilities;
- Evaluation of the ability to continue as a going concern.

5. ADJUSTMENTS AND RECLASSIFICATIONS

The effect of adjustments on the consolidated statements of JSC's financial position is summarized as follows:

Indicators	No.	Dec. 31, 2024 NAS	Dec. 31, 2024 IFRS	Adjustments for 2024
ASSETS				
Net value of fixed assets		**189 362**	**189 362**	**0**
Intangible asset	1	382 000	0	-382 000
Investments in securities				
Capital investments				
Capital investments				
Total long-term assets:		**571 362**	**189 362**	**-382 000**
Current assets:				
Inventory		433	433	
Deferred expenses (account 31)				
Insurance debt	2	132 814 335	132 814 335	-18 222
Employees' debt		12 466	12 466	
Expenses paid in advance to suppliers	2	321 468	280 685	-40 783
Expenses paid in advance to suppliers				
Deferred tax				
Advances on taxes		20 903	20 903	
Debt of reinsurance companies	3		76 156 835	76 156 835
Cash and cash equivalents		56 203 770	56 203 770	
Deposits		81 646 736	81 646 736	
Other current assets		992 531	992 531	
Total current assets:		**272 012 642**	**348 110 472**	**75 715 830**
TOTAL ASSETS		**272 584 004**	**348 299 834**	
EQUITY				
Declared capital		104 106 531	104 106 531	0
Additional paid-in capital		72 329	72 329	
Retained earnings	6	17 663 218	16 616 732	-1 046 486
Reserves from profit		110 543	110 543	
Total equity		**121 952 621**	**120 906 135**	**-1 046 486**
INSURANCE RESERVES				
Insurance reserves		188 665 703	188 665 703	0
Reinsurer's share	3	-76 156 835	0	76 156 835
Total insurance reserves		**112 508 868**	**188 665 703**	**76 156 835**
LIABILITIES				
Long term liabilities:				
Deferred tax liabilities				
Long-term estimated liabilities				
Total long-term liabilities		**0**	**0**	
Current liabilities				
Due to insurance providers		36 976 604	36 976 604	
Due to insurance providers				
Due to insurance providers		7 837	7 837	
Deferred income				
Advances received from the Customer		268 963	268 963	
Income tax		869 111	869 111	
Debt in payments to the budget				
Social tax debt	5		64 873	64 873
Debt to founders				
Short-term wage obligations	5		540 608	540 608
Vacation reserve				
Long-term debt				
Other current liabilities				
Total current liabilities:		**38 122 515**	**38 727 996**	**605 481**
TOTAL LIABILITIES AND EQUITY		**272 584 004**	**348 299 834**	**75 715 830**

Description of 'Adjustments to the Statement of Financial Position Balance Sheet as of Dec. 31, 2024.'

1. Adjustment of the carrying value of intangible assets – program development. Intangible assets worth 382,000 thousand soums are fully depreciated.

2. Adjustment of the carrying value of settlements with service providers:
Account. Insurance transactions payable (account 40.30). written off to the reserve for debit in the amount of 18,222.0 thousand soums;

3. Adjustment of the carrying value of settlements with service providers:
written off to the reserve for accounts receivable (accounts 43.10; 43.90) - debt for membership fees, overdue accounts receivable, for assistance expenses in the amount of 40,783.0 thousand soums.

4. Reclassification of settlements with a reinsurance company – the amount of reserves for the share of reinsurance companies is transferred to the accounts for recording the accounts receivable of reinsurance companies in the amount of total debt - 76,156,835 thousand soums:

5. Adjustment of the carrying value of liabilities for settlements with employees for wages. A reserve for unpaid vacations for 2024 has been accrued in the amount of 540,608 thousand soums. The calculation was made based on the payroll fund data for 2024 using the average monthly payroll fund method. Payroll liabilities have been increased in the balance sheet by 540,608 thousand soums. Adjustment of the carrying value of liabilities for settlements with the budget on mandatory social tax payments: social tax has been accrued from the amount of the reserve for unpaid vacations in the amount of 64,873 thousand soums. Liabilities for settlements with the budget have been increased in the balance sheet by 64,873 thousand soums. The reserve amounts have been attributed to current expenses of the reporting period for 2024.

6. Calculation of the balance of retained earnings as of December 31, 2024 – in thousand soums.

Balance as of December 31, 2024 according to NAS balance sheet	**17 663 218**
Write-off of accounts receivable	59 005
Amount of period expenses - vacation reserve	-540 608
Social tax on vacation pay reserve	-64 873
Write-off of intangible assets	382 000
Total adjusted acc.87	**1 046 486**
Balance on acc.87 as of Dec. 31, 2024 IFRC	**16 616 732**

6. SIGNIFICANT PROVISIONS OF THE ACCOUNTING POLICY

Changes in the accounting policy

MOSAIC INSURANCE GROUP JSC IO 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 performance.

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, 2024.

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, 2024.

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 2024.

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 asset 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, 2024, 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 2024, 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 it 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 31,2024, 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 2024, 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 2024, 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, 2021. 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 derecognized 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, 2024, 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 in thousand soums:

	2024	2023	2022
Balances of funds in bank accounts as of December 31	**6 988 735.52**	**4 112 274.41**	**2 606 765**
Depreciation of funds due to exchange rate changes		0	0
Balances on secondary accounts as of December 31	140,988.92 USD 9,007.39	80 366,51 USD 5468.46	8329
Balances on foreign currency accounts at the Central Bank exchange rate as of December 31, including:	49 074 045.13 EUR 218 949.07 USD 3 565 512.93 492 469.31 RUB	32 029 656.3 EUR 14 930.66 USD 2 578 651.34 53 134.09 RUB	6 877 832 606 720,05USD 2904,18 - EUR
Total cash and cash equivalents as of December 31	**56 203 769.56**	**36 222 297**	**9 479 838**

The funds are confirmed by bank statements.

8. FUNDS IN CREDIT INSTITUTIONS. SHORT-TERM INVESTMENTS

Investment securities available at December 31 are as follows:

in thousands UZS

	2024	2023	2022
Short-term investments denominated in USD with an original maturity of more than 3 months	81 646 736.0 including $5 700 00	54 653 449 including $3 700 000	36 921 472 including $3 200 000
Depreciation of deposit	0	0	-137 255
Total:	**81 646 736.0**	**54 653 449**	**36 784 217**

The amount of carrying value in banks is presented as fair value; the administration produces deposit funds mainly in US dollars, the dollar exchange rate is steadily growing, no depreciation is observed.

The fair value of investment securities available for sale can be calculated using an interest rate of 20-21% per annum. When calculating the interest rate, the Company employs a valuation methodology that uses inputs that have a significant impact on the amount of fair value reflected in the reporting, 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 context of constant growth of foreign currency and brings income to the Company in the form of a positive exchange rate difference in the amount of 10,074,940.7 thousand soums. Deposits are placed on average at 5.5% - 6.25% per annum. Income from deposits in 2024 amounted to 4,989,271.4 thousand soums.

9. INVESTMENT SECURITIES AVAILABLE FOR SALE

As of December 31, 2024, 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.

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, 2024, the management plans do not include investments in the authorized funds of other companies.

11. INSURANCE AND REINSURANCE ACCOUNTS RECEIVABLE

in thousand UZS

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Indebtedness of policy holders Including in USD In EURO	32 801 091.63 Including: $958 898.78 EUR 671 800.50	34 463 636.99 $2 674 571.84	53 529
Indebtedness of reinsurance companies Including: dollar Euro Ruble	84 218 777.49 Including: $784 797.99 EUR 155 331.25 123 475.75 RUB	4 600 912.84 $282 828.1 EUR44 874.19	568 691
Indebtedness on risks transferred under reinsurance	15 794 465.18 Including: $1 222 436.41		
Provision for impairment losses	-18 222	0	-20 608
Total insurance receivables	**132 796 112.3**	**39 064 549.83**	**601 612**

Insurance and other receivables less than three months past due are generally not considered impaired unless other indicators of impairment exist. There are no overdue debts as of December 31, 2024, all debts are current.

12. PREPAYMENTS

in thousand UZS

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Advances for taxes	20 903.12	650 317	16,678
Advances to service providers (stock exchange services, legal services, medical services, etc.)	321 468.44 – 40 783= 280 685.44	333337-3341= 323 857 -3000	72157=116,302--10,000 -24 145
Employee accounts payable for other operations	12 466.26		
Other current assets	913 285.58	0	2405=2 638 -233
Interest receivable	79 245.57 Including: $6 133.33	150 873.0	56 324=62361-6236
Reserve for overdue debts	0		
Total prepayment	**1 306 585.97**	**1 128 186**	**157 564**

In 2024, advances issued to suppliers were adjusted by 40,783 thousand soums of accounts receivable, including:

- on prepayments to suppliers of goods and services for business activities – 20,000 thousand soums – write-off of accounts receivable from previous years;
- on prepayments to suppliers of goods and services, offset of advances – 9,700 thousand soums;
- on advance payment for medical assistance services from previous years – 11,082.95 thousand soums.

13. SHARE OF REDINSURERS IN RESERVES

The share of reinsurance companies in insurance reserves is reflected as accounts receivable to the Company. In 2024, the Company's activities grew, the risks increased; therefore, the Company cedes insurance risks to reinsurance companies. The total amount of the share of reinsurance companies is UZS76,156,835 thousand, including:

Share of reinsurers in unearned premium reserve (UPR)

in thousands of UZS	Gross amount	Reinsurer's share	Net amount
Unearned premium reserve as of Jan. 1	**60 820 697**	**-43 984 830**	**16 835 867**
Increase (decrease) in reserve, gross amount	100 309 841	-22 112 212	**78 197 629**
Unearned premium reserve as of Dec. 31	**161 130 538**	**-66 097 042**	**95 033 496**

Share of reinsurers in reserve for incurred losses (IBNR)

in thousands of UZS	Gross amount	Reinsurer's share	Net amount
Loss reserve as of Jan. 1	**4 555 609**	**-1 252 851**	**3 302 758**
Increase (decrease) in reserve, gross amount	3 993 316	-692 019	**3 301 297**
Loss reserve as of Dec.31	**8 548 925**	**-1 944 870**	**6 604 055**

Share of reinsurers in reserves for claim losses (OCR)

in thousands of UZS	Gross amount	Reinsurer's share	Net amount
Loss reserve as of Jan. 1	**8 286 651**	**-5 987 213**	**2 299 438**
Increase (decrease) in reserve, gross amount	10 699 590	-2 127 710	**8 571 880**
Loss reserve as of Dec. 31	**18 986 241**	**-8 114 923**	**10 871 318**

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 UZS)

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Receipts, insurance cards and policies	432.7	977.92	4 037
Office goods	0	0	1 388
Perishable items	0	0	40 270 - 40 270
Installed furniture	0	0	46,568 -46,568
Total	**432.7**	**977.92**	**5 425**

No inventories were pledged to secure loans or payables of the Company as of each date. As at December 31, 2024, the inventory balances include insurance policies, which are required for the core business in 2025.

15. FIXED ASSETS

Below is the movement by items of fixed assets for 2024

Remarks	Buildings	Furniture	Computer	Transport vehicles	Other FA	TOTAL
			Initial cost			
Initial cost as of Jan. 1, 2024	**0**	**0**	**202 825**	**0**	**3 242**	**206 066**
Funds flow			85 111			**85 111**
Write-off/ transfers			0		0	0
Initial cost as of Dec. 31, 2024	**0**	**0**	**287 935**	**0**	**3 242**	**291 177**
			Amortization and impairment losses			
Accumulated amortization as of Jan. 1, 2024	**0**	**0**	**46 987**	**0**	**513**	**47 500**
depreciation charge			-53 990		-325	**54 315**
Write-off and transfers						**0**
Accumulated amortization as of Dec. 31, 2024	**0**	**0**	**-100 977**	**0**	**-838**	**-101 815**
			Residual value			
As of Jan. 1, 2024	**0**	**0**	**155 838**	**0**	**2 728**	**158 566**
As of Dec. 31, 2024	**0**	**0**	**186 958**	**0**	**2 404**	**189 362**

In 2024, computing (computer) equipment was purchased; no decrease in the property was identified.

Below is the movement by items of fixed assets for 2023

Remarks	Buildings	Furniture	Computer	Transport vehicles	Other FA	TOTAL
			Initial cost			
Initial cost as of Jan.1, 2023.	**0**	**0**	**72 503**	**0**	**3 242**	**75 745**
Funds flow			130 321			130 321
Write-off/ transfers						0
Initial cost as of Dec/ 31, 2023.	**0**	**0**	**202 824**	**0**	**3 242**	**206 066**
			Amortization and impairment losses			
Accumulated amortization as of Jan.1, 2023.	**0**	**0**	**-14 843**	**0**	**-189**	**-15 032**
depreciation charge			-32 144		-324	**32 468**
Write-off and transfers						**0**
Accumulated amortization as of Dec. 31, 2023	**0**	**0**	**-46 987**	**0**	**-513**	**-47 500**
			Residual value			
As of Jan. 1, 2023	**0**	**0**	**57 838**	**0**	**3 053**	**60 713**
As of Dec. 31, 2023	**0**	**0**	**155 838**	**0**	**2 728**	**158 566**

Below is the movement by items of fixed assets for 2022

Remarks	Buildings	Furniture	Computer	Transport vehicles	Other FA	TOTAL
			Initial cost			
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**

16. INTANGIBLE ASSETS

In thousand UZS

	Software product 'Accounting Software - Insurance Module'
Initial cost as of December 31, 2024	**0**
New capital expenditures	**0**
Accumulated depreciation as of December 31, 2024	0
Residual value as of December 31, 2024	**0**

No intangible assets are listed.

17. INSURANCE AND REINSURANCE OBLIGATIONS

(in thousand UZS)

	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Debt to policyholders - advances received	83 295	324 743	205 571
Debt to suppliers	7 837	7 243	9 625
Debt to reinsurers in national currency	2 855 089	2 196 430	5 912
Debt to reinsurers in foreign currency	34 121 515 ($2 594 453.18) (EUR44 651.25)	33 167 358 ($2 688 060.30)	739 958
Debt to assistance	178 389	407552-3000= 404 101	157 960
Debt to assistance	4 558	3 451	11 969
Total other liabilities	**37 250 683**	**35 778 582**	**1 121 370**

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.

The 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 premium is accrued is selected as the period of validity of the contract.

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:

	2024		
In thousand UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Unearned premium reserve at Jan.1	**60 820 697**	**-43 984 830**	**16 835 864**
Increase (decrease) in reserve, gross amount	100 309 841	-22 112 212	**78 197 629**
Loss reserve as of Dec. 31	**161 130 538**	**-66 097 042**	**95 033 496**

	2023		
In thousand UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Unearned premium reserve at Jan.1	**10 114 039**	**5 188 349**	**4 925 690**
Increase (decrease) in reserve, gross amount	45 337 252	35 664 642	**9 672 610**
Loss reserve as of Dec. 31	**55 451 291**	**40 852 991**	**14 598 300**

Reserve for incurred but unsettled losses (IBNR)

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:

	2024		
In thousand UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Loss reserve as of Jan. 1	**8 286 651**	**-5 987 213**	**2 299 438**
Increase (decrease) in reserve, gross amount	10 699 590	-2 127 710	**8 571 880**
Loss reserve as of Dec. 31	**18 986 241**	**-8 114 923**	**10 871 318**

	2023		
In thousand UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Loss reserve as of Jan. 1	**506 879**	**0**	**506 879**
Increase (decrease) in reserve, gross amount	1 345 833	0	**1 345 833**
Loss reserve as of Dec. 31	**1 852 712**	**0**	**1 852 712**

Reserves for insurance losses (OCR).

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:

	2024		
In thousand UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Loss reserve as of Jan. 1	**4 555 609**	**-1 252 851**	**3 302 758**
Increase (decrease) in reserve, gross amount	3 993 316	-692 019	**3 301 297**
Loss reserve as of Dec. 31	**8 548 925**	**-1 944 870**	**6 604 055**

	2023		
In thousand UZS	**Gross amount**	**Reinsurer's share**	**Net amount**
Loss reserve as of Jan. 1	**1 155 294**	**576 048**	**579 246**
Increase (decrease) in reserve, gross amount	3 400 315	676 803	**2 723 512**
Loss reserve as of Dec. 31	**4 555 609**	**1 252 851**	**3 302 758**

In estimating the liability for the cost of reported but unpaid claims, the company takes into account any information received from claims adjusters and information on the cost of settling claims with similar characteristics in prior periods.

Reserves are reviewed by the regulator each quarter in accordance with its requirements. The reserves are reviewed annually by external auditors and a licensed actuary.

Provisions for acquisition costs.

	2024		
In UZS thousands	**Gross amount**	**Reinsurance share**	**Net amount**
Provision for losses at January 1	**546 943**		**546 943**
Increase (decrease) in provision, gross amount	-546 940		-546 940
Provision for losses at December 31	**0**		**0**

	2023		
In UZS thousands	**Gross amount**	**Reinsurance share**	**Net amount**
Provision for losses at January 1	**139 090**		**139 090**
Increase (decrease) in provision, gross amount	407 853		**407 853**
Provision for losses at December 31	**546 943**		**546 943**

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.

ANALYSIS OF INSURANCE RESERVES SENSITIVITY

In accordance with the requirements of IAS 37 and the disclosure practices in the insurance industry, we present the sensitivity of the loss reserve estimate to key actuarial assumptions:

Indicator	Base value	Change by +/- 10%	Impact on net profit (in million soums)
Average loss	100%	+/- 10%	+/- 2 750
Settlement rate	85%	+/- 5%	+/- 1 375
Expected delay in settlement	6 months	+/- 2 months	+/- 920

Note: the estimates are conditional and indicative. The calculations are based on the loss portfolio as of December 31, 2024.

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 382 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 2024 according to 1-C data, the accounting department compiled UZS 13 197 million. For comparison we present the amount of funds available in the Company's current accounts, which amounts to 56 203 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. REINSURANCE

As part of its risk management strategy, Mosaic Insurance Group actively uses reinsurance instruments to redistribute the underwriting burden and ensure financial stability.

Types of reinsurance used:

- Proportional reinsurance (quota share);
- Non-proportional reinsurance (excess of loss).

Catastrophic risks: At the reporting date, the company did not have an obligatory reinsurance program for catastrophic risks. In 2024, the process of cooperation with the broker Howden was initiated to organize protection for risks accepted for reinsurance, including catastrophic losses. The corresponding program has been presented, and its implementation is awaiting approval from shareholders.

Reinsurance indicators for 2024:

- The share of premiums transferred to reinsurance is 79 billion soums (83% of the gross premium);
- Additionally - 40% of internal reinsurance;
- The amount of losses compensated by reinsurers is 334,819.37 thousand soums.

Selection of reinsurers: The Company selects reinsurers with an international credit rating not lower than the level established by the legislation of the Republic of Uzbekistan. Main criteria: international reputation, ratings (Moody's, S&P, AM Best), shareholder recommendations, market practice. The selection procedure is agreed upon at the level of the Board of Directors.

Internal documents: Reinsurance activities are regulated by an internal document — Underwriting Guidelines, which reflects the requirements for the structure of programs, coverage limits, choice of partners and the mechanism for concluding contracts.

20. OTHER LIABILITIES

Other liabilities include the following items in thousand UZS:

	Dec.31, 2024	Dec.31, 2023	Dec.31, 2022
Other accounts payable	2 721		19 798=29 798-10000
Payroll obligations	540 608	439 488	240 636
Total other accounts payable	**543 329**	**439 488**	**260 434**
Current tax liabilities	933 984	205 276	240 636
Total other liabilities	**1 477 313**	**644 764**	**501 070**

21. CAPITAL

Authorized capital

MOSAIC INSURANCE GROUP JSC IO (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
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 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: MOSAIC INSURANCE GROUP JSC IO

The shareholdings as at 31.12.2022 are allocated as follows:

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

In connection with the increase in the amount of the authorized capital on April 28, 2023, amendments were made to the Company's Articles of Association. The new version of the Articles of Association was registered by the "Single Window" Center for rendering state services for registration of entities under No. 2025544 dated 28.04.2023.

According to the new version of the Articles of Association, the shares as of the date of registration are distributed as follows:

Founders	Share (%)	In UZS thousands
UZBEK OPPORTUNITIES FUND, LTD	100%	45 266 531
TOTAL	**100,0**	**45 266 531**

The Company has announced the maximum amount of authorized shares it may issue to increase its charter capital. The maximum amount of authorized shares is 300,000,000,000,000 (Three hundred billion) UZS, ordinary registered shares - in the amount of 300,000,000 units with a nominal value of UZS 1,000,000. In connection with the above mentioned, the Company amended the Charter of the Company on October 19, 2023. The new version of the Charter was registered by the Center "Single Window" on rendering state services on registration of entities under No. 2025544 dated 19.10.2023.

In November 2023, the Founder's decision to increase the Authorized Fund was adopted. The Authorized Fund was registered on November 17,2023 in the amount of UZS 72 106 531 thousand. Replenishment of the Authorized fund was carried out by monetary funds. As of the reporting date 31.12.2023 the Authorized fund is fully formed and amounts to:

Founders	Share (%)	Amount in thousand UZS
UZBEK OPPORTUNITIES FUND, LTD	100%	72 106 531
TOTAL	**100,0**	**72 106 531**

During the audit period the Company operates on the basis of legislative acts of the Republic of Uzbekistan and according to the Charter approved by the decision of the Sole Shareholder and registered by the Centre 'Single Window' on rendering state services on registration of entities (№2025544 dated Nov 17, 2023).

As of the reporting date of December 31, 2024, the Authorized Fund is fully formed and amounts to:

Founders	Share (%)	Cost in thou. soums
UZBEK OPPORTUNITIES FUND, LTD	100%	104 106 531
TOTAL	**100.0**	**104 106 531**

In order to ensure continuous growth of the Company, in October 2024, additional common shares were declared and issued in the amount of 32,000,000 shares with a total value of 32,000,000,000 soums based on the Founder's Decision No. 23 dated October 29, 2024. The shares were placed through a closed subscription of private placement to the sole shareholder UZBEK OPPORTUNITIES FUND, LTD. On December 24, 2024, the Charter of the Company was registered in accordance with the legislation of Uzbekistan with the size of the Authorized Fund of 104,106,531 thousand soums.

During the audit period in 2024 end in 2025, the Company operates on the basis of legislative acts of the Republic of Uzbekistan and in accordance with the Charter approved by the Decision of the Sole Shareholder and registered by the Single Window Public Service Center for registration of entities under No. 2025544 dated December 23, 2024 (registration number of additional Amendments 3544852).

The founder's contributions were made 100% due to additional investments in cash.

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.

22. 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.

	2024	2023	2022
Balance as of Jan.1	**2 331 028**	**-209 730**	**-1 775 133**
Adjustments from previous years	- 1 493 785	- 1 144 566	307 538
Total comprehensive income/loss for the year	15 870 712-91 223	3 685 324	1 257 865
Balance as of Dec.31	**16 616 732**	**2 331 028**	**-209 730**

23. RESULT FROM INSURANCE ACTIVITY

Earned insurance premiums

(in thousand UZS)

	Dec.31, 2024	Dec.31, 2023	Dec.31,2022
Insurance premiums, Gross	95 877 843	73 100 812	16 694 633
Insurance premiums under contracts accepted for reinsurance	169 202 446	6 712 149	2 549 145
Insurance premiums under contracts transferred to reinsurance	-79 838 645	-56 057 952	-8 456 089
Income from compensation	384 037		
Income from commissions, bonuses and reinsurance fees	1 232 564		
Insurance premiums net reinsurance	**186 858 245**	**23 755 010**	**10 787 689**
Change in unearned premium reserve	-100 309 841	-7 701 121	-3 891 137
Change in share of reinsurers in reserve of unearned premiums	22 112 212	-529 968	0
Change in other technical reserves	-14 692 906	-5 987 214	-991 427
Change in reinsurers' share in other technical reserves	2 819 729	2 442 740	
Net reinsurance premiums earned	**96 787 439**	**11 479 554**	**5 905 125**

24. CLAIMS PAID

(in thousand UZS)

	Dec.31, 2024	Dec.31, 2023	Dec.31, 2022
Insurance payments settled	-13 197 026	-5 306 794	-1 982 098
Reimbursement of payments for risks transferred to reinsurance	384 037	0	236 019
Change in loss reserve	-3 993 316	-5 987 214	0
Change in the share of reinsurers in the loss reserve	692 019	2 442 740	0
Occurred losses, net reinsurance	**-16 114 286**	**-8 851 268**	**-1 746 079**

25. OTHER INCOME FROM MAIN ACTIVITIES

(in thousands of UZS)

	Dec.31,2024	Dec.31,2023	Dec.31, 2022
Insurance commission income	1 232 564	1 863 835	36 277
Income from recourse claims	0	0	0
Other income	0	2	0
Total income	**1 232 564**	**1 863 836**	**36 277**

26. INCOME FROM FINANCIAL ACTIVITIES

(in thousand UZS)

	Dec.31,2024	Dec.31, 2023	Dec.31, 2022
Dividend income	0	0	0
Interest income	4 989 271	2 798 159	1 824 304
Income from foreign exchange differences	10 074 941	8 719 834	4 016 930
Total income	**15 064 212**	**11 517 993**	**5 841 234**

27. EXPENSES

Personnel and other operating expenses include the following items:

in thousand UZS

Expenses	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Payroll expenses and related taxes	6 487 529	4 608 916	3 106 250
Deductions to social tax off-budget funds	778 244	553 045	371 410
Reserve for vacation and social tax	605 481	492 227	
Total personnel expenses:	**7 871 254**	**5 654 188**	**3 477 660**
Rent	365 958	296 066	300 266
Audit	33 571	90 536	30 435
Accounting software and other software	382 000	119 686	226 480
Website and Internet		1 893	5 991
Training	50 834		
Depreciation of fixed assets	54 315	32 468	11 808
Calendar contributions to the Agency		5 399	8 605
Business trips	506 171	158 464	80 475
Office utility costs		44 965	
Consulting services and personnel training		82 373	
Marketing		97 214	143 478
Material costs	147 339	93 724	101 582
Taxes	201 460	359 699	207 678
Unexpected expenses		25 008	34 720
Translations		7 949	2 309
Fees	15 252	23 733	10 104
Representative costs	89 184	18 238	25 878
Other costs	98 171	77 432	166 858
Rating	447 826	17 853	10 870
Advertisement	162 627	100 570	60 070
Communications and internet	77 535	25 561	10 340
Insurance	60 931	2 582	1 594
Transport costs	29 741	50 981	
Bank service	263 321	124 755	59 444
Securities expenses	99 375	105 210	33 546
APIMP membership fees (Association of Professional Insurance Market Participants)	20 000	18 250	43 478
AMCHAM membership fees (American Chamber of Commerce in Uzbekistan)	18 645	18 317	37 179
Membership fees in Hoteliers	10 000		
Legal service	75 000	60 000	5 000
Provisions for overdue debts	59 005		50 989
Penalty	856		
Total operating expenses	**3 269 117**	**2 058 926**	**1 662 940**
TOTAL:	**11 140 371**	**7 713 114**	**5 140 600**

28. COST OF INSURANCE SERVICES

In thousand UZS

Cost price	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Strict reporting forms - insurance policies	20 498	22 470	12 081
Payments - compensation	13 197 026	5 306 794	
Brokerage commissions	60 959 768		

Adjuster, actuarial services, tow truck services, valuation, assistance services	1 307 660	1 354 147	411 145
Agent's commission	360 360	2 066 803	391 806
Other	89 995		
Total	**75 935 307**	**8 750 215**	**815 032**

29. OPERATIONAL INDICATORS AND EFFICIENCY

Mosaic Insurance Group strives to ensure stable profitability by controlling operating expenses, optimizing business processes and introducing automation elements.

Key indicators for 2024:

- Gross written premium (GWP): 265,080,288 thousand soums;
- Net insurance premium (Net Premium): 185,241,643 thousand soums;
- Total amount of insurance losses: 13,197,026 thousand soums;
- Operating expenses (including salaries, rent, taxes, IT, etc.): 11,140,372 thousand soums;
- Commission payments: 61,799,965 thousand soums;
- Technical reserve expenses: 12,701,000 thousand soums.

Combined Ratio for 2024 was 93%, which indicates a sustainable operating model of the company (calculation: (11 14 372 + 25 898 025 + 61 799 965) / 107 044 015).

Measures taken to improve efficiency in 2024:

- Strengthening internal control over administrative and representative expenses;
- Implementation of an internal policy for managing commission costs;
- Launch of automation processes in order to reduce labor costs and eliminate duplicative functions.

Plans for 2025:

- All operating expenses are planned in accordance with the approved business plan;

The priority area remains the implementation of digital solutions and the development of internal IT infrastructure.

30. FINANCE EXPENSES AND OTHER INCOME

(in thousand UZS)

	Dec.31,2024	**Dec.31,2023**	**Dec.31,2022**
Expenses from foreign exchange differences	-5 911 138	-4 167 545	-2 601 083
Total expenses:	**-5 911 138**	**-4 167 545**	**-2 601 083**

31. 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 to 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 utilized). 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 (2024 – 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

	2024	2023	2022
Profit before tax according to IFRS	**18 864 835**	**4 230 509**	**1 479 842**
Other items not deductible for tax purposes			
Taxable income	**18 864 835**	**4 230 509**	**1 479 842**
Conditional tax at a fixed rate	2 829 725	634 597	221 977
Including:			
Current income tax for the reporting period on the balance sheet	2 994 123	397 325	
Charge additional tax		147 859	
Deferred tax		-89 413	

32. 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.

33. 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 2024	
Service obligations	0
Less secured funds under guarantees:	**0**
Total: Contractual and contingent liabilities	**0**

34. 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.

Additional disclosure on risk management

In the reporting period, Mosaic Insurance Group implemented the following insurance risk management activities:

- Conducting stress tests of catastrophic scenarios (earthquake, pandemic, political risks);
- Using proportional and non-proportional reinsurance to protect against large losses;
- Participation in initiatives to form regional catastrophe insurance pools in cooperation with international partners.

The company actively applies risk-best assessment approaches, including an internal contract scoring system, exposure restrictions by territory and client, as well as an annual actuarial assessment of reserve adequacy.

Additional disclosure on investment policy

According to the legislation of the Republic of Uzbekistan and the Regulation on the requirements for the solvency of insurers, insurance organizations shall not have the right to invest in shares of foreign companies traded on foreign stock markets. In this regard, the investment strategy of Mosaic Insurance Group is focused exclusively on placing assets in highly liquid and extremely reliable instruments.
As of December 31, 2024, the structure of the investment portfolio includes:

- **Term deposits in commercial banks of Uzbekistan with a rating of at least B1 (according to international agencies or internal stability assessment)** — 100% of the investment portfolio;
- **Other investments (shares, units, structured products)** — none due to legal restrictions.

All placements are carried out taking into account the principles of liquidity, profitability and asset safety. Mosaic Insurance Group applies an asset-liability matching policy (ALM), as well as internal limits on banks and placement periods. The average weighted yield on deposit products in 2024 was 9.1% per annum.

Financial Risk Management

The Company is exposed to the following main types of financial risks:

- Credit Risk: associated with the possibility of counterparties failing to fulfill their obligations. The main sources of credit risk include reinsurers, banks, and insurance clients.
- Market Risk: includes currency risk and interest rate risk arising from changes in foreign exchange rates and interest rates.
- Liquidity Risk: the risk of being unable to meet obligations as they fall due.

To minimize these risks, the Company applies the following measures:

- Engaging reliable reinsurers with high international credit ratings,
- Placing funds with reputable banking institutions,
- Monitoring foreign currency positions and actively managing cash flows.

For credit risk management purposes, the Company classifies financial assets by risk level: low, moderate, and high. As of the reporting date of December 31, 2024, a significant portion of financial assets is classified as low credit risk due to diversification and the selection of counterparties with high credit ratings.

Credit Risk Table: Distribution of financial assets by risk level as of December 31, 2024.

Type of Financial Asset	Gross Amount (thousand UZS)	Credit Risk Assessment	Notes
Cash and Cash Equivalents	56 203 770	Low Risk	Funds placed in systemically important banks
Short-Term Investments	81 646 736	Low Risk	Deposits in reliable financial institutions
Policyholders' Receivables	132 796 113	Moderate Risk	Counterparty solvency is regularly assessed

Reinsurers' Share in Insurance Reserves	76 156 835	Low Risk	Reinsurance placed with companies rated no lower than B++
Other liabilities and assets	992 531	Moderate Risk	Monitoring and control of receivable maturity dates

Liquidity Risk Management

The Company manages liquidity by ensuring an adequate level of highly liquid assets to cover short- and medium-term liabilities. As of the reporting date, most liabilities are due within one year, which aligns with the nature of insurance operations.

Table of Maturity Analysis of Liabilities as of December 31, 2024

Type of Liability	**Up to 3 Months (thousand UZS)**	**3 to 12 Months (thousand UZS)**	**Over 1 Year (thousand UZS)**	**Notes**
Insurance Operation Liabilities	0	0	0	Zero balances
Unearned Premium Reserve	0	161 130 538	0	Settlement during the term of insurance contracts
Loss Reserve	10 000 000	17 535 165	0	Payments for settled and outstanding claims
Payables to Insurance Service Providers	20 000 000	17 250 683	0	Payments to insurance intermediaries and suppliers
Payroll Liabilities	540 608	0	0	Salary and bonus payments
Tax Liabilities	933 984	0	0	Tax payments to the budget
Other Liabilities	2 721	0	0	Other current liabilities

35. 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 2024 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 (other than cash on hand)	56 203 770				**56 203 770**
Accounts receivable		132 796 113	1 285 682		**134 081 795**
Other financial assets			76 156 835		**76 156 835**
Taxes		20 903			**20 903**
Inventories	433				**433**
Intangible assets			0		**0**
Investments in bank deposits		81 646 736			**81 646 736**
Property			189 362		**189 362**
Total	**56 204 203**	**214 463 752**	**77 631 879**	**0**	**348 299 834**

For 2023 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 (other than cash on hand)	36 222 297				**36 222 297**
Accounts receivable		39 663 541			**39 663 541**
Other financial assets			42 105 842		**42 105 842**
Taxes		650 317			**650 317**
Inventories	978				**978**
Intangible assets			226 000		**226 000**
Investments in bank deposits		54 653 449			**54 653 449**
Property			158 566		**158 566**
Total	**36 223 275**	**94 967 307**	**42 490 408**	**0**	**173 680 851**

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

2024

in thousand UZS

Accounts receivable	Less than 30 days	30 days -1 year (current)	from 1 to 3 years (overdue - returnable)	Total
Customers' debt		132 796 113		**132 796 113**
Suppliers' debt		280 685		**280 685**
Taxes		20 903		**20 903**
Personnel debt on loans		992 531		**992 531**
Debt of other debtors	12 466			**12 466**
Debt of reinsurance companies			76 156 835	**76 156 835**
Total	**12 466**	**134 090 232**	**76 156 835**	**210 259 533**

Reserve for accounts receivable accrued 100% of the debt for more than a year 59,005 thousand sum, does not participate in the calculations of the assessment of the quality of accounts receivable.

2023

in thousand UZS

Accounts receivable	Less than 30 days	30 days -1 year (current)	from 1 to 3 years (overdue - returnable)	Total
Customers' debt		39 185 672		**39 185 672**
Suppliers' debt		326 857		**326 857**
Taxes	650 317			**650 317**
Personnel debt on loans				**0**
Debt of other debtors	150 873			**150 873**
Debt of reinsurance companies			42 105 842	**42 105 842**
Total	**801 190**	**39 512 668**	**42 105 842**	**82 419 561**

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

36. 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:

	2024	2023	2022
"Current liquidity ratio" (assets received or disposed of within 30 days/liabilities paid within 30 days)	4.9	6.4	8.8

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.

2024

in thousand UZS

Financial obligations	Less than 3 months	From 3 to 12 months	From 1 year to 5 years	More than 5 years	Total
Employee funds		540 608			**540 608**
Supplier funds		37 250 683			**37 250 683**
Customer funds		35 363 787			**35 363 787**
Founders' funds					**0**
Taxes	933 984				**933 984**
Insurance reserves			188 665 703		**188 665 703**
Other obligations		2 721			**2 721**
Total financial liabilities	**933 984**	**37 794 012**	**188 665 703**	**0**	**227 393 699**

2023

in thousand UZS

Financial obligations	Less than 3 months	From 3 to 12 months	From 1 year to 5 years	More than 5 years	Total
Employee funds	439 488				**439 488**
Supplier funds	736 538				**736 538**
Customer funds		35 363 787			**35 363 787**
Founders' funds					**0**

Taxes	205 277				205 277
Insurance reserves			62 406 556		62 406 556
Total financial liabilities	**1 381 303**	**35 363 787**	**62 406 556**	**0**	**99 151 646**

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."

37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows assets and liabilities by their expected maturities as of December 31, 2024.

in thousand UZS

	Within one year	More than one year	More than 3 years	Total
Assets - fair value				
Cash and cash equivalents		56 203 770		**56 203 770**
Customers' accounts receivable	132 796 113			**132 796 113**
Advances to suppliers	280 685			**280 685**
Advances to reinsurance companies			76 156 835	**76 156 835**
Advance tax payments	20 903			**20 903**
Fixed assets at residual value			189 362	**189 362**
Interest payable on bank deposits and other payables	992 531			**992 531**
Deposits			81 646 736	**81 646 736**
Inventory		433		**433**
Other assets	12 466			**12 466**
Total	**134 102 698**	**56 204 203**	**157 992 933**	**348 299 834**
Insurance liabilities				
Suppliers' funds	37 250 683			**37 250 683**
Customers' funds				**0**
Founders' funds				**0**
Debt to the budget	933 984			**933 984**
Debt to employees	540 608			**540 608**
Deferred income tax liabilities				**0**
Insurance reserves			188 665 703	**188 665 703**
Other liabilities	2 721			**2 721**
Total	**38 727 996**	**0**	**188 665 703**	**227 393 699**
Net position	**95 374 702**	**56 204 203**	**-30 672 770**	**120 906 135**

As can be seen from the table, the Company has stable assets in the foreseeable future, however, in the long term, there is a need for additional investments.

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.

38. 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.

in thousand UZS

	Balance sheet value	Fair value	Unrecognized income/loss
Financial assets	**272 584 004**	**348 299 834**	**75 715 830**
Cash and cash equivalents	56 203 770	56 203 770	0
Receivables from policyholders	32 801 092	32 782 870	-18 222
Receivables from reinsurance companies	100 013 243	100 013 243	0
Advances issued to suppliers	321 468	280 685	-40 783
Accounts receivable to employees	12 466	12 466	0
Prepayments to the budget for taxes	20 903	20 903	0
Interest receivables	992 531	992 531	0
Other financial assets	0	76 156 835	76 156 835
Commodity material values	433	433	0
Deposits in banks of Uzbekistan	81 646 736	81 646 736	0
Intangible asset	382 000	0	-382 000
Property	189 362	189 362	0
Financial obligations	**150 631 383**	**227 393 699**	**76 762 316**
Supplier funds	37 250 683	37 250 683	0
Advances from policyholders			0
Debt to policyholders and reinsurers (Insurance reserves)	188 665 703	188 665 703	0
Debt of reinsurance companies	-76 156 835	0	76 156 835
Debt to insurance providers			0
Debt to the budget	869 111	933 984	64 873
Debt to employees	0	540 608	540 608
Other financial liabilities	2 721	2 721	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.

39. 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, 2024. (the nominal value of the share is (104 106 531 in thousand UZS).

As of December 31, 2024, the Company has 2 affiliates, 1 legal entity and 1 affiliated individual.

Full name of an individual or a company	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 entity who owns 100 percent of the Company's shares	November 17, 2022	no expenses
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 28, 2024	salary amount

40. 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, 2024, the capital adequacy ratio and Tier 1 capital, calculated in accordance with the above rules, were:

	2024 in thousand UZS
Tier 1 capital	120 833 806
Tier 2 capital	16 727 275
Total capital	**120 906 135**
Risk-weighted assets	
Tier 1 capital adequacy ratio (10%-8 684 050 thousand UZS)	99%
Tier 2 capital adequacy ratio (5%-17 368 099 thousand UZS)	0.14%
General capital adequacy ratio:	99.14%

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.

Mosaic Insurance Group pays special attention to maintaining financial stability and compliance with capital requirements established by the legislation of the Republic of Uzbekistan. At the end of 2024, the Company's solvency margin ratio was 2.37, with a minimum value of 1.0. This indicates a significant capital reserve compared to the regulator's requirements.
Currently, the Company applies a regulatory approach to assessing capital adequacy. The internal assessment model has not yet been implemented; control is carried out by an external auditor in accordance with international practice.
The net profit remaining after mandatory deductions to reserves is fully directed to business development. The dividend payment strategy is not applied at this stage; priority is given to strengthening the capital base and financing growth.
In December 2024, the Authorized Fund was increased due to additional investments from the sole shareholder. The funds attracted have been used to expand operating activities, strengthen financial stability and support further growth of the insurance portfolio.

41. 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, 2024	**As of Dec. 31, 2024**
12 338.77 UZS to 1 USD	**12 920.48 UZS to 1 USD**
As of Jan. 1, 2023	**As of Dec. 31, 2023**
11 225.46 UZS to 1 USD	12 338.77 UZS to 1 USD
As of Jan.1, 2022	**As of Dec. 31, 2022**
10 837.66 UZS to 1 USD	11 225.46 UZS to 1 USD

Change 4.7% for 2024
Change 9.9% for 2023
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 were 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.

42. LEGAL ACTIONS AND CLAIM

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, 2024, the Company has no lawsuits or claims.

The Company does not have any tax problems.

The company has a lawsuit with the insurer OOO "STA LOGISTIK EAST". The company believes that the event declared by the insurer does not meet the criteria of an insured event established by the parties in the contract, and therefore we believe that the court unreasonably made a decision to collect insurance compensation. The amount of insurance compensation is 913,285,581.36 sum. The trial is ongoing. This trial does not have the nature of material damage for the Company due to the foresight of the management: the amount of the claim is included in the reserves for declared losses. The company has sufficient resources to pay the claim if the court does not accept the arguments of the Company.

43. EVENTS AFTER THE REPORTING DATE

The Company's management confirms that there have been no events that have a negative impact on the financial position of the Company after the reporting date (December 31, 2024) and up to the date of issuance of the auditor's report. There were no statutory changes.

Insurance payments due to earthquake in Turkey (February 2023)

Following the events that began in 2023 with the catastrophic earthquake in Kahramanmaraş, Turkey, Mosaic Insurance Group continued to fulfill its obligations for claims settlements in 2024. The earthquake, considered one of the most devastating in the region in decades, caused significant losses to infrastructure and affected populations, impacting not only Turkey but also raising concerns throughout the international insurance community.

During the 2024 reporting period, Mosaic Insurance Group made additional insurance payments of EUR 236,956.47, which are reported as part of the claims settled in connection with this natural disaster.

As of December 31, 2024, the technical reserves include EUR 185,713.96 as a reserve for reported but unsettled losses (Reported But Not Settled - RBNS). This amount is expected to be paid in 2025, after receiving and verifying all necessary supporting documents from the affected parties and assisting structures.

Mosaic Insurance Group remains one of the only insurers in Uzbekistan providing coverage for risks associated with major natural disasters within the framework of international reinsurance. The experience gained as a result of the disaster in Turkey allowed the Company to improve the methods of assessing and underwriting catastrophic risks, as well as revise the reinsurance policy in order to increase capacity and resilience to potential large losses. Also, Mosaic Insurance Group is the only Company that has gained the trust of foreign clients in the field of insurance in the Republic of Uzbekistan.

The Company confirms its commitment to the principles of responsibility and readiness to respond to emergency situations of international scale, including through active interaction with global reinsurance partners and organizations that monitor the risks of natural disasters.

The Company's management conducted an analysis of events that occurred after December 31, 2024, and up to the date of the approval of the financial statements. The analysis concluded that no events occurred requiring adjustments to the financial statements or additional disclosures.

The review included an assessment of:

- Changes in the capital structure,
- Conclusion of significant contracts,
- Legal proceedings,
- Regulatory changes in licensing and insurance company requirements.

44. ESG AND SUSTAINABILITY

Mosaic Insurance Group recognizes the importance of implementing sustainable development principles and responsible corporate governance, even in the absence of an officially approved ESG report. The Company strives to consistently integrate elements of digitalization, ethics and personnel development into its strategy.

As part of the digital transformation, the Company has begun to implement online insurance for certain types of products, and is also actively automating internal processes to improve efficiency and transparency.

In terms of corporate governance, the Company has an anti-corruption policy. The Code of Ethics is under development and is planned for approval in 2025. Employees regularly undergo compliance training, including participation in internal and external seminars.

Particular attention is paid to the development of personnel competencies. The company's employees are trained in international programs such as CIMA, ACCA and The Chartered Insurance Institute, and also participate in internal training and advanced training programs.

In 2024, the Company did not participate in social projects and conferences, but the development of the ESG direction is considered a priority in the long-term strategy of Mosaic Insurance Group.