



Regional Electrical Power Networks JSC

**IFRS Accounting Standards
Consolidated Financial Statements and
Independent Auditor's Report**

31 December 2024

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Independent Auditor's Report

To the Shareholder and the Board of Directors of Regional Electrical Power Networks JSC:

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Regional Electrical Power Networks JSC (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and the Group's consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.


Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan and auditor's independence requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan.



Suhrab Azimov
General Director



Feruz Sultanov
Certified Auditor

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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


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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



Suhrah Azimov
General Director
Feruz Sultanov
Certified Auditor

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Suhrab Azimov
General Director
Certificate of auditor No. 05338
dated 7 November 2015 issued by
the Ministry of Finance of Uzbekistan



Feruz Sultanov
Certified Auditor
Certificate of auditor No. 05855
dated 16 December 2021 issued by
the Ministry of Finance of Uzbekistan

Audit Organization "PricewaterhouseCoopers" LLC
Audit Organization "PricewaterhouseCoopers" LLC
4 June 2025
Tashkent, Uzbekistan

Regional Electrical Power Networks JSC
Consolidated Statement of Financial Position

<i>In millions of Uzbekistan Soums</i>	Note	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	23,683,149	20,081,437
Intangible assets	7	219,994	72,970
Investments in equity securities		4,983	2,341
Investments in associates		1,879	1,879
Prepayments to suppliers and contractors	8	371,491	381,884
Deferred tax asset	25	638,284	543,439
Trade and other receivables	10	55,783	109,494
Other non-current assets		710	77,299
Total non-current assets		24,976,273	21,270,743
Current assets			
Inventory	9	83,965	101,225
Trade and other receivables	10	1,642,451	1,343,991
Prepayments to suppliers and contractors	8	1,830,548	3,415,015
Income tax prepaid		69,245	87,301
Prepayments on other taxes	11	265,738	161,643
Cash and cash equivalents	12	660,456	335,702
Total current assets		4,552,403	5,444,877
TOTAL ASSETS		29,528,676	26,715,620
EQUITY			
Share capital	13	8,461,834	8,468,081
Reserve capital	13	18,207	22,605
Accumulated deficit		(4,366,129)	(3,278,865)
Equity attributable to the Company's owner		4,113,912	5,211,821
Non-controlling interest	27	109,156	295,995
TOTAL EQUITY		4,223,068	5,507,816
LIABILITIES			
Non-current liabilities			
Borrowings	14	10,184,060	485,099
Deferred income	15	5,003,216	1,539,025
Deferred tax liabilities	25	13	-
Other non-current liabilities		64,618	39,224
Total non-current liabilities		15,251,907	2,063,348
Current liabilities			
Borrowings	14	2,235,674	8,270,260
Trade and other payables	16	3,103,398	7,556,001
Contract liabilities	16	4,309,380	3,100,686
Income tax payable		18,315	1,158
Other taxes payable	17	128,226	91,808
Other liabilities	18	258,708	124,543
Total current liabilities		10,053,701	19,144,456
TOTAL LIABILITIES		25,305,608	21,207,804
TOTAL LIABILITIES AND EQUITY		29,528,676	26,715,620

Approved for issue and signed on 4 June 2025.

Askarov Asrorjon
Acting Chairman of the Board

Primqulov Valjon
Chief Accountant

The accompanying notes on page 5 to 45 are integral part of these consolidated financial statements.

Regional Electrical Power Networks JSC
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In millions of Uzbekistan Soums</i>	Note	2024	2023
Revenue from contracts with customers	19	47,762,971	34,276,379
Cost of sales	20	(45,910,991)	(31,899,606)
Gross profit		1,851,980	2,376,773
General and administrative expenses	21	(2,299,027)	(1,817,941)
Other income	22	620,717	259,362
Net charge for expected credit losses on financial assets	10	(217,644)	(1,081,082)
Operating loss		(43,974)	(262,888)
Finance income	23	301,781	139,582
Finance costs	24	(1,424,071)	(1,223,352)
Loss before income tax		(1,166,264)	(1,346,658)
Income tax expense	25	43,647	26,065
Loss for the year		(1,122,617)	(1,320,593)
Other comprehensive income for the year			
<i>Other comprehensive income not to be reclassified subsequently to profit/loss</i>			
Actuarial loss		(25,428)	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,148,045)	(1,320,593)
Loss is attributable to:			
- Shareholder of the Company		(937,758)	(1,257,315)
- Non-controlling interest	27	(184,859)	(63,278)
Net loss for the year		(1,122,617)	(1,320,593)
Total comprehensive loss is attributable to:			
- Shareholder of the Company		(963,186)	(1,257,315)
- Non-controlling interest	27	(184,859)	(63,278)
Total comprehensive loss for the year		(1,148,045)	(1,320,593)

The accompanying notes on page 5 to 45 are integral part of these consolidated financial statements.

Regional Electrical Power Networks JSC
Consolidated Statement of Changes in Equity

<i>In millions of Uzbekistan Soums</i>	Note	Share capital	Reserve capital	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance at 1 January 2023		8,468,081	24,358	(2,021,550)	6,470,889	359,273	6,830,162
Loss for the year		-	-	(1,257,315)	(1,257,315)	(63,278)	(1,320,593)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive loss for the year		-	-	(1,257,315)	(1,257,315)	(63,278)	(1,320,593)
Transfers		-	(1,753)	-	(1,753)	-	(1,753)
Balance at 31 December 2023		8,468,081	22,605	(3,278,866)	5,211,820	295,996	5,507,816
Loss for the year		-	-	(937,758)	(937,758)	(184,859)	(1,122,617)
Other comprehensive income		-	-	(25,428)	(25,428)	-	(25,428)
Total comprehensive loss for the year		-	-	(963,186)	(963,186)	(184,859)	(1,148,045)
Issue of share capital		-	-	-	-	-	-
Decrease in reserve capital		(6,247)	-	-	(6,247)	-	(6,247)
Transfers		-	(4,398)	4,398	-	-	-
Dividends declared	13	-	-	(128,475)	(128,475)	(1,981)	(130,456)
Balance at 31 December 2024		8,461,834	18,207	(4,366,129)	4,113,912	109,156	4,223,068

The accompanying notes on page 5 to 45 are integral part of these consolidated financial statements.

Regional Electrical Power Networks JSC
Consolidated Statement of Cash Flows

<i>In millions of Uzbekistan Soums</i>	Note	2024	2023.
Cash flow from operating activities			
Loss before income tax		(1,166,265)	(1,346,658)
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	6, 7	928,274	1,037,600
Assets received free of charge		(157,112)	-
Loss on foreign exchange transactions (net)		145,103	538,874
Net charge for expected credit losses on financial assets	10	355,419	1,140,939
Modification of contractual cash flows on long-term receivables	10	(137,775)	(59,857)
Amortisation of deferred income	15	(199,355)	(13,516)
Modification of contractual cash flows on loans and borrowings	14	(301,773)	(136,781)
Interest accrued	14	1,277,347	704,236
Recovery of inventory provision		(4,024)	(6,319)
Other		(24,867)	1,348
Operating cash flows before working capital changes		714,972	1,859,866
Increase in trade and other receivables		(385,805)	(855,215)
Decrease / (increase) in inventory		21,284	(7,327)
Decrease / (increase) in prepayments to suppliers and contractors		1,597,847	(2,550,252)
Increase / (decrease) in trade and other payables		(3,278,867)	2,649,655
Decrease in taxes other than income tax prepaid/payable, net		(67,678)	(101,779)
Changes in working capital		(1,398,247)	994,948
Income taxes paid		(32,025)	(119,819)
Interest paid	14	(866,992)	(289,729)
Net cash from operating activities		(2,297,264)	585,400
Cash flows from investing activities			
Government subsidies received for the acquisition of fixed assets	15	781,640	721,742
Purchase of fixed assets		(3,917,310)	(3,433,942)
Proceeds from the sale of property, plant and equipment		23,428	72,709
Net cash used in investing activities		(3,112,242)	(2,639,491)
Cash flows from financing activities			
Proceeds from borrowings	14	8,220,475	2,459,370
Repayment of borrowings	14	(2,372,918)	(609,624)
Dividends paid		(130,456)	-
Net cash from financing activities		5,717,101	1,849,746
Effect of exchange rate changes on cash and cash equivalents		17,159	-
Cash and cash equivalents at the beginning of the year		335,702	540,047
Cash and cash equivalents at the end of the year		660,456	335,702

The accompanying notes on page 5 to 45 are integral part of these consolidated financial statements.

1 Regional Electrical Power Networks JSC Group and its Operations

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards") for the year ended 31 December 2024 for Regional Electrical Power Networks JSC (the "Company") and its subsidiaries (the "Group").

The Company is a state joint stock company incorporated and domiciled in the Republic of Uzbekistan. Its main functions are the management of enterprises of territorial electricity networks that distribute and sell electrical energy to end consumers. The Company was incorporated as a result of reorganisation of Uzbekenergo JSC in accordance with the decree of the President of the Republic of Uzbekistan dated 27 March 2019 No. PP-4249 "On the strategy for further development and reform of the electric power industry of the Republic of Uzbekistan". As a result of reorganisation, in 2019 the enterprises of territorial electrical networks (the "ETEN") and other subsidiaries of Uzbekenergo JSC were transferred to the Company as contribution to its share capital.

As of 31 December 2023 and 31 December 2024 the Group's immediate shareholder is the Ministry of Finance of the Republic of Uzbekistan. The Company's ultimate controlling party is the Government of Uzbekistan.

Principal activity

The Group's principal business activity is sale of electricity to end-users, both legal entities and individuals with further billing and collection procedures within the Republic of Uzbekistan. The supply of electricity to consumers nationwide is the responsibility of the low-voltage electricity grids of 12 territorial distribution and sales branches, and 2 territorial distribution and sales subsidiaries which operate in each territorial entity as joint-stock companies under the control of the Company. The enterprises own power transmission lines with a total length of more than 250 thousand kilometres, and 1,700 substations with voltage of up to 110 kV.

The structure of the Group presented below:

Name	Nature of business	Percentage of ownership and voting rights		Country of registration
		31 December 2024	31 December 2023	
Subsidiaries *				
Fergana ETEN JSC	Power distribution	53.70%	53.70%	Uzbekistan
Bukhara ETEN JSC	Power distribution	53.10%	53.10%	Uzbekistan

*ETEN – enterprise of territorial electrical networks

Registered address and place of business

The Company's registered address is Tashkent, Osiyo Street, building 8, the Republic of Uzbekistan. The Group's principal place of business is the Republic of Uzbekistan.

Presentation currency

These consolidated financial statements are presented in millions of Uzbekistan Soums, unless otherwise stated.

Republic of Uzbekistan

The Uzbekistan economy continues to display characteristics of an emerging market, including but not limited to, a currency that is not freely convertible outside of the country and a low level of liquidity in debt and equity markets.

Economic stability in Uzbekistan is largely dependent upon the effectiveness of economic measures undertaken by the Government of Uzbekistan, together with other legal, regulatory and political developments, all of which are beyond the Group's control.

1 Regional Electrical Power Networks JSC Group and its Operations (Continued)

The Group's financial position and operating results will continue to be affected by future political and economic developments in Uzbekistan including the application and interpretation of existing and future legislation and tax regulations, which greatly impact Uzbek Power and Utilities industry and the economy overall. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

The Group is a natural monopoly and is governed by the laws of the Republic of Uzbekistan "On Natural Monopolies". Accordingly, the Group sells electricity under contracts with individuals and legal entities at tariffs approved by the Government of the Republic of Uzbekistan.

Tariff decisions are strongly influenced by social and political issues. Economic, social and other policies of the Government of the Republic of Uzbekistan may have a significant impact on the Group's operations.

Uzbekistan experienced the following key economic indicators in 2024:

- Official exchange rate as at 31 December 2024: US Dollar 1 per Uzbekistan Soums 12,920.48 (2023: US Dollar 1 per Uzbekistan Soums 12,338.77)
- Inflation: 9.8% (2023: 8.77%);
- GDP growth: 6.5% (2023: 6%);
- Refinancing rate of the Central Bank of Uzbekistan in Uzbekistan Soums – 13.5% (2023: 14%).

2 Significant Accounting Policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Going concern principle

In 2024, the Group incurred a loss of Uzbekistan Soums 1,122,617 million. As at 31 December 2024, the Group's current liabilities exceeded its current assets by Uzbekistan Soums 5,501,298 million (31 December 2023: Uzbekistan Soums 13,674,422 million).

2 Significant Accounting Policies (Continued)

These conditions may indicate that there is uncertainty about the Group's ability to continue as a going concern. Management has prepared these consolidated financial statements on a going concern basis. Management's decision is based on the Group's financial position, its current intentions, profitability of operations, access to financial resources and support from the Government of Uzbekistan. In assessing the Group's ability to continue as a going concern, the following factors were taken into account:

- The Group is a natural monopoly in the distribution and trade of electricity in the territory of the Republic of Uzbekistan, therefore it is of strategic importance for ensuring the reliability of Uzbekistan's power system and stable supply of the electricity to end users. The management and shareholder of the Group have no intention or need to liquidate the Group's operations.
- As of 31 December 2024 the Group's current liabilities mainly consist of payables of Uzbekistan Soums 2,298,090 million (2023: Uzbekistan Soums 3,965,701 million) to UzEnergoSotish JSC (UES) (2023: National Electric Grid of Uzbekistan JSC ("NES")), both controlled by the shareholder of the Group. The repayment schedule of payables to UES and NES is determined by the interdepartmental tariff commission (the 'Commission') of the Cabinet of Ministers of the Republic of Uzbekistan, which also regulate the distribution of funds collected from the sale of electricity by the Group in accordance with the Cabinet of Ministers decree #633 dated 30 July 2019. The Commission takes into account the investment plan and the budget of the Group, approved by the shareholder, when considering and approving the distribution of funds between the Group and suppliers of electricity. Management expects that the Group will continue to hold a significant portion of the cash collected from the sale of electricity to finance its operations for the foreseeable future. Management expects that the Ministry of Finance, as a sole shareholder, will provide the Group with the necessary financial support during the near future.
- The Cabinet of Ministers of the Republic of Uzbekistan issued a resolution on a significant increase in tariffs for the sale of electricity for the households and legal entities, from May 2024 the tariff for the population was significantly increased. According to the document, tariffs were increased in May 2025 and further will be annually adjusted for the inflation.
- Government provides support in the form of funding of the operations and investing activities of the Group. In 2024, the government issued decrees that undermined financial support in the form of government grants for modernization and new networks. The Ministry of Finance also issued an interest-free loan with a maturity of five years to cover the outstanding payable amount to NES. Additionally, in 2025, a new president's decree #330 was issued to fund further modernization and capital expenditure projects of the Group.
- The Smart Electricity Metering System significantly reduced the amount of grid losses in 2024. The Group continues to work in this direction, which should significantly increase its profitability in the future.
- Management believes that the Group will generate sufficient operating cash flows, have access to sufficient financing and will receive the support of the Cabinet of Ministers of the Republic of Uzbekistan in meeting its obligations in the ordinary course of business, and can therefore continue as a going concern for the foreseeable future for at least the next twelve months.

These consolidated financial statements do not include any adjustments to the carrying amounts of assets and liabilities, income and expenses, and the classification of the statement of financial position, which would be necessary in case of inability to continue operating; such adjustments can be significant.

Consolidated financial statements

Subsidiaries are those investees, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries other than those acquired from parties under common control. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

2 Significant Accounting Policies (Continued)

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill" or a "bargain purchase") is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition of and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Group. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests

The Group applies the economic entity model to account for transactions with owners of non-controlling interest in transactions that do not result in a loss of control. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Group recognises the difference between sales consideration and the carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

Investments in associates

Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in the Group's share of net assets of an associate are recognised as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as the share of results of associates, (ii) the Group's share of other comprehensive income is recognised in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognised in profit or loss within the share of results of associates.

However, when the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Disposals of subsidiaries or associates

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 Significant Accounting Policies (Continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Foreign currency translation

Functional and presentation currency

All amounts in these consolidated financial statements are presented in million Uzbekistan Soums ("UZS"), unless otherwise stated. Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of subsidiaries, joint ventures, associates and the Company is UZS.

Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rate of the Central Bank of Uzbekistan ("CBU") prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions or from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

At 31 December 2024 the principal rate of exchange used for translating foreign currency balances was US Dollar 1 per Uzbekistan Soums 12,920.48 (31 December 2023: US Dollar 1 per Uzbekistan Soums 12,338.77). Exchange restrictions and currency controls exist relating to converting the Uzbekistan Soums into other currencies. Currently, Uzbekistan Soum is not freely convertible in most countries outside of the Republic of Uzbekistan.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, where required. Property, plant and equipment includes assets under construction for future use as property, plant and equipment. Cost includes the purchase price, including import duties and non-refundable purchase taxes, less trade discounts and rebates, and any costs directly attributable to bringing the asset to the site and bringing it to a condition necessary for its intended use. The cost of property, plant and equipment built in-house includes the cost of materials, direct labor costs and a portion of manufacturing overheads. Individual material parts of an item of property, plant and equipment (components) that have a useful life that differs from the useful life of the asset as a whole are depreciated individually using depreciation rates that reflect their expected useful lives.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items are capitalised and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs of disposal and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed where appropriate if there has been a change in the estimates used to determine the asset's value in use or fair value less costs of disposal.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss for the year.

Depreciation

Land and assets under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	<u>Useful lives in years</u>
Buildings	45
Transmitting devices	30
Machinery and equipment	25
Vehicles	10
Other	7

2 Significant Accounting Policies (Continued)

The residual value of an asset is the estimated amount that the Group would currently obtain from the disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the each reporting period.

Intangible assets other than goodwill

The Group's intangible assets other than goodwill have definite useful lives and primarily include capitalised software licences.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use.

Development costs that are directly associated with identifiable and unique software controlled by the Group are recorded as intangible assets if an inflow of incremental economic benefits exceeding costs is probable. Capitalised costs include employee benefits expense of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred.

Intangible assets are amortised using the straight-line method over their useful lives:

	<u>Useful lives in years</u>
Software licences	5 - 10 years

If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs of disposal.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Financial instruments – key measurement terms

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is the price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the number of instruments held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs). Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period (Note 30).

2 Significant Accounting Policies (Continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost ("AC") is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses ("ECL"). Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to the maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of the related items in the consolidated statement of financial position.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the whole expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired ("POCI") at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition

Financial instruments at FVTPL are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation.

technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories

The Group classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

Financial assets – classification and subsequent measurement – business model

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows"), or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

2 Significant Accounting Policies (Continued)

Financial assets – classification and subsequent measurement – cash flow characteristics

Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Group assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL through profit or loss. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

Financial assets – reclassification

Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The Group did not change its business model during the current and comparative period and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL

The Group assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts, for contract assets. The Group measures ECL and recognises net impairment losses on financial and contract assets at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC, trade and other receivables, loans issued and contract assets are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position. For debt instruments at FVOCI, changes in amortised cost, net of allowance for ECL, are recognised in profit or loss and other changes in carrying value are recognised in OCI as gains less losses on debt instruments at FVOCI. Other changes in carrying amount are recorded in other comprehensive income as gains less losses on debt instruments measured through other comprehensive income.

The Group applies simplified approach for impairment of trade and lease receivable. For other financial assets the Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 28 for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in Note 28. For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL.

Note 28 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Group incorporates forward-looking information in the ECL models.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

2 Significant Accounting Policies (Continued)

Financial assets – derecognition

The Group derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expire or (b) the Group has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (i) also transferring substantially all the risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

Financial assets – modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: [any new contractual terms that substantially affect the risk profile of the asset, significant change in interest rate or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assess whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets) and recognises a modification gain or loss in profit or loss.

Financial liabilities – measurement categories

Financial liabilities are classified as subsequently measured at AC, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Financial liabilities – derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

2 Significant Accounting Policies (Continued)

Financial liabilities designated at FVTPL

The Group may designate certain liabilities at FVTPL at initial recognition. Gains and losses on such liabilities are presented in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability (determined as the amount that is not attributable to changes in market conditions that give rise to market risk), which is recorded in OCI and is not subsequently reclassified to profit or loss. This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in credit risk of the liability are also presented in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at current bank accounts. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Restricted balances are excluded from cash and cash equivalents for the purposes of the consolidated cash flow statement.

Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period are included in other non-current assets; balances restricted for more than three months but less than twelve months after the reporting period are included in other current assets.

Trade and other receivables

Trade and other receivables, except for prepaid taxes and advances to supplies, are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method.

Advances to suppliers are carried at cost less provision for impairment. Advances are classified as non-current when the goods or services relating to the advances are expected to be obtained after one year, or when advances relate to an asset which will itself be classified as non-current upon initial recognition. Advances to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other advances are written off to profit or loss when the goods or services relating to the advances are received. If there is an indication that the assets, goods or services relating to advances will not be received, the carrying value of the advances is written down accordingly, and a corresponding impairment loss is recognised in the profit or loss for the year. Prepaid taxes are stated at actual amounts paid less impairment provision.

Trade and other payables

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at AC using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at AC using the effective interest method.

Capitalisation of borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

2 Significant Accounting Policies (Continued)

The commencement date for capitalisation is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred on the specific borrowings less any investment income on the temporary investment of these borrowings are capitalised.

Financial guarantees

Financial guarantees require the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition. In addition, an ECL loss allowance is recognised for fees receivable that are recognised in the consolidated statement of financial position as an asset.

Operating lease

Where the Group is a lessor in a lease which does not transfers substantially all the risks and rewards incidental to ownership to the lessee (i.e. operating lease), lease payments from operating leases are recognised as other income on a straight-line basis. Modification of a lease is accounted for by the lessor as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Income taxes

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid, or recovered, in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Deferred tax assets and liabilities are netted only within the individual companies of the Group.

2 Significant Accounting Policies (Continued)

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Uncertain tax positions

The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Adjustments for uncertain income tax positions, other than interest and fines, are recorded within the income tax charge. Adjustments for uncertain income tax positions in respect of interest and fines are recorded within finance costs and other gains/(losses), net, respectively.

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and a liability. Where provision has been made for ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity.

Dividends

Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved. Any dividends declared after the reporting period and before the consolidated financial statements are authorised for issue are disclosed in the subsequent events note. The statutory accounting reports of the Company are the basis for profit distribution and other appropriations. Uzbekistan legislation identifies the basis of distribution as the current year net profit.

Provisions for liabilities and charges

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense within finance costs.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

2 Significant Accounting Policies (Continued)

Revenue recognition

Revenue is income arising in the course of the Group's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognized net of value added tax (VAT) and discounts. Revenue from the sale of electricity is recognized over the period.

Consolidated revenue of the Group is mainly attributed to sale and transmission of electricity. Sale of each type of the goods/services is documented in a separate, identifiable contract with an individual customer.

According to the contracts for sale of the electricity of the Group's subsidiaries, obligations to be performed are identified when concluding the relevant contract.

The Group does not assume concluding contracts which provide for a period between transfer of the promised goods or services to the customer and payment by the customer to be more than one year. Accordingly, the Group does not adjust transaction prices for time value for money.

According to the contracts for selling electricity, the contract amount is the price for the sold amount of electricity.

Sale of electric power

The Group sells electricity under agreements with individuals and legal entities based on the tariffs approved by the Government. Sales to legal entities are recognised in the reporting period in which electricity is consumed, according to readings of the metering devices. A legal entity agreement requires prepayments up to 30-50% of expected volume of electricity consumption for the billing month and payment of the remaining balance within the month following after billing.

Sales to individuals are recognised in the reporting period in which electric power is consumed. Revenues from individuals include revenues for the period after the last reading of the metering devices, which are recognised on average from the electricity consumed for the previous two months. An agreement with individuals provides for payment until the 10th day of the month following the billing month based on the payment document to be issued by the Group, except for consumers with smart metering devices where prepayment is required. The billing period is one calendar month.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss for the year as other operating income over the period necessary to match them with the costs that they are intended to compensate.

Employee benefits

Wages, salaries, contributions to the Republic of Uzbekistan state pension and social insurance fund, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and kindergarten services) are accrued in the year in which the associated services are rendered by the employees of the Group. The Group has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

3 Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

Impairment of property, plant and equipment and intangible assets

The Group's management has analysed external and internal indicators of impairment of property, plant and equipment and intangible assets. The management of the Group concluded that there is no indication of impairment. Accordingly, the management of the Group has elected not to test for impairment of property, plant and equipment and intangible assets as at 31 December 2024.

ECL measurement

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 28. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs of the models to reduce any differences between expected credit loss estimates and actual credit loss.

Recognition of a deferred tax asset

The recognised deferred tax assets represent income taxes recoverable through future deductions from taxable profits and are recorded in the consolidated statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. This includes temporary difference expected to reverse in the future and the availability of sufficient future taxable profit against which the deductions can be utilised. The future taxable profits and the amount of tax benefits that are probable in the future are based on the medium term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances.

4 New Accounting Pronouncement

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

- Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).
- Sale or contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on a date to be determined by the Board). IFRS.

The Group is currently assessing the impact of the amendments on its consolidated financial statements.

5 Balances and Transactions with Related Parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Government of Uzbekistan has control over the Group. The Group decided to apply the exemption from disclosure of individually insignificant transactions and balances with the government and parties that are related to the entity. Transactions with government-run companies are not disclosed if they are carried out in the ordinary course of business in accordance with conditions consistent with all public and private companies i) when they are not individually significant; ii) if the Group's services are provided on standard terms available to all consumers, or iii) provided there is no choice of providers of services such as electricity distribution and sales.

5 Balances and Transactions with Related Parties (Continued)

The Group purchases from and sells electricity to a large number of government related entities. Such purchases and sales are individually insignificant and are generally entered into on an arm's length basis. Transactions with the state also include taxes which are detailed in Notes 11, 17 and 25.

As the Government related entities, the balances and transactions with "Navoi MMC" JSC, "Almalyk MMC" JSC, "Maxam Chirchiq" JSC, "O'zbekiston Metalurgiya Kombinati" JSC, "Navoi Uran" JSC, "Fargonaazot" JSC, "Uzbekneftegaz" JSC, "Qarshi magistral kanal" JSC and state owned banks are disclosed

At 31 December 2024, the outstanding balances with related parties were as follows:

<i>In millions of Uzbekistan Soums</i>	Note	Government and entities under government control	Associates
Cash and cash equivalents	12	339,711	-
Trade and other receivables	10	2,521	-
Prepayments to suppliers	8	1,783,551	-
Deferred income	15	5,003,216	-
Borrowings	14	5,754,089	-
Trade and other payables	16	3,143,226	83,027

At 31 December 2023, the outstanding balances with related parties were as follows:

<i>In millions of Uzbekistan Soums</i>	Note	Government and entities under government control	Associates
Cash and cash equivalents	12	335,368	-
Trade and other receivables	10	84,005	-
Prepayments to suppliers	8	3,223,831	-
Deferred income	15	1,539,025	-
Borrowings	14	6,425,265	-
Trade and other payables	16	7,183,542	30,260

The income and expense items with related parties for the years ended 31 December 2024 were as follows:

<i>In millions of Uzbekistan Soums</i>	Note	Government and entities under government control	Associates
Revenue		10,279,981	-
Purchases of electricity	20	43,186,913	-
Interest expense	24	862,654	-

The income and expense items with related parties for the years ended 31 December 2023 were as follows:

<i>In millions of Uzbekistan Soums</i>	Note	Government and entities under government control	Associates
Revenue		9,270,743	-
Purchases of electricity	20	29,475,096	-
Interest expense	24	704,236	-

In 2024, the Group purchased smart meters in amount of Uzbekistan Soums 175 billion (2023: Uzbekistan Soums 117 billion) from associate.

5 Balances and Transactions with Related Parties (Continued)

Key management compensation

Key management as of 31 December 2024 includes 6 members of Management Board (2023: 6 members of Management Board).

Key management compensation is presented below:

<i>In millions of Uzbekistan Soums</i>	2024		2023	
	Expense	Accrued liability	Expense	Accrued liability
Short-term benefits:				
- Salaries	3,340	-	2,246	-
- Short-term bonuses	1,277	-	554	-
- Social insurance	515	-	306	-
Total key management compensation	5,132	-	3,106	-

Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

6 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In millions of Uzbekistan Soums</i>	Buildings and premises	Machinery and equipment	Vehicles	Other	Construction in progress	Total
Cost at 1 January 2023	462,863	18,480,308	218,334	167,046	2,016,134	21,344,685
Accumulated depreciation	(77,477)	(3,526,011)	(86,246)	(61,711)	-	(3,751,445)
Carrying amount at 1 January 2023	385,386	14,954,297	132,088	105,335	2,016,134	17,593,240
Additions	1,063	83,352	1,009	33	3,410,105	3,495,562
Capitalised borrowing costs	-	-	-	-	92,520	92,520
Transfers	16,815	930,384	23,131	9,635	(979,965)	-
Disposals	(2,563)	(13,354)	(46)	(171)	(56,575)	(72,709)
Depreciation charge	(16,814)	(967,175)	(21,000)	(22,187)	-	(1,027,176)
Cost at 31 December 2023	478,366	19,477,528	242,354	176,230	4,482,219	24,856,697
Accumulated depreciation	(94,479)	(4,490,024)	(107,172)	(83,585)	-	(4,775,260)
Carrying amount at 31 December 2023	383,887	14,987,504	135,182	92,645	4,482,219	20,081,437
Additions	3,890	170,344	8,197	2,351	4,243,797	4,428,579
Capitalised borrowing costs	-	-	-	-	120,247	120,247
Transfers	63,555	2,665,942	24,197	81,505	(2,835,199)	-
Disposals	(4,912)	(20,698)	(274)	(106)	(3,685)	(29,675)
Depreciation charge	(17,360)	(853,417)	(23,582)	(23,080)	-	(917,439)
Cost at 31 December 2024	538,478	22,304,135	277,668	241,602	6,007,379	29,369,262
Accumulated depreciation	(109,418)	(5,354,460)	(133,948)	(88,287)	-	(5,686,113)
Carrying amount at 31 December 2024	429,060	16,949,675	143,720	153,315	6,007,379	23,683,149

Construction in progress consists mainly of modernisation and reconstruction of low-voltage electric networks and high-voltage equipment. Upon completion, assets are transferred to building, machinery and equipment. Additions to construction in progress include capitalised borrowing costs of Uzbekistan Soums 120,247 million (2023: Uzbekistan Soums 92,520 million). The capitalisation rate was 8.32% (2023: 10.02%).

7 Intangible Assets

Software and licenses were acquired for ASKUE Billing Center.

<i>In millions of Uzbekistan Soums</i>	Acquired software licenses
Cost at 1 January 2023	104,242
Accumulated amortisation	(20,848)
Carrying amount at 1 January 2023	83,394
Amortisation charge	(10,424)
Cost at 31 December 2023	104,242
Accumulated amortisation	(31,272)
Carrying amount at 31 December 2023	72,970
Additions	157,860
Amortisation charge	(10,835)
Cost at 31 December 2024	262,102
Accumulated amortisation	(42,108)
Carrying amount at 31 December 2024	219,994

8 Prepayments to suppliers and contractors

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Prepayment for non-current assets	371,491	381,884
Current part of prepayments:		
- Prepayments for electricity	1,611,556	2,755,443
- Prepayments for goods, materials and services	68,950	202,872
- Prepayment to the founder	150,042	456,700
Total prepayments to suppliers and contractors	2,202,039	3,796,899

9 Inventories

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Materials	66,073	93,740
Products and goods for resale	-	-
Spare parts	29,055	22,672
Less: provision for write down to net realisable value and provision for slow-moving and obsolete inventories	(11,163)	(15,187)
Total inventories	83,965	101,225

Presented below are movements in the Group's inventory provision:

<i>In millions of Uzbekistan Soums</i>	2024	2023
Provision at 1 January	(15,187)	(21,506)
Recovery of provision during the year	4,024	6,319
Provision at 31 December	(11,163)	(15,187)

10 Trade and Other Receivables

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Current trade receivables		
Trade receivables from sales of electricity to individuals	1,139,355	1,311,379
less: ECL on individual assessment of individuals	(286,893)	(286,898)
less: ECL on collective assessment of individuals	(608,267)	(770,343)
Trade receivables from sales of electricity to corporate customers	3,551,790	2,719,687
less: ECL on collective assessment of corporate customers	(1,464,650)	(916,389)
less: ECL on individual assessment of corporate customers	(777,648)	(776,494)
Total financial assets	1,553,687	1,280,942
Prepaid expenses	358	283
Prepayments to staff	13,351	4,545
Others	75,055	58,221
Total trade and other receivables	1,642,451	1,343,991

In the current reporting period, revenue in the amount of Uzbekistan Soums 3,100,686 million Uzbekistan Soums was recognized (2023: Uzbekistan Soums 2,645,868 million) in respect of contract liabilities for 31 December 2024.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics, the days past due and others. The groups include:

- Receivables from sales of electricity to individuals – ECL is assessed on a collective and individual basis.
- Receivables from sales of electricity to corporate customers – ECL is assessed on collective and individual basis.

The expected loss rates for receivables from sales of electricity to households and corporate customers are based on the payment profiles of customers over a period of 36 month before each balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates of corporate customers are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has applied the sovereign credit rating of Uzbekistan and accordingly adjusts the historical loss rates based on expected changes in this factor.

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Other long-term accounts receivable		
Other long-term accounts receivable	132,830	356,231
Less: impact of modification of other long-term receivables	(53,831)	(191,606)
Less: ECL	(23,216)	(55,131)
Total financial assets within long-term trade and other receivable	55,783	109,494

According to the President's decrees the receivables from water utility, water users' association and heat supply companies for the electricity were modified with prolonged payment terms. Therefore, those receivables balance was reclassified to other long-term receivables. For estimation of the effect of modification the Group has discounted other receivables to their present value using the effective interest rate and estimated future cash flows for each financial asset separately. To calculate expected credit losses for the Group has applied a probability weighted default rate of 32.26%.

In 2023, the Group carried out stock take of accounts receivable from individuals and corporate clients. Based on the results of the stock take, doubtful debts for electricity were identified in the amount of 286,898 million Uzbekistan Soums for individuals and 776,494 million Uzbekistan Soums for corporate clients. The Group recognized a provision for expected credit losses for these amounts in 2023 as part of an individual assessment.

10 Trade and Other Receivables (continued)

The credit loss allowance for trade receivables from corporate customers is determined according to the provision matrix presented in the table below, on the number of days that an asset is past due, adjusted for external risk rating of Uzbekistan.

Corporate customers - collective approach

<i>In % of gross value In millions of Uzbekistan Soums</i>	31 December 2024				
	Loss Rate	Gross carrying amount	Life-time ECL	Net carrying value	Loss Rate
Trade receivables					
- current	8.40%	679,659	(57,080)	622,579	7.72%
- 30 to 60 days overdue	20.59%	256,483	(52,801)	203,682	17.88%
- 61 to 90 days overdue	30.20%	167,493	(50,585)	116,908	26.01%
- 91 to 120 days overdue	37.84%	147,823	(55,933)	91,891	31.55%
- 121 to 150 days overdue	44.82%	202,822	(90,913)	111,908	36.79%
- 151 to 360 days overdue	68.76%	520,202	(357,678)	162,524	64.80%
- over 360 days overdue	100.00%	799,660	(799,660)	-	100.00%
Total	52.80%	2,774,142	(1,464,650)	1,309,492	47.16%

The credit loss allowance for trade receivables from individuals is determined according to provision matrix presented in the table below, on the number of days that an asset is past due.

Individuals - collective approach

<i>In % of gross value In millions of Uzbekistan Soums</i>	31 December 2024				
	Loss rate	Gross carrying amount	Life-time ECL	Net carrying value	Loss rate
Trade receivables					
- current	21.09%	120,324	(25,377)	94,947	15.79%
- 30 to 60 days overdue	30.09%	53,187	(16,003)	37,184	22.10%
- 61 to 90 days overdue	36.04%	29,384	(10,589)	18,795	27.18%
- 91 to 120 days overdue	41.58%	20,380	(8,475)	11,905	32.44%
- 121 to 150 days overdue	47.37%	15,248	(7,223)	8,024	38.60%
- 151 to 360 days overdue	70.85%	251,628	(178,288)	73,340	70.20%
- over 360 days overdue	100.00%	362,311	(362,312)	-	100.00%
Total	71.35%	852,462	(608,267)	244,195	75.19%

10 Trade and Other Receivables (Continued)

Movements in impairment provision of current trade and other receivables are presented in the table below:

<i>In millions of Uzbekistan Soums</i>	2024	2023
Allowance for credit losses on trade receivables at 1 January	(2,750,124)	(1,592,205)
Accrual of allowance for the year	(387,334)	(1,157,919)
Allowance for credit losses on trade receivables at 31 December	(3,137,458)	(2,750,124)

Movements in impairment provision of long-term trade and other receivables are presented in the table below:

<i>In millions of Uzbekistan Soums</i>	2024	2023
Allowance for credit losses on long-term trade receivables at 1 January	(246,737)	(323,574)
Accrual of allowance for the year	31,915	16,980
Modification of contractual cash flows	137,775	59,857
Allowance for credit losses on long-term trade receivables at 31 December	(77,047)	(246,737)

11 Other current tax assets

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Input VAT	211,511	103,579
Property tax	2,778	2,844
Land tax	12,752	8,861
Employer social contribution	790	1,560
Personal income tax	2,933	1,256
Others	34,975	43,543
Total current tax assets other than taxes on income	265,738	161,643

12 Cash and cash equivalents

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Bank balances payable on demand:		
Bank balances payable on demand – USD	8,833	327,330
Bank balances payable on demand – UZS	651,623	8,372
Cash on hand	-	-
Total cash and cash equivalents	660,456	335,702

12 Cash and cash equivalents (continued)

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2024:

<i>In millions of Uzbekistan Soums</i>	Bank balances payable on demand	Rating
JSCB Uzpromstroybank	185,555	BB- (FitchRatings)
Ministry of Economy and Finance of the Republic of Uzbekistan	73,164	Ba3 Moody's
JSCB National bank for foreign economic activity of the Republic of Uzbekistan	37,036	BB- (FitchRatings)
Digital Transformation Center Under The Ministry Of Investments And Foreign Trade Of The Republic Of Uzbekistan	17,519	Ba3 (Moody's)
JSC XT Xarid texnologiyalari	16,650	Ba3 (Moody's)
JSC Uzbek Commodity Exchange	9,787	B (FitchRatings)
JSCMB Ipoteka-Bank	385	Ba3 (Moody's)
Cash in transit	320,360	-
Total cash and cash equivalents, excluding cash on hand	660,456	

The table below discloses the credit quality of cash and cash equivalents balances based on credit risk grades at 31 December 2023:

<i>In millions of Uzbekistan Soums</i>	Bank balances payable on demand	Rating
Ministry of Economy and Finance of the Republic of Uzbekistan	108,355	Ba3 Moody's
JSCB National Bank for Foreign Economic Activity of the Republic of Uzbekistan	67,875	BB- (FitchRatings)
JSCB Uzpromstroybank	43,129	BB- (FitchRatings)
JSC Xarid texnologiyalari	20,694	Ba3 (Moody's)
Uzbek Commodity Exchange	12,978	B (FitchRatings)
Digital Transformation Center Under The Ministry Of Investments And Foreign Trade Of The Republic Of Uzbekistan	2,888	Ba3 (Moody's)
JSCB Ipoteka-Bank	334	Ba3 (Moody's)
Cash in transit	79,449	-
Total cash and cash equivalents, excluding cash on hand	335,702	

13 Equity

<i>In millions of Uzbekistan Soums</i>	31 December 2024		31 December 2023	
Number of outstanding shares	84,618,347,342		84,680,814,487	
Nominal and paid-in amount	8,461,834		8,468,081	

<i>In millions of Uzbekistan Soums</i>	Number of outstanding shares	Ordinary shares	Share premium	Preference shares
At 1 January 2023	84,690,998,212	84,680,814,487	-	10,183,725
New shares issued	-	-	-	-
At 31 December 2023	84,690,998,212	84,680,814,487	-	10,183,725
Share redemption	(62,467,145)	(62,467,145)	-	-
At 31 December 2024	84,628,531,067	84,618,347,342	-	10,183,725

13 Equity (continued)

Dividends

In 2024, following Shareholder Resolution No. 5 dated 20 August 2024, section 7, an amendment was made to the prior Shareholder Resolution No. 3 from 15 August 2022. The original dividend amount of Uzbekistan Soums 190,531 million (2.25 Uzbekistan Soums per share) was adjusted to Uzbekistan Soums 319,007 million (3.767 Uzbekistan Soums per share), thereby resulting in an additional accrual of Uzbekistan Soums 128,475 million.

The Group did not declare any dividends in 2023.

The total authorised number of preference shares is 10,184 thousand shares (2023: 10,184 thousand shares) with an average par value of Uzbekistan Soums 143 per share (2023: Uzbekistan Soums 143 per share). All issued preference shares are fully paid. The preference shares are not redeemable and rank ahead of the ordinary shares in the event of the Company's liquidation and presented in other long-term payables.

All dividends are declared and paid in Uzbekistan Soums. In accordance with Uzbekistan legislation, the Group distributes profits as dividends on the basis of financial statements prepared in accordance with International Financial Reporting Standards.

14 Borrowings

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Ministry of Finance	4,506,774	1,529,540
Ministry of Finance (ADB & AFD) #31-01-02-2020/11	3,011,384	3,246,726
Adria General Trading #AGT-RES-2023	2,078,425	825,836
Asian Development Bank #2779	1,389,881	1,518,667
Fund for Reconstruction and Development of the Republic of Uzbekistan #254	735,549	843,159
JSCB UzpromstroyBank (#79 and #566)	247,387	-
Asian Development Bank 4347-UZB	138,143	-
JSCB UzpromstroyBank (Eximbank of China) #04-135	112,490	127,850
Administration of the Republic of Uzbekistan #91	72,280	202,495
Agence Francaise De Development CUZ 1043 01 P	47,812	-
Fund for Reconstruction and Development of the Republic of Uzbekistan #219	27,386	31,340
Administration of the Republic of Uzbekistan	42,482	23,931
JSCB UzpromstroyBank #698	9,741	26,389
JSCB UzpromstroyBank short-term loans	-	378,968
Local leasing firms	-	458
Total borrowings	12,419,734	8,755,359

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
<i>Short term part</i>		
On demand	-	7,196,429
Up to 1 year	2,235,674	1,073,831
Total short-term part	2,235,674	8,270,260
<i>Long term part</i>		
From 2 to 5 years	8,059,947	485,099
More than 5 years	2,124,113	-
Total long-term part	10,184,060	485,099
Total borrowings	12,419,734	8,755,359

14 Borrowings (continued)

The Group's borrowings are denominated in currencies as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Borrowings denominated in:		
- Uzbekistan Soums	4,806,384	1,959,286
- US dollars	5,414,833	5,767,742
- Russian rubles	2,150,705	1,028,331
- Euro	47,812	-
Total borrowings	12,419,734	8,755,359

Movements in the Group's borrowings were as follows:

<i>In millions of Uzbekistan Soums</i>	2024	2023
Borrowings at 1 January	8,755,359	6,194,444
Cash flows		
Loan drawdowns	8,220,475	2,459,370
Repayments of principal	(2,372,918)	(609,624)
Interest payments	(866,992)	(289,729)
Non-cash changes		
Interest accrued	1,277,347	704,236
Interest accrued and capitalized to construction in progress	120,247	92,520
Changes in fair values	(301,773)	(165,364)
Foreign exchange adjustments	145,103	538,874
Gain on initial recognition (deferred income)	(2,561,420)	(178,526)
Other	4,306	9,158
Liabilities from financing activities at 31 December	12,419,734	8,755,359

14 Borrowings (Continued)

Terms and conditions of outstanding loans were as follows:

In millions of Uzbekistan Soums	Currency	Nominal interest rate	Year of maturity	Carrying amount	
				31 December 2024	31 December 2023
Ministry of Finance	UZS	5%	2024	4,506,774	1,529,540
Ministry of Finance (ADB & AFD) #31-01-02-2020/11	USD	Libor 6 month plus 1.25%	2035	3,011,384	3,246,726
Adria Genral Trading #AGT-RES-2023	RUB	Fixed - 5.65% Variable - Key rate + 2.75%/4.65%	2028	2,078,425	825,836
Asian Development Bank #2779	USD	SOFR plus 0.6% minus 0.2%	2036	1,389,881	1,518,667
Fund for Reconstruction and Development of the Republic of Uzbekistan #254	USD	4%	2031	735,549	843,159
JSCB UzpromstroyBank (#79 and #566)	UZS	26%	2025-2026	247,387	-
Asian Development Bank 4347-UZB	USD	SOFR+0,6% + 1%	2048	138,143	-
JSCB UzpromstroyBank (Eximbank of China) #04-135	USD	2 2%	2029	112,490	127,850
Administrative Management #91 Agence Francaise De Development CUZ 1043 01 P	EUR	EURIBOR + 0,75% + 1%	2043	72,280	202,495
Fund for Reconstruction and Development of the Republic of Uzbekistan #219	USD	2%	2029	47,812	-
Administrative Management JSCB UzpromstroyBank #698	UZS	5%	2026	27,386	31,340
	UZS	CBU rate +0.5%	2024-2025	42,482	23,931
JSCB UzpromstroyBank short-term loans	UZS	22%-26%		9,741	26,389
Local finance lease Providers	UZS	0.00%	2022-2023	-	378,968
				-	458
Total borrowings				12,419,734	8,775,841

Ministry of Finance (ADB and FDA)

In accordance with the Government Decree of the Republic of Uzbekistan #260 dated 27 April 2020, on 7 December 2020 the Company signed a loan agreement with the Ministry of Finance in the amount of US Dollars 250 million for financing of "Center for Automation of Electricity Metering" project implementation at annual interest rate of SOFR 6 month plus 1.25% and grace period of 3 years. The loan matures in September 2035. According to the decree, the loan is financed by the Asian Development Bank and the French Development Agency, through the Ministry of Finance. The Group concluded that the contractual rates represent market rates for the similar loans guaranteed by the Government of the Republic of Uzbekistan, and the fair value of borrowings approximates their carrying amount.

In accordance with the Resolution of the President of the Republic of Uzbekistan No. 409 dated 9 November 2023, on 1 April 2024, the Company signed a loan agreement with the Ministry of Finance in the amount of US Dollars 200 million and Euro 70 million to finance the implementation of the project "Digital transformation and increasing the sustainability of the distribution network" with an annual interest rate of SOFR plus 1.6% and EURIBOR plus 1.75% with a grace period of 5 years. The maturity date is March 2029. According to the resolution, the loans are financed by the Asian Development Bank and the French Development Agency, through the Ministry of Finance. The Group concluded that the contractual rates represent market rates for similar loans guaranteed by the Government of the Republic of Uzbekistan, and the fair value of the loans is approximately equal to their carrying amount.

Ministry of Finance

In accordance with the Presidential Decree of the Republic of Uzbekistan #5101 dated 30 April 2021, on 5 October 2021 the Bukhara ETEN, Namangan ETEN, Surkhandaryo ETEN, Khorezm ETEN, Jizzakh ETEN and Tashkent ETEN received loans for the amount of Uzbekistan Soums 12.5 billion with interest rate of 5% and maturity in September 2024. The loans are secured by the guarantee of Regional Electric Networks JSC. The purpose of the loans is financing construction of external low-voltage electric networks for special economic and industrial zones. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 23.3%.

14 Borrowings (Continued)

In accordance with the Presidential Decree of the Republic of Uzbekistan #5101 dated 30 April 2021, on 27 July 2021 the Kashkadarya ETEN and Karakalpak ETEN received loans for the amount of Uzbekistan Soums 6.5 billion with interest rate of 5% and maturity in July 2024. The loans are secured by the guarantee of Regional Electric Networks JSC. The purpose of the loans is financing construction of external low-voltage electric networks for special economic and industrial zones. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 23.1%.

In accordance with the Presidential Decree of the Republic of Uzbekistan #5101 dated 30 April 2021, on 27 July 2021 the Syrdarya ETEN, Samarkand ETEN, Fergana ETEN and Navoi ETEN received loans for the amount of Uzbekistan Soums 39.2 billion with interest rate of 5% and with maturity in July 2024. The loans are secured by the guarantee of Regional Electric Networks JSC. The purpose of the loans is financing construction of external low-voltage electric networks for special economic and industrial zones. On 1 November 2021 the Syrdarya ETEN, Samarkand ETEN, Fergana ETEN and Navoi ETEN signed addendum #1 with Ministry of Finance where changes in the loan amount were made in the total amount of Uzbekistan Soums 46.7 billion. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 23.1%.

In accordance with the Government Decree of the Republic of Uzbekistan #164-F dated 9 April 2021, on 13 April 2021 the Tashkent ETEN, Bukhara ETEN, Samarkand ETEN, Fergana ETEN and Kashkadarya ETEN received loans each amounted to Uzbekistan Soums 50 billion (in aggregate amounted to Uzbekistan Soums 250 billion) with interest rate of 5%, grace period of 7 months and maturity in April 2023. The purpose of the loans is financing construction, reconstruction and repair of low-voltage electric networks and the purchase of electrical equipment. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 21.5%.

In accordance with the Presidential Decree of the Republic of Uzbekistan #4929 dated 18 December 2020, on 29 April 2021 the Karakalpak ETEN, Jizzakh ETEN, Kashkadarya ETEN, Navoi ETEN, Samarkand ETEN, Surkhandarya ETEN, Tashkent ETEN and Khorezm ETEN received loans for the amount of Uzbekistan Soums 75 billion with interest rate of 5% and maturity in April 2024. The loans are secured by the guarantee of Regional Electric Networks JSC. The purpose of the loans is financing construction and reconstruction of external low-voltage electric networks. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 22.7%.

In accordance with the Government Decree of the Republic of Uzbekistan #397-F dated 14 July 2021, on 13 August 2021 the Bukhara ETEN received loan for the amount of Uzbekistan Soums 57.5 billion with interest rate of 5% and maturity in August 2024. The loan is secured by the guarantee of Regional Electric Networks JSC. The purpose of the loan is financing construction of low-voltage electric networks in Vobkent, Romitan, Peshku and Karavulbozor districts of Bukhara region. The loan was initially recognised at its fair value applying the discounted cash flow method and using the prevailing market interest rate of 22.9%.

In accordance with the Government Decree of the Republic of Uzbekistan #69-F dated 14 July 2021, on 1 April 2021 the Syrdarya ETEN received interest-free loan for the amount of Uzbekistan Soums 14.3 billion and maturity in December 2021. The purpose of the loan is financing purchase of electrical equipment for the operation of the substation "Wang Da Rolling Steel" from JSC "Uzbekteleapparat -Electroshield". The loan was initially recognised at its fair value applying the discounted cash flow method and using the prevailing market interest rate of 21.4%.

In accordance with the Government Decree of the Republic of Uzbekistan #69-F dated 15 June 2022, the Fergana ETEN, Kashkadarya, Andijon, Khorezm, Samarkand, Syrdaryo, Navoiy, Toshkent, Qorokolpok, Bukhara, Surkhandaryo received loan for the amount of Uzbekistan Soums 152.1 billion and maturity in June 2025. The loans are secured by the guarantee of Regional Electric Networks JSC. The purpose of the loans is financing construction of external low-voltage electric networks for special economic and industrial zones. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 23.3%.

In accordance with the Government Decree of the Republic of Uzbekistan #69-F dated 15 June 2022, the Jizakh, Namangan, Toshkent City received loan for the amount of Uzbekistan Soums 26.4 billion and maturity in August 2025. The loans are secured by the guarantee of Regional Electric Networks JSC. The purpose of the loans is financing construction of external low-voltage electric networks for special economic and industrial zones. The loans were initially recognised at their fair value applying the discounted cash flow method and using the prevailing market interest rate of 23.3%.

14 Borrowings (Continued)

In accordance with Decree of the President of the Republic of Uzbekistan # 5101 dated 30 April 2021, and Decree of the President of the Republic of Uzbekistan #465 dated 30 December 2022, REPN, Fergana ETEN and Bukhara ETEN received loans for a total of Uzbekistan Soums 364.2 billion with an interest rate of 5% and a repayment period in March 2026. The loans are secured by a guarantee from Regional Electric Networks JSC. The purpose of the loans is to finance the construction of external electricity networks in special economic and small industrial zones. Borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with Decree of the President of the Republic of Uzbekistan # 32 dated 9 December 2021, REPN, Fergana ETEN and Bukhara ETEN received loans for a total of 121.6 billion Uzbekistan Soums with an interest rate of 7% and a repayment period in July 2026. The loans are secured by a guarantee from Regional Electric Networks JSC. The purpose of the loans is to finance the construction of external electricity networks in "Yangi Uzbekistan" massifs. Borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with Decree of the President of the Republic of Uzbekistan #152 dated 30 May 2023, REPN received loans for a total of 76.9 billion Uzbekistan Soums with an interest rate of 7% and a repayment period in July 2026. The purpose of the loans is to finance construction of infrastructure facilities in the "Al-Khorazmi" complex. Borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with Presidential presence meeting dated 11 May 2023, REPN received loans for a total of 100 billion Uzbekistan Soums with an interest rate of 5% and a repayment period in May 2025. The purpose of the loans is to finance the construction of external electricity networks. Borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with Presidential presence meeting dated 6 April 2022, REPN received loans for a total of 50 billion Uzbekistan Soums with an interest rate of 7% (50% of key rate Uzbekistan) and a repayment period in April 2026. The purpose of the loans is to finance construction of new substations and electrical networks. Borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with the meeting of the President of the Russian Federation on 11 May 2023, REPN received loans totaling Uzbekistan soums 50 billion with an interest rate of 5% and a repayment period in June 2025. The purpose of the loans is to finance the repair work of existing electrical networks. The borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with Presidential presence meeting dated 22 December 2023, REPN received loans for a total of 150 billion Uzbekistan Soums with an interest rate of 7% and a repayment period in December 2026. The purpose of the loans is to finance the construction of external electricity networks. Borrowings were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 24.14%.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 20 September 2024, the Ministry of Economy and Finance of the Republic of Uzbekistan allocated a targeted budget loan for RES, Fergana and Bukhara totalling 5,789 billion Uzbekistan Soums. This loan is intended to reduce mutual and creditor liabilities of enterprises in the energy sector and to cover their indebtedness on loans issued from the state budget, with a preferential repayment period and interest-free equal monthly payments over a term of 5 years. Additionally, a targeted budgetary loan of UZS 300 billion was allocated to RES to repay the debt owed to "UzEnergoSotish" JSC under the aforementioned conditions. The borrowed funds were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 22.63%.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated 30 April 2021 No. PK 5101 and Appendix 19 to the Resolution of the President of the Republic of Uzbekistan dated 25 December 2023 No. PK 404, the Ministry of Economy and Finance of the Republic of Uzbekistan allocated a targeted budget loan for RES, Fergana and Bukhara in the amount of 252 billion soums to provide electricity to special economic zones, small industrial zones, small industrial and entrepreneurship zones and large production projects with a premium of 5% for a period of 3 years. Borrowed funds were initially recognized at fair value using the discounted cash flow method and the prevailing market interest rate of 22.63%.

14 Borrowings (Continued)

In accordance with the Decree of the President of the Republic of Uzbekistan dated 9 December 2021 No. PF-32 "On measures for the development of the New Uzbekistan arrays and ensuring the socio-economic development of the regions", the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 1 September 2023 No. 554-F and the Resolution of the Presidium of the Cabinet of Ministers dated 11 December 2024 No. 137, the Ministry of Economy and Finance of the Republic of Uzbekistan allocated a targeted budget loan in the amount of 2 6.9 billion Uzbekistan Soums to RES and Fergana RES to ensure external power supply to the New Uzbekistan arrays. The budget loan is provided for a period of 3 years with an interest rate of 7 percent per annum.

In accordance with the instructions given by the President of the Republic of Uzbekistan during his visit to the Jizzakh region on 8-9 April 2024, in accordance with Statement No. 23, Resolution of the Jizzakh Regional Kengash of People's Deputies No. VI-55-160-3-0-K / 24 dated July 20, 2024 and Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 290 dated 1 June 2022, a targeted budget loan in the amount of 207.2 million soums and 130 million for the installation of 1 transformer was allocated for the construction of power grids for large investment projects and new tourism facilities around the Aydar-Arnasay reservoir. The budget loan is provided for a period of 3 years with an interest rate of 5% per annum.

The Group concluded that the Ministry of Economy and Finance is acting as the Government of the Republic of Uzbekistan rather than as a shareholder of the Group, and accordingly recognized the gain from the initial recognition of these loans as a government grant within deferred income in the consolidated statement of financial position.

Administration of the Republic of Uzbekistan

In accordance with various resolutions by the Cabinet of Ministers, President, and regional authorities in Uzbekistan, several regional electric network companies have been allocated targeted budget loans for infrastructure development projects, all with similar terms of repayment. The Bukhara ETEN received a loan of 237.5 million soums at an annual interest rate of 5%, with repayments commencing on 15 April 2024. The Fergana ETEN was allocated a loan of approximately 6.97 billion soums under the same conditions, with repayments starting on 26 July 2024. The Samarkand regional branch received two loans totaling over 13.7 billion soums, with repayments on the first loan commencing 1 January 2024, and the second beginning 1 January 2025. Additionally, the Khorezm regional branch was granted a 3.6 billion soum loan, and the Syrdarya territorial branch was allocated 3 billion soums, each with a 3-year repayment period and an annual interest rate of 5%.

Administration of the city of Tashkent

In accordance with the Decree of the President of the Republic of Uzbekistan No. 91 dated 11 March 2023, Tashkent City RES received loans totaling 1.7 billion rubles with an interest rate of 12.55% for the construction of substations. The grace period is 1 year (Tashkent City Administrative Department) and the repayment period is March 2025.

Fund for Reconstruction and Development of the Republic of Uzbekistan

In accordance with the Presidential Decree of the Republic of Uzbekistan #3638 dated 29 March 2018, on 6 December 2019 the Company signed loan agreement with Fund for Reconstruction and Development of the Republic of Uzbekistan amounted to US Dollars 11,280 thousand for the purpose of construction of external power supply for the Tashkent Metallurgical Plant with interest rate of 2%, grace period of 2 years and maturity in August 2029.

In 27 April 2021, the Company signed loan agreement with Fund for Reconstruction and Development of the Republic of Uzbekistan amounted to US Dollars 75 million for the purpose of financing modernization and reconstruction of low-voltage electric networks with interest rate of 4%, grace period of 3 years and maturity in April 2031. The Group concluded that the contractual rates represent market rates for the similar loans guaranteed by the Government of the Republic of Uzbekistan, and the fair value of borrowings approximates their carrying amount.

14 Borrowings (Continued)

Asian Development Bank

In accordance with the Presidential Decree of the Republic of Uzbekistan #1705 dated 14 February 2012, the loan agreement signed between Republic of Uzbekistan with Asian Development Bank on 16 February 2012 for the amount of US Dollars 150 million for the purpose of financing projects related to substantial reduction of commercial and collection losses in respect of low voltage electricity users in Samarkand, Jizzakh and Bukhara regions. The principal amount is payable in August 2036 with Libor plus 0.6% minus 0.2% and grace period of 5 years. Subsidiary Loan Agreement signed between Republic of Uzbekistan and Uzbekenergo JSC on 8 November 2012, where Uzbekenergo JSC is a Sub-borrower. Addendum #1 to Subsidiary Loan Agreement signed on 3 December 2019 where the Company is a new Sub-borrower replacing Uzbekenergo JSC. Project agreement signed between Asian Development Bank and Uzbekenergo JSC on 21 February 2012. Addendum #URM-2019-794 to the Project agreement was signed on 14 October 2019 where the Company is the new Project Executing Agency replacing Uzbekenergo JSC. As per Amendment dated 11 October 2018, the project closing date was extended until 31 December 2020. The Group concluded that the contractual rates represent market rates for the similar loans guaranteed by the Government of the Republic of Uzbekistan, and the fair value of borrowings approximates their carrying amount.

JSCB UzpromstroyBank

In accordance with the Presidential Decree of the Republic of Uzbekistan #2661 dated 23 November 2016, agreements signed between Uzbekenergo JSC with JSCB UzpromstroyBank in 4 July 2018, for the amount of Uzbekistan Soums 100 billion with grace period of 1 year for the purpose of financing modernization and reconstruction of low-voltage electric networks..

In accordance with the Presidential Decree of the Republic of Uzbekistan #1115 dated 21 May 2009, loan agreement signed between Uzbekenergo JSC with JSCB UzpromstroyBank in June 2009 in the amount of US Dollars 26,355 thousands with interest rate of 2.2%, grace period of 5 years and maturity in August 2029 for the purpose of construction of substations in Tashkent City. On 1 June 2020 the Company signed four Debt transfer agreements #1 with JSCB UzpromstroyBank through concession from Uzbekenergo JSC in the amount of Uzbekistan Soums 18.102 million with interest rate of 2.2% and maturity in August 2029. The construction of power sub-stations was completed in 2012. The loans are secured by shares and fixed assets insurance of Kashkadarya ETEN JSC, the Company's subsidiary.

The loan agreement between the Group and Uzpromstroybank was concluded in August 2024 for the amount of 150 billion soums with an interest rate of 26%, a grace period of 12 months and a repayment period of February 2026 to replenish working capital, purchase metering devices and pay off debts for the implementation of an automated electricity metering system.

The loan agreement was signed between RES and Uzpromstroybank in 2024, resulting in loans totaling Uzbekistan Soums 100 billion with an interest rate of 26% and maturity in 2024-2025 for working capital replenishment.

Adria General Trading

In accordance with the Presidential Decree of the Republic of Uzbekistan #91 dated 11 March 2023 "The measures to ensure stable energy supply to consumers in Tashkent," the Group entered into an agreement with Adria General Trading for the supply of electrical equipment and installation supervision with a total credit line amount of Uzbekistan Soums 2.7 trillion (17.2 billion Russian Rubles) with a fixed interest rate of 5.65% and a variable rate according to the formula: key rate of the Russian Federation + 4.5% / 2.75% depending on the country of origin of the goods for the construction purposes of substations. The grace period for the principal amount of the debt is 1 year and the validity period of the credit line is valid until December 31, 2028 and can be extended by mutual agreement. The Tashkent city ETEN has a special limited cash account with the NBU, on the basis of which payments are made in the form of repayments and interest. In addition, the Special Purpose Account Agreement must include an obligation for the Ministry of Economy and Finance of the Republic of Uzbekistan to ensure the availability of sufficient funds in the Special Account to fulfill the Buyer's obligations under this Agreement.

The exposure of the Group's borrowings to changes in interest rates, contractual revaluation dates and changes in foreign currency exchange rates at the end of the reporting period is disclosed in Note 28. The Group does not apply hedge accounting and has not entered into any hedging arrangements in respect of its foreign exchange liabilities or interest rate exposures.

15 Deferred income

The Group obtained government grants for construction and modernization of networks and recognized them in deferred income as follows:

<i>In millions of Uzbekistan Soums</i>	2024	2023
Deferred income at 1 January	1,539,025	298,302
New grants received	3,663,546	1,254,239
Amortisation of deferred income to match related depreciation	(199,355)	(13,516)
Deferred income at 31 December	5,003,216	1,539,025

Government grants were recognised from the initial recognition of loans received from the Ministry of Economy and Finance received in 2021-2024 at below-market interest rates. The loans were provided for the construction and modernization of networks and infrastructure. In 2024, the Ministry of Economy and Finance has also provided an interest free loan for the repayment of the outstanding accounts payable amount to NES.

During 2024, in accordance with the government regulations, the Group was provided with subsidies in the amount of 805,807 million Uzbekistan Soums (2023: 721,741 million Uzbekistan Soums) for the construction and modernization of the networks and infrastructure.

During 2024, in accordance with the government regulations, the Group was provided with subsidies in the form of equipment amounting to 323,047 million Uzbekistan Soums (2023: 334,546 million Uzbekistan Soums). This investment operation was excluded from the consolidated cash flow statement.

16 Trade and Other Payables

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Current trade payables:		
Payable for purchased electricity from NES	2,298,090	6,721,144
Payable for construction works and supplied equipment	805,135	610,617
Others	173	224,240
Total trade and other payables	3,103,398	7,556,001
Contract liabilities for electricity	4,309,380	3,100,686
Total trade and other payables and contract liabilities	7,412,778	10,656,687

The Group's trade and other payables are denominated in currencies as follows:

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Uzbekistan soums	3,097,930	7,473,360
US dollars	1,840	78,614
Euro	3,628	4,027
Total	3,103,398	7,556,001

17 Other Taxes Payable

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Property tax	60,664	36,850
Unified social payment	23,043	29,371
Personal income tax	25,884	12,511
Land tax	7,535	4,939
Pension fund	54	54
Value added tax	-	-
Others	11,046	8,083
Total taxes payable other than taxes on income	128,226	91,808

18 Other Liabilities

<i>In millions of Uzbekistan Soums</i>	31 December 2024	31 December 2023
Payables to staff	192,908	71,923
Dividends payable	1,085	-
Others	64,715	52,620
Total other liabilities	258,708	124,543

19 Revenue from Contracts with Customers

<i>In millions of Uzbekistan Soums</i>	2024	2023
<i>Electricity sales to end users:</i>		
Corporate customers	39,974,739	29,166,736
Individual customers	7,621,271	4,965,916
Other revenue	166,961	143,727
Total revenue recognized over time	47,762,971	34,276,379

20 Cost of Sales

<i>In millions of Uzbekistan Soums</i>	2024	2023
Electricity purchase	37,243,108	25,323,581
Grid losses	5,943,805	4,151,515
Staff costs and other deductions related to remuneration	1,447,570	1,140,690
Depreciation and amortisation	897,493	1,004,348
Materials	244,646	167,338
Cost of installation and construction work	16,973	55,615
Repair and technical maintenance	98,704	37,014
Others	18,692	19,505
Total cost of sales	45,910,991	31,899,606

21 General Administrative Expenses

<i>In millions of Uzbekistan Soums</i>	2024	2023
Staff cost	1,258,267	1,044,741
Taxes other than income tax	397,683	252,666
State energy supervision service	214,947	116,947
Bank fees	158,994	115,813
Charity and donations	61,208	48,173
Fines and penalties	54,254	37,004
Depreciation and amortisation	30,781	34,572
Consulting services	20,496	12,468
Materials	17,824	13,354
Loss on disposal of property, plant and equipment and inventory	17,388	9,578
Other	67,185	132,626
Total general and administrative expenses	2,299,027	1,817,941

22 Other income

<i>In millions of Uzbekistan Soums</i>	2024	2023
Fines and penalties	143,467	111,148
Assets received free of charge	157,112	43,973
Government grant	199,355	13,516
Other	120,783	90,725
Total other income	620,717	259,362

23 Finance Income

<i>In millions of Uzbekistan Soums</i>	2024	2023
Modification of contractual cash flows of borrowings	301,773	136,781
Interest income	-	805
Other finance income	8	1,996
Total finance income	301,781	139,582

24 Finance Cost

<i>In millions of Uzbekistan Soums</i>	2024	2023
Interest expense	1,397,594	796,756
Loss on foreign exchange transactions, net	145,103	518,549
Other finance cost	1,621	567
Total finance costs	1,544,318	1,315,872
Less capitalized finance costs	(120,247)	(92,520)
Total finance costs recognised in profit or loss	1,424,071	1,223,352

The Group capitalised borrowing costs arising on financing directly attributable to the Smart Electricity Metering System's implementation, modernisation and reconstruction of low-voltage electric networks and the construction of external power supply sources. The capitalisation rate was 8.32% (2023: 10.02%).

25 Income Taxes

Income tax expense recorded in profit or loss comprises the following:

<i>In millions of Uzbekistan Soums</i>	2024	2023
Current tax charge	51,185	14,768
Deferred tax benefit	(94,832)	(40,833)
Income tax expenses for the year	(43,647)	(26,065)

The income tax rate applicable to the majority of Group's 2024 income is 15% (2023: 15%), accordingly. A reconciliation between the expected and the actual taxation charge is provided below.

<i>In millions of Uzbekistan Soums</i>	2024	2023
Loss before tax	1,166,264	1,346,658
Theoretical tax benefit at statutory rate 15% (2023: 15%)	(174,940)	(201,999)
Tax effect of items which are non-deductible or assessable for taxation purposes:		
Non-deductible expenses	179,981	17,147
Unrecognised tax loss carried forward	13,354	156,797
Unrecognised deferred tax liability	(49,070)	-
Others	(12,972)	1,990
Income tax expenses for the year	(43,647)	(26,065)

Differences between IFRS and statutory taxation regulations in Uzbekistan give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases.

The tax effect of the movements in these temporary differences is detailed below.

<i>In millions of Uzbekistan Soums</i>	1 January 2024	Credited to profit or loss	31 December 2024
Tax effects of (deductible)/taxable temporary differences			
Trade and other receivables	469,674	93,568	563,242
Long-term trade and other receivables	37,011	(19,869)	17,142
Other liabilities	12,317	11,392	23,709
Borrowings	24,437	9,741	34,178
Net deferred tax asset	543,439	94,832	638,271
Recognised deferred tax asset	543,439	94,845	638,284
Recognised deferred tax liability	-	(13)	(13)
Net deferred tax asset	543,439	94,832	638,271

In the context of the Group's current structure, tax losses and current tax assets of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

25 Income Taxes (Continued)

The tax effect of the movements in the temporary differences for the year ended 31 December 2023 are:

<i>in millions of Uzbekistan Soums</i>	1 January 2023	Credited to profit or loss	31 December 2023
Tax effects of (deductible)/taxable temporary differences			
Property, plant and equipment	29,645	(29,645)	-
Trade and other receivables	377,952	91,722	469,674
Long-term trade and other receivables	48,536	(11,525)	37,011
Other liabilities	64,380	(52,063)	12,317
Borrowings	(17,907)	42,344	24,437
Net deferred tax asset	502,606	40,833	543,439
Recognised deferred tax asset	506,220	37,219	543,439
Recognised deferred tax liability	(3,614)	3,614	-
Net deferred tax asset	502,606	40,833	543,439

Management estimates that the Group will have sufficient taxable income in future to use the deferred tax asset recognized at 31 December 2024.

26 Contingencies and Commitment

Legal proceedings

From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates, management is of the opinion that no material losses will be incurred in respect of claims.

Tax contingencies

Uzbekistan tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged tax authorities. Uzbekistan tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax noncompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

Transfer pricing ("TP") legislation in Uzbekistan is specific and is not fully aligned with the Organization for Economic Cooperation and Development ("OECD") TP recommendations. In particular, the Uzbek TP legislation provides for control of international business transactions and certain transactions carried out on the territory of Uzbekistan. Controls include the need to make adjustments to the tax base if the transaction price is not consistent with the market price. The Group's management is in the process of implementing a control system to ensure that the terms of transactions with its related parties do not differ from market terms to comply with the requirements of the current TP legislation. Tax liabilities arising from controlled transactions are determined on the basis of actual transaction prices. There is a possibility that, with the further development in application of transfer pricing rules in Uzbekistan, actual transaction prices could be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group. As Uzbek tax legislation does not provide detailed guidance in certain areas, the Group adopts, from time to time, interpretations of such legislation and regulations that reduce the overall tax burden of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

26 Contingencies and Commitment (Continued)

Since the Uzbek tax legislation does not provide clear guidance on certain issues, the Group from time to time applies such interpretations of the law that result in a decrease in the total amount of taxes for the Group. Management currently believes that its position on taxes and the interpretations applied by the Group can be reasonably probable, however, there is a risk that the Group will incur additional costs if management's position on taxes and the interpretations of legislation applied by the Group are challenged by tax authorities. The impact of such a development cannot be reliably estimated, but may be significant in terms of the Group's financial position and/or operations as a whole.

Capital expenditure commitments

At 31 December 2024 the Group has contractual capital expenditure commitments in respect of property, plant and equipment (2023: had contractual capital expenditure commitments in respect of property, plant and equipment totalling Uzbekistan Soums 381,884 billion), for a total amount of 682,927 million Uzbekistan Soums, with capital expenditures for 2025 planned in the amount of 2,405 billion soums.

The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover these and any similar commitments.

Environmental matters

The enforcement of environmental regulation in the Republic of Uzbekistan is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

Compliance with covenants

The Group must comply with certain conditions, primarily related to loans and borrowings. Failure to meet these conditions could lead to adverse consequences for the Group, including increased borrowing costs and declaration of default. As of December 31, 2023, the loans obtained from the Ministry of Economy and Finance of the Republic of Uzbekistan and the Fund for Reconstruction and Development of the Republic of Uzbekistan were classified as short-term, because the Group breached a non-financial covenant related to timely loan repayment on that date, resulting in cross-default on all loans from these creditors. As of December 31, 2023, the Group had complied with the terms specified in remaining credit agreements. The Group was in compliance with covenants as of 31 December 2024.

27 Non-Controlling Interest

The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

<i>In millions of Uzbekistan Soums</i>	Proportion of non-controlling interest's voting rights held	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest in the subsidiary	Dividends paid to non-controlling interest during the year
Year ended 31 December 2024				
Bukhara ETEN JSC	46.90%	(142,309)	20,470	(1,981)
Fergana ETEN JSC	46.30%	(42,550)	90,667	-
Total for the year ended 31 December 2024		(184,859)	111,137	(1,981)
<i>In millions of Uzbekistan Soums</i>	Proportion of non-controlling interest's voting rights held	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest in the subsidiary	Dividends paid to non-controlling interest during the year
Year ended 31 December 2023				
Bukhara ETEN JSC	46.90%	4,119	162,779	-
Fergana ETEN JSC	46.30%	(67,397)	133,216	-
Total for the year ended 31 December 2023		(63,278)	295,995	-

27 Non-Controlling Interest (Continued)

The summarised financial information of these subsidiaries was as follows:

<i>In millions of Uzbekistan Soums</i>	At 31 December		Year ended 31 December				Total comprehensive income
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/ (loss)	
31 December 2024							
Bukhara ETEN JSC	455,430	1,105,396	599,486	265,722	2,749,955	(91,901)	(91,901)
Fergana ETEN JSC	416,863	2,087,888	888,317	1,257,421	3,771,948	(303,432)	(303,432)
Total for the year ended 31 December 2024	872,293	3,193,284	1,487,803	1,523,143	6,521,903	(395,333)	(395,333)
31 December 2023							
Bukhara ETEN JSC	345,998	867,044	336,034	80,919	2,035,201	8,783	8,783
Fergana ETEN JSC	313,790	1,844,742	1,254,292	240,621	2,555,402	(145,565)	(145,565)
Total for the year ended 31 December 2023	659,788	2,711,786	1,590,326	321,540	4,590,603	(136,782)	(136,782)

28 Financial Risk Management

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Credit risk

The Group exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Group's lending and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the consolidated statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

Expected credit loss (ECL) measurement

ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Group: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor ("CCF"). CCF is a coefficient that shows the probability of conversion of the committed amounts to an on-balance sheet exposure within a defined period. PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

28 Financial Risk Management (Continued)

Expected credit losses are modelled over instrument's *lifetime period*. The *lifetime period* is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any. For loan commitments and financial guarantee contracts, it is the contractual period over which the Group has a present contractual obligation to extend credit.

Management models *Lifetime ECL*, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The *12-month ECL*, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining *lifetime period* of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these consolidated financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider *forward looking information*, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

The ECL modelling does not differ for Purchased or Originated Credit Impaired ("POCI") financial assets, except that (a) gross carrying value and discount rate are based on cash flows that were recoverable at initial recognition of the asset, rather than based on contractual cash flows, and (b) the ECL is always a lifetime ECL. POCI assets are financial assets that are credit-impaired upon initial recognition, such as impaired loans acquired in a past business combination.

For purposes of measuring PD, the Group defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- international rating agencies have classified the borrower in the default rating class;
- the borrower meets the unlikeliness-to-pay criteria listed below:
- the borrower is deceased;
- the borrower is insolvent;
- the borrower is in breach of financial covenant(s);
- it is becoming likely that the borrower will enter bankruptcy; and
- the loans were purchased or originated at a deep discount that reflects the incurred credit losses.

For purposes of disclosure, the Group fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Group.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of twelve months. This period of twelve months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures.

The Company also performs assessment based on external ratings for cash and cash equivalents in banks.

The Group has three approaches for ECL measurement: (i) assessment on an individual basis; (ii) assessment on a portfolio basis: internal ratings are estimated on an individual basis but the same credit risk parameters (e.g. PD, LGD) will be applied during the process of ECL calculations for the same credit risk ratings and homogeneous segments of the loan portfolio; and (iii) assessment based on external ratings.

The Group performs an assessment on an individual basis for the following types of financial assets: clients with unique credit risk characteristics, such as those who have been granted deferral of payment or other modifications to their payment terms.

The Group performs an assessment on a portfolio basis for the following types of trade receivables: corporate customers not assessed individually and households. This approach stratifies the loan pool into homogeneous segments based on borrower-specific information, such as delinquency status, the historical data on losses, location and other predictive information.

28 Financial Risk Management (Continued)

ECL assessment on an individual basis is performed by weighting the estimates of credit losses for different possible outcomes against the probabilities of each outcome. The Group defines at least two possible outcomes for each assessed loan, one of which leads to a credit loss even if the probability of such a scenario may be very low. Individual assessment is primarily based on the expert judgement of experienced officers from the Non-Performing Receivables Management Department. Expert judgements are regularly tested in order to decrease the difference between estimates and actual losses.

When assessment is performed on a portfolio basis, the Group measures the loss allowance on a collective basis. The Group analyses its exposures by segments determined on the basis of shared credit risk characteristics, such that exposures within a group have homogeneous or similar risks. The key shared credit characteristics considered is type of customer.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future year during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in (a) currency, (b) interest rates and (c) equity products, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk

In respect of currency risk, management sets limits on the level of exposure by currency and in total which are monitored daily.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the end of the reporting period:

	At 31 December 2024			At 31 December 2023		
	Monetary financial assets	Monetary financial liabilities	Net position	Monetary financial assets	Monetary financial liabilities	Net position
<i>In millions of Uzbekistan Soums</i>						
US dollars	651,623	(5,276,690)	(4,625,067)	8,372	(5,767,742)	(5,759,370)
Euro	-	(47,812)	(47,812)	-	(3,707)	(3,707)
Russian Ruble	-	(2,150,705)	(2,150,705)	-	(1,028,331)	(1,028,331)
Total	651,623	(7,475,207)	(6,823,584)	8,372	(6,820,262)	(6,811,890)

The following table presents sensitivities of profit or loss and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Group entities, with all other variables held constant:

	At 31 December 2024		At 31 December 2024	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
<i>in millions of Uzbekistan Soums</i>				
US Dollar strengthening by 5% (2023: strengthening by 5%)	(231,253)	(231,253)	(287,969)	(287,969)
US Dollar weakening by 5% (2023: weakening by 5%)	231,253	231,253	287,969	287,969
Euro strengthening by 5% (2023: strengthening by 5%)	(2,391)	(2,391)	-	-
Euro weakening by 5% (2023: weakening by 5%)	2,391	2,391	-	-
Russian Ruble strengthening by 5% (2023: strengthening by 5%)	(107,535)	(107,535)	(51,417)	(51,417)
Russian Ruble weakening by 5% (2023: weakening by 5%)	107,535	107,535	51,417	51,417

28 Financial Risk Management (Continued)

Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes, but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Group's exposure to interest rate risks. The table presents the aggregated amounts of the Group's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

<i>In millions of Uzbekistan Soums</i>	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	More than 1 year	Non-monetary	Total
31 December 2024						
Total financial assets	2,302,907	-	-	57,663	-	2,360,570
Total financial liabilities	(3,469,683)	(288,120)	(1,581,780)	(10,183,720)	-	(15,523,303)
Net interest sensitivity gap at 31 December 2024	(1,166,776)	(288,120)	(1,581,780)	(10,126,057)	-	(13,162,733)
31 December 2023						
Total financial assets	1,343,991	-	-	109,494	-	1,453,485
Total financial liabilities	(15,146,070)	(191,026)	(504,492)	(490,254)	-	(16,331,842)
Net interest sensitivity gap at 31 December 2023	(13,802,079)	(191,026)	(504,492)	(380,760)	-	(14,878,357)

All of the Group's debt instruments reprice within 5 years (2023: all reprice within 5 years).

At 31 December 2024, if interest rates at that date had been 200 basis points higher (2023: 200 basis points higher) with all other variables held constant, profit for the year would have been Uzbekistan Soums 248,395 million (2023: Uzbekistan Soums 149,498 million) lower, mainly as a result of higher interest expense on variable interest liabilities.

The Group monitors interest rates for its financial instruments. The table below summarises interest rates at the respective reporting date based on reports reviewed by key management personnel. For securities, the interest rates represent yields to maturity based on market quotations at the reporting date:

% p.a.	31 December 2024			31 December 2023		
	UZS	USD	RUB	UZS	USD	RUB
Assets						
Cash and cash equivalents	0%	0%	0%	0%	0%	0%
Trade and other receivables	0%	0%	0%	0%	0%	0%
Liabilities						
	Refinancing rate of CBU+0.5%, 24%, 5%	SOFR plus 0.6% minus 0.2%, SOFR 6M plus 1.25%, Base rate + variable spread, 4%-2.2%	Fixed - 5.65% Variable - key rate of the Central Bank of the Russian Federation + 2.75%/4.65%	Refinancing rate of CBU+0.5%, 24%, 25%, 5%	SOFR plus 0.6% minus 0.2%, Libor 6M plus 1.25%, Base rate + variable spread, 4%-2.2%	Fixed - 5.65% Variable - key rate of the Central Bank of the Russian Federation + 2.75%/4.65%
Borrowings						
Trade and other payables	0%	0%	0%	0%	0%	0%

28 Financial Risk Management (Continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources. Liquidity risk is managed by management of the Group. Management monitors monthly rolling forecasts of the Group's cash flows.

The Group seeks to maintain a stable funding base primarily consisting of borrowings and trade and other payables. The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The Group's liquidity portfolio comprises cash and cash equivalents (Note 12). Management estimates that the liquidity portfolio cash, bank deposits can be realised in cash within a day in order to meet unforeseen liquidity requirements.

The liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Treasury Department.

The table below shows liabilities at 31 December 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the statement of financial position amount is based on discounted cash flows. Financial derivatives are included at the contractual amounts to be paid or received, unless the Group expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows. For the purposes of the maturity analysis, embedded derivatives are not separated from hybrid (combined) financial instruments.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

The maturity analysis of financial liabilities at 31 December 2024 is as follows:

<i>in millions of Uzbekistan Soms</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
Liabilities						
Borrowings (Note 14)	443,947	201,392	2,463,940	10,553,226	2,196,430	15,858,935
Trade payables (Note 16)	3,103,398	-	-	-	-	3,103,398
Total future payments, including future principal and interest payments	3,547,345	201,392	2,463,940	10,553,226	2,196,430	18,962,333

The maturity analysis of financial liabilities at 31 December 2023 is as follows

<i>In millions of Uzbekistan Soms</i>	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 12 months to 5 years	Over 5 years	Total
Liabilities						
Borrowings (Note 14)	7,745,498	186,760	560,707	537,403	-	11,260,323
Trade payables (Note 16)	7,556,001	-	-	-	-	7,556,001
Total future payments, including future principal and interest payments	15,301,499	186,760	560,707	537,403	-	18,816,324

Payments in respect of gross settled forwards will be accompanied by related cash inflows.

29 Management of Capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The amount of capital that the Group managed as of 31 December 2024 was Uzbekistan Soums 4,223,068 million (31 December 2023: Uzbekistan Soums 5,507,816 million)

30 Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

In millions of Uzbekistan Soums	31 December 2024				31 December 2023			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying value
Assets								
Cash and cash equivalents	-	660,456	-	660,456	-	335,702	-	335,702
Restricted cash	-	-	-	-	-	-	-	-
Trade receivables	-	-	1,642,451	1,642,451	-	-	1,343,991	1,343,991
Other long term receivables	-	-	55,783	55,783	-	-	109,494	109,494
Total Assets	-	660,456	1,698,234	2,358,691	-	335,702	1,453,485	1,789,187
Liabilities								
Trade and other payables	-	-	3,103,398	3,103,398	-	-	7,556,001	7,556,001
Borrowings	-	-	12,419,734	12,419,734	-	-	8,755,359	8,755,359
Total Liabilities	-	-	15,523,132	15,523,132	-	-	16,311,360	16,311,360

The fair values in level 2 and level 3 of the fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

Financial assets carried at amortised cost

The fair value of floating rate instruments is normally their carrying amount. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

30 Fair Value Disclosures (Continued)

Liabilities carried at amortised cost

Fair values of financial liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities.

31 Events after the Reporting Period

The Cabinet of Ministers of the Republic of Uzbekistan issued a resolution on a significant increase in tariffs for the sale of electricity for the population and legal entities from 1 May 2025.

Changes in tariffs are given below:

Description	Range (kilowatt-hour)	Price in soums (from 1 May 2024)	Price in soums (from 1 May 2025)
III group of consumers, including household consumers	Up to 200	450	600
	from 201 to 1000	900	1,000
	from 1,001 to 5,000	1,350	1,500
	from 5,001 to 10,000	1,575	1,750
	from 10,000 or more	1,800	2,000
Consumers living in apartment buildings and dormitories centrally equipped with electric stoves for cooking	Up to 200	225	300
	from 201 to 1000	450	500
	from 1,001 to 5,000	675	750
	from 5,001 to 10,000	787.5	875
	from 10,000 or more	900	1,000

Changes in ownership

In accordance with President's Decree #303 dated August 2024, the National Investment Fund of the Republic of Uzbekistan was established. Subsequent to the reporting date, in May 2025, a transaction occurred where 40% of the shares of the Company were transferred to the National Investment Fund as was indicated in the decree. As a result of this transaction, the share composition of the Company was adjusted, with the Ministry of Economy and Finance holding 60% and the National Investment Fund holding 40% of the shares.