“Uzbekneftegaz” JSC

Consolidated financial statements

For the year ended 31 December 2024
with independent auditor’s report

CONTENTS

Independent auditor’s report

Consolidated financial statements

Consolidated statement of financial position 1
Consolidated statement of profit or loss 2
Consolidated statement of other comprehensive income 3
Consolidated statement of cash flows 4
Consolidated statement of changes in shareholders’ equity 5

Notes to the consolidated financial statements

1. General information 6
2. Basis of preparation 7
3. Material accounting policies 8
4. Critical estimates and judgements 20
5. Adoption of new or revised standards and interpretations and new accounting pronouncements 23
6. Correction of error 24
7. Significant disposals and acquisitions 25
8. Segment information 26
9. Related party transactions 29
10. Cash and cash equivalents 30
11. Restricted cash 31
12. Trade and other receivables 31
13. Inventories 32
14. Loans due from related parties 32
15. Assets held for sale 32
16. Other current assets 33
17. Property, plant and equipment 34
18. Exploration and evaluation assets 35
19. Investments in joint−ventures and associates 35
20. Trade and other payables 38
21. Other financial liabilities 39
22. Borrowings 39
23. Provisions 41
24. Shareholders` equity 42
25. Oil, gas, petroleum products and petrochemicals sales 42
26. Cost of purchased oil, gas, petroleum products and other materials 43
27. Production expenses 43
28. Taxes other than income tax 43
29. General and administrative expenses 43
30. Transportation and selling expenses 44
31. Finance income and finance costs 44
32. Income tax 44
33. Financial risk management 47
34. Contingencies, commitments and operating risks 52
35. Subsequent events 52

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Independent Auditors' Report

To the Shareholders and Supervisory Board of Uzbekneftegaz JSC

Opinion

We have audited the consolidated financial statements of Uzbekneftegaz JSC (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS).

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) *(IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Uzbekistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Acquisition of non-controlling interest in Uztransgas JSC</th></tr>
<tr><td colspan="2">Please refer to the Note 7 sub caption 'Acquisition of non-controlling interest in "Uztransgas" JSC' in the consolidated financial statements.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>During 2024, the Group acquired 46.8% interest in Uztransgas JSC from its shareholder. The Group has accounted for its interest in Uztransgas JSC under the equity method. For the purposes of application of equity accounting, as of the date of acquisition, the Group has estimated the fair value of identifiable assets and liabilities of the investee.

Due to the investment amount being material to the Group's consolidated financial statements as well as significant judgements and assumptions applied in estimating the fair values of the identifiable assets and liabilities of the investee, we considered the acquisition of the equity-accounted investee as a key audit matter in our audit.</td><td>Our approach to address the matter included, among other, the following procedures:

- evaluating design and implementation of the key internal controls relevant to the acquisition of the investee;

- with the involvement of our own valuation specialists, assessing the appropriateness of the method applied and the reasonableness of the assumptions used by the Group's management in the measurement of the fair value of the identifiable assets and liabilities of the investee;

- reconciling key input data to the underlying documents;

- assessing whether the consolidated financial statements disclosures appropriately reflect the acquisition of the investee, including disclosures related to significant accounting judgements and estimates.</td></tr>
</table>

Emphasis of Matter

We draw attention to Note 6 to the consolidated financial statements which describes that the comparative information presented as at and for the year ended 31 December 2023 has been restated. Our opinion is not modified in respect of this matter.

Other Matter Relating to Comparative Information

The consolidated financial statements of the Group as at and for the years ended 31 December 2023 and 31 December 2022 (from which the statement of financial position as at 1 January 2023 has been derived), excluding the adjustments described in Note 6 to the consolidated financial statements, were audited by other auditors who expressed an unmodified opinion on those financial statements on 28 June 2024 and on 29 June 2023, respectively.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2024, we audited the adjustments described in Note 6 that were applied to restate the comparative information presented as at and for the year ended 31 December 2023 and the statement of financial position as at 1 January 2023. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2023 or 31 December 2022 (not presented herein), other than with respect to the adjustments described in Note 6 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 2 are appropriate and have been properly applied.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is:

Sanjarbek Saidov
General Director
AO "KPMG Audit" LLC
Tashkent, Uzbekistan

Anton Shcherbak
Engagement Partner

21 April 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In billions of Uzbek soums	Note	31 December 2024	31 December 2023*	1 January 2023*
Assets				
Non-current assets				
Property, plant and equipment	17	74,053	71,479	70,755
Exploration and evaluation assets	18	1,170	844	919
Investments in joint ventures and associates	19	46,657	27,659	23,129
Trade and other receivables	12	972	1,005	1,130
Advances for non-current assets	17	2,550	1,054	2,593
Loans due from related parties	14	332	-	5,921
Other non-current assets		126	151	291
Total non-current assets		**125 860**	**102,192**	**104,738**
Current assets				
Cash and cash equivalents	10	1,283	960	2,487
Restricted cash	11	931	816	239
Trade and other receivables	12	3,124	4,260	2,775
Advances paid		1,094	1,085	918
Inventories	13	3,490	2,480	2,315
Income tax prepaid		19	334	384
Loans due from related parties	14	39	7,558	707
Other current assets	16	706	1,538	1,184
Reimbursement asset		-	9,143	-
Total current assets		**10,686**	**28,174**	**11,009**
Assets held for sale	15	125	4,887	1,811
Total assets		**136,671**	**135,253**	**117,558**
Liabilities and shareholders' equity				
Shareholders' equity				
Share capital	24	21,274	21,274	21,244
Additional paid-in capital	24	976	-	-
Retained earnings		23,853	21,994	22,335
Currency translation reserve		20,368	16,726	14,439
Attributable to equity holders of the parent company		**66,471**	**59,994**	**58,018**
Non-controlling interest		206	183	227
Total shareholders' equity		**66,677**	**60,177**	**58,245**
Non-current liabilities				
Borrowings	22	29,289	32,627	36,486
Other financial liabilities	21	12,956	10,039	-
Provisions	23	1,435	1,516	1,769
Deferred tax liabilities	32	983	3,534	2,805
Deferred income from government grants		173	173	173
Other non-current liabilities		-	58	60
Total non-current liabilities		**44,836**	**47,947**	**41,293**
Current liabilities				
Trade and other payables	20	7,705	7,614	8,040
Borrowings	22	13,485	8,661	7,071
Provisions	23	59	51	33
Financial guarantees		-	9,158	-
Other financial liabilities	21	1,630	1,342	2,401
Other current liabilities	20	2,279	303	475
Total current liabilities		**25,158**	**27,129**	**18,020**
Total liabilities		**69,994**	**75,076**	**59,313**
Total liabilities and shareholders' equity		**136,671**	**135,253**	**117,558**

** Certain amounts presented do not correspond to the financial statements for years ended 31 December 2023 and 2022, as they reflect the correction of certain errors, as detailed in Note 6.*

Approved and authorised for issue on 21 April 2025 by:

Chairman of the Executive Board – Chief Executive Officer ____________ B.B. Sidikov

Deputy Chairman of the Executive Board – Chief Financial Officer ____________ B.R. Anarkulov

Chief accountant ____________ A.T. Allaev

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the years ended 31 December	
In billions of Uzbek soums	**Note**	**2024**	**2023**
Oil, gas, petroleum products and petrochemicals sales	25	28,321	27,442
Share in profits of associates and joint ventures, net	19	5,026	2,150
Construction services and other sales		130	215
Other operating income		650	341
Total sales and other income		**34,127**	**30,148**
Cost of purchased oil, gas, petroleum products and other materials	26	(6,014)	(7,142)
Production expenses	27	(5,037)	(3,852)
Taxes other than income tax	28	(3,500)	(2,877)
Depreciation, depletion and amortization		(4,234)	(4,872)
Recovery of trade and loans receivable and other assets	12,14	314	445
General and administrative expenses	29	(1,933)	(1,694)
Transportation and selling expenses	30	(993)	(984)
Exploration and evaluation expenses		(675)	(167)
Gain on disposal of property, plant and equipment, net		461	27
Other operating expenses		(596)	(399)
Total costs and expenses		**(22,207)**	**(21,515)**
Operating profit		**11,920**	**8,633**
Finance income	31	1,695	1,196
Other non-operating income		5	194
Foreign exchange loss, net		(2,163)	(4,217)
Finance costs	31	(5,890)	(4,430)
Profit before income tax		**5,567**	**1,376**
Income tax expense	32	(445)	(748)
Net profit for the year		**5,122**	**628**
Net profit/(loss) for the year attributable to:			
Equity holders of the parent company		5,099	672
Non-controlling interests		23	(44)
		5,122	**628**

Approved and authorised for issue on 21 April 2025 by:

Chairman of the Executive Board – Chief Executive Officer — B.B. Sidikov

Deputy Chairman of the Executive Board – Chief Financial Officer — B.R. Anarkulov

Chief accountant — A.T. Allaev

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

In billions of Uzbek soums	Note	For the years ended 31 December 2024	2023
Net profit for the year		**5,122**	**628**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of companies with different functional currency, net of income tax		1,167	2,287
Change in estimate in deferred tax liabilities (Note 32)		2,449	-
Total other comprehensive income to be reclassified to profit or loss in subsequent periods		**3,616**	**2,287**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain on defined benefit plans of the Group, net of income tax		62	69
Net gain on equity instruments at fair value through other comprehensive income after income tax		-	1
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods		**62**	**70**
Total comprehensive income for the year, net of income tax		**8,800**	**2,985**
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent company		8,777	3,029
Non-controlling interests		23	(44)
Total comprehensive income for the year, net of income tax		**8,800**	**2,985**

Approved and authorised for issue on 21 April 2025 by:

Chairman of the Executive Board – Chief Executive Officer B.B. Sidikov

Deputy Chairman of the Executive Board – Chief Financial Officer B.R. Anarkulov

Chief accountant A.T. Allaev

CONSOLIDATED STATEMENT OF CASH FLOWS

In billions of Uzbek soums	Note	For the years ended 31 December 2024	2023
Operating activities			
Profit before income tax		**5,567**	**1,376**
Adjustments for:			
Depreciation, depletion and amortization	17	4,234	4,872
Exploration and evaluation expenses	18	675	167
Recovery of trade and loans receivable and other assets	12,14	(316)	(445)
Change in provisions	23	-	(94)
Gain on disposal of property, plant and equipment, net		(461)	(27)
Finance income	31	(1,695)	(1,196)
Finance costs	31	5,890	4,430
Foreign exchange loss, net		2,163	4,217
Share in profits of associates and joint ventures	19	(5,026)	(2,150)
Other movements		130	
Operating cash flows before working capital changes		**11,161**	**11,150**
Change in trade and other receivables		1,391	1,189
Change in inventories		(1,010)	(277)
Change in trade and other payables		587	(1,806)
Change in provisions		(45)	
Change in advances paid, other assets and other liabilities		2,122	732
Cash generated from operations		**14,206**	**10,988**
Income taxes paid		(80)	(374)
Dividends received from associates and joint ventures	19	2,928	586
Net cash flows from operating activities		**17,054**	**11,200**
Investing activities			
Purchase of property, plant and equipment		(7,948)	(8,933)
Investments in E&E assets*		(1,585)	-
Investments in joint ventures and associates		(1,420)	(285)
Proceeds from loans due from related parties		187	-
Change in restricted cash		(137)	(577)
Net cash flows used in investing activities		**(10,903)**	**(9,795)**
Financing activities			
Proceeds from borrowings	22	9,926	7,734
Proceeds from other financial liabilities	21	-	7,906
Repayment of other financial liabilities	21	(968)	(224)
Repayment of borrowings	22	(9,984)	(14,159)
Interest paid	22	(3,377)	(3,261)
Distributions to shareholders		(1,073)	-
Dividends paid		(432)	(907)
Net cash flows used in financing activities		**(5,908)**	**(2,911)**
Net foreign exchange difference on cash and cash equivalents		80	(21)
Net change in cash and cash equivalents		**323**	**(1,527)**
Cash and cash equivalents, at the beginning of the year		960	2,487
Cash and cash equivalents, at the end of the year		**1,283**	**960**

** Investments in E&E assets in 2023 in the amount of UZS 1,466 billion were included in line "Purchase of property, plant and equipment) in 2023.*

Approved and authorised for issue on 21 April 2025 by:

Chairman of the Executive Board – Chief Executive Officer ______ B.B. Sidikov

Deputy Chairman of the Executive Board – Chief Financial Officer ______ B.R. Anarkulov

Chief accountant ______ A.T. Allaev

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	For the years ended 31 December 2024 and 2023						
	Attributable to equity holders of the parent company						
In billions of Uzbek soums	Share capital	Additional paid-in capital	Cumulative translation differences	Retained earnings	Total	Non–controlling interest	Total
Balance at 1 January 2023 as previously stated	**21,244**	-	**14,439**	**23,477**	**59,160**	**227**	**59,387**
Correction of error	-	-	-	(1,142)	(1,142)	-	(1,142)
Balance at 1 January 2023*	**21,244**	-	**14,439**	**22,335**	**58,018**	**227**	**58,245**
Net profit/(loss) for the year	-	-	-	672	672	(44)	628
Other comprehensive income	-	-	2,287	70	2,357	-	2,357
Total comprehensive income/(loss) for the year	-	-	**2,287**	**742**	**3,029**	**(44)**	**2,985**
Increase of share capital (*Note 24*)	30	-	-	-	30	-	30
Dividends to Shareholder	-	-	-	(957)	(957)	-	(957)
Other distributions to Shareholder	-	-	-	(126)	(126)	-	(126)
Balance at 31 December 2023*	**21,274**	-	**16,726**	**21,994**	**59,994**	**183**	**60,177**
Net profit for the year	-	-	-	5,099	5,099	23	5,122
Other comprehensive income	-	-	3,616	62	3,678	-	3,678
Total comprehensive income for the year	-	-	**3,616**	**5,161**	**8,777**	**23**	**8,800**
Increase of share capital (*Note 24*)	-	976	-	-	976	-	976
Contribution from shareholders	-	-	-	548	548	-	548
Distribution to shareholders *(Note 24)*	-	-	-	(1,422)	(1,422)	-	(1,422)
Dividends to Shareholder (*Note 24*)	-	-	-	(1,955)	(1,955)	-	(1,955)
Other movements	-	-	26	(473)	(447)	-	(447)
Balance at 31 December 2024	**21,274**	**976**	**20,368**	**23,853**	**66,471**	**206**	**66,677**

** Certain amounts shown here do not correspond to the financial statements for years ended 31 December 2023 and 2022, as they reflect the correction of certain errors, as detailed in Note 6.*

Approved and authorised for issue on 21 April 2025 by:

Chairman of the Executive Board – Chief Executive Officer ______ B. B. Sidikov

Deputy Chairman of the Executive Board – Chief Financial Officer ______ B.R. Anarkulov

Chief accountant ______ A.T. Allaev

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Joint−Stock Company "Uzbekneftegaz" ("Uzbekneftegaz JSC" or the "Company") is a state oil and gas enterprise of the Republic of Uzbekistan. The Company and its subsidiaries (collectively, the "Group") are principally engaged in extraction and refining of crude oil, gas and gas condensate, as well as transportation and sale of gas and refined oil products.

The shareholder of the Company is the Ministry of Economy and Finance of the Republic of Uzbekistan (the "Shareholder").

The Company has its registered office in the Republic of Uzbekistan, Tashkent city, Yashnabod district, Istigbol Street, 21.

Under Uzbekistan law, natural resources, including oil, gas, precious metals, and minerals and other commercial resources situated in the territory of Uzbekistan, are the property of the Republic of Uzbekistan, until they are extracted. Law of the Republic of Uzbekistan, On Subsurface Resources, regulates relations arising in connection with the geological study, use and protection of subsurface resources in the territory of the Republic of Uzbekistan. Pursuant to the law, geological study and exploration activities may be conducted only on the basis of a license, unless it is financed through the state budget or it is a part of the Government approved exploration program. A separate production license is required for the development and extraction activities, which is given for the duration of field life as approved by the State Committee on Geology and Mineral Resources.

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

- To determine strategic development of the oil and gas industry in Uzbekistan and to develop executable steps for achieving these strategic goals;
- To fulfill the needs of the national economy and the population of Uzbekistan for the oil and gas products.

The consolidated financial statements of the Group include the following material operating companies that are directly or indirectly controlled by the Company:

Name of the Subsidiary	Principal activities	Country of incorporation	Equity interest, % at 31 December 2024	2023
"Bukhara Refinery Plant" LLC	Oil refining	Uzbekistan	100%	100%
"Shurtan Gas Chemical Complex" LLC	Petrochemicals production	Uzbekistan	100%	100%
"Uzbekistan GTL" LLC	Gas−to−liquids production	Uzbekistan	100%	100%

The Group also has ownership interests in the following material joint ventures and associates, which are accounted for under the equity method:

Name of the equity investee	Principal activities	Country of incorporation	Equity interest, % at 31 December 2024	2023
"Asia Trans Gaz" JV LLC	Natural gas transportation	Uzbekistan	50%	50%
"Uztransgaz" JSC	Natural gas transportation	Uzbekistan	46.8%	-
"Uz−Kor Gas Chemical" JV LLC	Petrochemicals production	Uzbekistan	50%	50%
"ArkChemical" LLC	Manufacturing of the polymer products	Uzbekistan	40%	40%

More information about the acquisition of non-controlling interest in "Uztransgaz" JSC and increase in investment balance of "ArkChemical" LLC is disclosed in *Note 7* and *Note 15*, respectively.

Changes in the composition of the Management Board members

By decision of the sole owner of common shares of "Uzbekneftegaz" JSC dated:

- On 12 February 2024 First Deputy Chairman of the Board for Transformation B. Usmanov was relieved of his position;

- On 16 May 2024 B. Anarkulov was appointed Deputy Chairman of the Board for Economics and Finance – CFO;
- On 23 December 2024 G. Yuldashev was appointed Deputy Chairman of the Board for Construction and Motor Transport.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including all International Financial Reporting Standards (“IFRS”) and Interpretations issued by the International Accounting Standards Board (“IASB”) and effective in the reporting period, and are fully compliant therewith.

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements.

The Group’s consolidated financial statements are presented in billions of Uzbek soums (“UZS”), unless otherwise indicated.

The consolidated financial statements of 2024 were approved and authorized for issue by the Management of the Group on 15 April 2025.

Going concern considerations

These consolidated financial statements have been prepared on a going concern basis. When making a going concern assessment, management considered the Group's current financial position and analyzed relevant subsequent developments, as well as its ability to comply with financial and non-financial covenants on multiple loan agreements.

As at 31 December 2024, the Group’s current liabilities exceed its current assets by UZS 14,472 billion (31 December 2023: current assets exceed its current liabilities by UZS 5,932 billion).

The decrease in current assets and current liabilities was attributable to transfer of loans due from related parties as part of the “Uztransgaz” JSC acquisition transaction in exchange for a share in net assets of “Uztransgaz” JSC, and partial settlement of financial guarantee, respectively *(Note 7)*.

The following factors and circumstances support the management’s conclusion about the appropriateness of the use of the going concern assumption:

- The Group has strategic importance for the Government of Uzbekistan which can positively influence Group’s cash flows by regulating prices for gas sales to related parties and by providing financing when necessary (such as extension of US$100 million short-term credit line from the Reconstruction and Development Fund of the Republic of Uzbekistan in 2024 for liquidity support of the Group);
- The Group has been profitable with sufficient operating profit margin and consistently generates positive cash flows from operating activities including the current reporting periods;
- According to its cash flow forecasts, the Group expects to generate sufficient cash from operations in 2025 as well as to attract new and restructure existing loans to settle current liabilities when they become due;
- The Group has the ability to control its capital spend that has not been committed yet by changing the timing and amount of such capital spend;
- Also, management believes that the Group will be compliant with the financial and non−financial covenants stipulated by the loan agreements within 12 months from the date of authorization of these consolidated financial statements or will be able to renegotiate their terms in advance so that the lenders will not request an accelerated repayment of the existing debts;
- The Group’s shareholders have neither the intention nor the need to liquidate or significantly reduce the range of the activities of the Group.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entities operate (“the functional currency”). The consolidated financial statements are presented in Uzbek soums, which is the Company’s and the majority of subsidiaries’ functional currency. However, majority of joint ventures such as “Asia Trans Gaz” JV LLC, “Uz−Kor Gas Chemical” JV LLC, "New Silk Road Oil and Gas" JV LLC, "Natural Gas-Stream" JV LLC have a functional currency as US dollars.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year−end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

Non−monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non−monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Group Companies

The results and financial position of all the Group’s joint ventures and associates (none of which operate in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

The exchange rates established by the Central Bank of Uzbekistan (“CBU”) are used as official currency exchange rates in the Republic of Uzbekistan.

The currency exchange rate of CBU as of 31 December 2024 was 12 920,48 UZS to 1 US dollar. This rate was used to translate monetary assets and liabilities denominated in United States dollars (“US dollar”, or “USD”) as of 31 December 2024 (31 December 2023 – 12 338,77 UZS to 1 US dollar). The weighted average rate for the year ended 31 December 2024 was 12 652,69 UZS to 1 US dollar (for the year ended 31 December 2023 -11 737,16 UZS to 1 US dollar).

3. Material accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2024. Control is achieved when the Group is exposed to variable returns from its involvement with the investee, or has rights to receive such returns, as well as has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights.

The Group re−assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Profit or loss and each component of other comprehensive income are attributable to the equity holders of the Company and to the non−controlling interests, even if this results in the non−controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intra−group balances, transactions, unrealized gains and losses resulting from intra−group transactions and dividends are eliminated in full. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non−controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss, or, as in certain cases of under common control transactions, directly in equity. Any investment retained is recognized at fair value.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but which does not comprise control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Acquisitions of interest in associates that are under the control of the shareholder that controls the Group are initially recognized at the value of the consideration transferred or paid. The assets and liabilities acquired are recognised at fair value. The difference between the consideration paid and fair value of net assets acquired is presented as goodwill.

The Group’s investments in its joint ventures and associates are accounted for using the equity method. Under the equity method, the investment in a joint venture or an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of net assets of the joint venture or associate since the acquisition date. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the joint venture or associate, deducted by the amount of dividends declared from joint venture or associate to the Group. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognized directly in the equity of the joint venture or associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity.

Unrealized gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate.

The aggregate of the Group’s share in profit or loss of a joint venture and an associate is shown on the face of the consolidated statement of profit or loss and represents profit or loss after tax and non−controlling interest in the subsidiaries of the joint venture or associate. The financial statements of the joint venture or associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as ‘Impairment of investment in joint venture or associate’ in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture or significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss, or, as in certain cases of under common control transactions, directly in equity.

Current versus non−current classification

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

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

All other assets are classified as non−current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 (twelve) months after the reporting period; or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period..

The Group classifies all other liabilities as non−current.

Deferred tax assets and liabilities are always classified as non−current assets and liabilities.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL). The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. In order for a debt financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

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

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

The Group’s financial assets at amortized cost include trade and other receivables, loans due from related parties and bank deposits.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include certain loans due from related parties, which contain embedded derivative financial instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass−through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In accordance with the accounting policy of the Group, ECL is recognized in three stages. In Stage 1, credit exposures that have not experienced a significant increase in credit risk since initial recognition are recognized with a 12-month ECL; exposures that are overdue for 30 days or less remain in stage 1, and ECL is calculated based on Probability of Default (PD) and Loss Given Default (LGD). Stage 2 applies to exposures where there has been a significant increase in credit risk since initial recognition; exposures overdue between 31 and 90 days fall under this stage, with ECL also determined using PD and LGD. Stage 3 includes financial instruments that are credit-impaired, where lifetime ECL is recognized in full; exposures aged 90 days or more are classified in this stage, and 100% of the exposure is considered as loss.

For trade and other receivables other than from the state-owned companies the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward−looking factors specific to the debtors and the economic environment. For receivables from state-owned companies PD and LGD are calculated based on their credit rating.

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

Financial liabilities

Initial recognition and measurement

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

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

The Group’s financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Trade and other payables

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

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate. Gains and losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense when incurred.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the expected credit losses allowance calculated under IFRS 9 and the amount initially recognized liability less cumulative amortization, if any.

Where the Group expects reimbursement from third parties in respect of losses it incurs on its financial guarantees issued, such reimbursement is recognized either as a separate asset (when it is not considered an integral part of the contractual terms of the financial guarantee issued) or, for reimbursement arrangements that are deemed to be an integral part of the contractual terms of issued financial guarantee, as an input to measurement of the financial guarantee liability. When the Group determines that the reimbursement is not an integral part of the contractual terms financial guarantee issued, the Group recognizes a separate reimbursement asset in respect of the financial guarantee by analogy with indemnification assets under IFRS 3 Business Combinations. The Group measures reimbursement assets in amount not exceeding expected credit losses on the financial guarantee, subject to any contractual limitations on its amount and subject to management’s assessment of the collectability of the reimbursement asset.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Cash and cash equivalents

Cash represents cash on hand, in the Group’s bank accounts, in transit and interest−bearing deposits which can be effectively withdrawn at any time without prior notice or any penalties reducing the principal amount of the deposit. Cash equivalents are highly liquid, short−term investments that are readily convertible to known amounts of cash and have original maturities of three months or less from their date of purchase. Restricted cash is presented separately in the consolidated statement of financial position if its amount is significant.

Inventories

Inventories consisting primarily of natural gas, crude oil, petroleum products, petrochemicals and materials and supplies are measured at the lower of cost and net realizable value. Cost of product inventories is determined using the weighted average cost method. Materials and supplies inventories are carried at first−in, first−out (FIFO) method. Cost comprises direct purchase costs, cost of production, transportation and manufacturing expenses (based on normal operating capacity).

The write-down and reversal of the write-down of inventories are included in cost of sales.

Exploration and evaluation costs

Subsoil use rights for geological activities

In accordance with Uzbekistan law, if geological activities are approved by the Government or financed with government grant, subsoil use rights are considered granted by the competent government authorities upon the receipt of Government approved cost estimates. Such subsoil use rights are granted with no substantial cost to the Group.

Exploration and evaluation cost or drilling activities

The Group recognizes exploration and evaluation costs using the successful efforts method as permitted by IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Under this method, costs related to exploration and evaluation (exploration and appraisal drilling) are temporarily capitalized in cost centers by wells until the drilling program results in the discovery of economically feasible oil and gas reserves.

The length of time necessary for this determination depends on the specific technical or economic difficulties in assessing the recoverability of the reserves. If a determination is made that the well did not encounter oil and gas in economically viable quantities, the well costs are expensed to Exploration expenses in the consolidated statement of profit or loss.

Expenditures related to drilling of exploration and evaluation wells are capitalized. Costs of seismic, topographical, geological, geophysical research are expensed as incurred. Exploration and evaluation assets are recognized at cost less impairment, if any, until the existence (or absence) of commercial reserves has been established. The initial cost of exploration and evaluation assets acquired through a business combination is formed as a result of purchase price allocation. The cost allocation to mineral rights to prove properties and mineral rights to unproved properties is performed based on the respective oil and gas reserves information.

Exploration and evaluation assets are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When indicators of impairment are present, an impairment test is performed.

If, subsequently, commercial reserves are discovered, the carrying value, less losses from impairment of the respective exploration and evaluation assets, is classified as oil and gas properties. However, if no commercial reserves are discovered, such costs are expensed after exploration and evaluation activities have been completed.

Property, plant and equipment

The initial cost of an asset purchased comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of decommissioning obligation, if any, and, for qualifying assets, borrowing costs. Non−recoverable value−added tax related to the acquisition of property, plant and equipment is capitalized by the Group. Non−recoverable value−added tax related with operational activities is charged to profit or loss.

At each reporting date 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 or cash generating unit’s fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss, if any, is recognized in the consolidated statement of profit or loss. An impairment loss recognized for an asset or cash generating unit in prior years is reversed if there are indicators that impairment loss may no longer exist or may have decreased.

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

The cost of maintenance, repairs, and the replacement of minor items of property is charged to operating expenses. Renewals and betterments of assets are capitalized. Cost of replacing major parts or components of property, plant and equipment items are capitalized and the replaced part is written−off.

Oil and gas properties

Expenditure on the construction, installation or completion of infrastructure facilities such as separators, compressors, the pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to nature. When development is completed on a specific field, it is transferred to production assets (oil and gas properties).

The present value of the estimated costs of decommissioning oil and gas production wells and facilities, including abandonment and site restoration costs, are recognized when the obligation is incurred and are included within the carrying value of property, plant and equipment, subject to depletion using unit−of−production method.

Depreciation, depletion and amortization

Property, plant and equipment related to oil and gas properties are depleted using a unit−of−production method.

Depletion of oil and gas assets is computed on a field−by−field basis over proved developed reserves or over total proved reserves, as appropriate. Shared oil and gas properties and equipment (e.g. gathering and initial processing systems, etc.) are depleted over total proved reserves.

Other property, plant and equipment are depreciated using the straight−line method over their estimated useful lives from the time they are ready for use.

Components of other property, plant and equipment and their respective estimated useful lives are as follows:

Property, plant and equipment	Useful life
Buildings and structures	30−45 years
Refinery assets	5−30 years
Machinery and equipment	5−20 years
Vehicles and other property, plant and equipment	3−10 years

The expected useful lives of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life unless scrap value is significant. The assets' residual values are reviewed, and adjusted if appropriate, at each reporting date.

Impairment of non−financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash−generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre−tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 5 (five) years. For longer periods, a long−term growth rate is calculated and applied to projected future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash−generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income.

Non−current assets held for sale and discontinued operations

Non−current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non−current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

In the consolidated statements of profit or loss of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non−controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the consolidated statement of profit or loss.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

Asset retirement (decommissioning) obligations

The Group has asset retirement (decommissioning) obligations (ARO) associated with its core business activities.

The Group's exploration, development and production activities involve the use of wells, related equipment and operating sites, oil and gas gathering and treatment facilities, oil tank farms and pipelines to the main oil and gas pipelines. Generally, licenses and other regulatory acts require that such assets be decommissioned upon the completion of production. According to these requirements, the Group is obliged to decommission wells, dismantle equipment, restore the sites and perform other related activities. The Group's estimates of these obligations are based on current regulatory or license requirements, as well as actual dismantling and other related costs. These liabilities are measured by the Group using the present value of the estimated future costs of decommissioning of these assets. The discount rate is reviewed at each reporting date and reflects current market assessments of the time value of money and the risks specific to the liability.

In accordance with "IFRIC" Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*, the provision is reviewed at each balance sheet date as follows:

- Upon changes in the estimates of future cash flows (e.g., the costs of and timeframe for abandoning one well) or the discount rate, changes in the amount of the liability are included in the cost of the item of property, plant, and equipment, whereby such cost may not be negative and may not exceed the recoverable value of the item of property, plant, and equipment;
- Any changes in the liability due to its nearing maturity (unwinding of discount) are recognized in Finance expenses.

The Group's refining and distribution activities involve oil and gas refining operations, and other distribution terminals, and retail sales. The Group's refining operations consist of major petrochemical operations and industrial complexes. Legal or contractual asset retirement (decommissioning) obligations related to petrochemical, oil refining and distribution activities are not recognized due to the limited history of such activities in these segments, the lack of clear legal requirements as to the recognition of obligations, as well as the fact that decommissioning periods for such assets are not determinable.

Because of the reasons described above, the fair value of an asset retirement (decommissioning) obligation in the refining and distribution segment cannot be reasonably estimated.

Due to continuous changes in the regulatory and legal environment in Uzbekistan, there could be future changes to the requirements and contingencies associated with the retirement of long−lived assets.

Capitalized interest

Interest expense on borrowed funds used for capital construction projects and the acquisition of property, plant and equipment is capitalized provided that the interest expense could have been avoided if the Group had not made capital investments. Interest is capitalized only during the period when construction activities are actually in progress and until the resulting properties are put into operation.

Capitalized borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Government grants

Grants from the Government are recognized 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 the purchase of property, plant and equipment are included in non−current liabilities as deferred income and are credited to profit or loss on a straight−line basis over the expected lives of the related assets.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Provisions for liabilities and charges

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre−tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Taxes collected from customers and remitted to governmental authorities

Refundable taxes (excise and value−added tax (“VAT”)) are deducted from revenues. Other taxes and duties are not deducted from revenues and are recognized as expenses in Taxes other than income tax in the consolidated statement of profit or loss.

Pension and other post−retirement benefits

The Group provides long−term employee benefits to employees before, on and after retirement, in accordance with the collective agreements between the Group’s entities and their employees. The collective agreement provides for certain one−off retirement payments, payments on holidays, pension supplements, financial aid for employees’ disability, anniversaries, funeral and other benefits. The entitlement to benefits is usually conditional on the employee remaining in service up to retirement age.

The expected costs of the benefits associated with one−off retirement payments are accrued over the period of employment using the same accounting methodology as used for defined benefit post−employment plans with defined payments upon the end of employment. Net interest expense relating to pensions and other post−retirement benefits, which is recognized in the consolidated statement of profit or loss, represents the net change in present value of plan obligations and the value of plan assets resulting from the passage of time, and is determined by applying the discount rate to the present value of the benefit obligation at the start of the year, and to the fair value of plan assets at the start of the year, taking into account expected changes in the obligation or plan assets during the year. Remeasurements of the defined benefit liability and asset, comprising actuarial gains and losses are recognized within other comprehensive income in the period in which they occur. Other movements are recognized in the current period, including current service cost, any past service cost and the effect of any curtailments or settlements. Past service costs, resulting from amendment to a plan are recognized immediately when the Group becomes committed to a change.

Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, sales of refined oil products, gas and gas products and petrochemical products and other sales are usually recognized at the point in time when title passes. All of the Group’s contracts with customers contain one performance obligation. The entity recognizes revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

Interest income and costs

For all financial instruments measured at amortised cost interest income and costs are recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income and interest expense is included in finance costs in the consolidated statement of profit or loss.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Expense recognition

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

Refinery maintenance costs

The Group recognizes the costs of repairs and preventive maintenance performed with respect to oil refining assets as expenses when incurred.

Income taxes

Corporate income taxes have been provided for in the consolidated financial statements in accordance with the applicable legislation enacted or substantively enacted by the reporting date. The income tax charge comprises current tax and deferred tax and is recognized on the profit or loss unless it relates to transactions that are recognized, in the same or a different period, in other comprehensive income or directly in equity. Deferred income tax assets and liabilities are recognized in the accompanying consolidated financial statements in the amount determined by the Group in accordance with IAS 12 *Income Taxes*.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which:
- Is not a business combination; and
- Affects neither accounting profit, nor taxable profit;
- Investments in subsidiaries, joint ventures and associates, when the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

A prior period tax loss planned to be used to reduce the current or future amount of income tax is recognized as a deferred tax asset.

A deferred tax asset is recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- Is not a business combination; and
- At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

The Group recognizes deferred tax assets for all deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, to the extent that the following two conditions are met:

- The temporary difference will be recovered in the foreseeable future; and
- Taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date.

The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are not discounted.

Accounting for contingencies

Certain conditions may exist as of the date of these consolidated financial statements which may further result in a loss to the Group, but which will only be resolved when one or more future events occur or fail to occur. The Group’s management makes an assessment of such contingent liabilities which is based on assumptions and is a matter of opinion. In assessing loss contingencies relating to legal or tax proceedings that involve the Group or unasserted claims that may result in such proceedings, the Group, after consultation with legal or tax advisors, evaluates the perceived merits of any legal or tax proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a loss will be incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the Group’s consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve financial guarantees, in which case the nature of the guarantee would be disclosed. However, in some instances in which disclosure is not otherwise required, the Group may disclose contingent liabilities or other uncertainties of an unusual nature which, in the judgment of management after consultation with its legal or tax counsel, may be of interest to shareholders or others.

Equity

Non−controlling interest

Non−controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the Group’s owners. Total comprehensive income is attributed to the Group’s owners and to the non−controlling interests even if this results in the non−controlling interests having a deficit balance.

Dividends

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

Other distributions to the Shareholder

Expenditures incurred by the Group based on resolution of the Government or decision and instructions of the Cabinet of Ministers or the President are accounted for as other distributions through equity. Such expenditures include costs associated with non−core activity of the Group (construction of social assets and other charities), acquisitions and transfer of investments.

Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Group’s chief operating decision maker. Segments whose sales, results or assets are 10 per cent or more of all the segments are reported separately.

Related parties

Related parties are defined in IAS 24 *Related Party Disclosures*.

Governmental economic and social policies affect the Group’s financial position, results of operations and cash flows. The Government imposed an obligation on the Group to provide an uninterrupted supply of oil and gas to customers in Uzbekistan at government−controlled prices. Transactions with the state include taxes, which are detailed in *Notes 28 and 32*.

Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

It is the nature of transactions with related parties that they cannot be presumed to be carried out on an arm's length basis.

Subsequent events

The results of post−year−end events that provide evidence of conditions that existed at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post−year−end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Critical estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and assets, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Recoverability of oil and gas assets, midstream, refining, and other assets

The Group has the following cash-generating units (CGUs):

CGU 1 - Refining and sale of petroleum products;

CGU 2 - Extraction and processing of natural gas;

CGU 3 - Gas chemical production;

CGU 4 - Sale and production of synthetic liquid fuel using gas-to-liquid technology.

The Group assesses individual assets or CGU for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Such indicators include changes in the Group's business plans, changes in commodity prices leading to unprofitable performances, changes in product mixes, and for oil and gas properties, significant downward revisions of estimated proved reserves.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long−term oil and gas prices, discount rates, future capital requirements, operating performance (including production and sales volumes) that are subject to risk and uncertainty. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered to be impaired and is written down to its recoverable amount.

In assessing recoverable amount, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

Based on 2024 results, management assessed the existence of impairment indicators for individual non-current assets and at the level of CGUs and did not identify any such indicators.

Oil and gas reserves

Oil and gas reserves are a material factor in the Group's computation of depreciation, depletion and amortization expenses and impairment losses. The Group estimates its oil and gas reserves in accordance with the methodology of the Society of Petroleum Engineers ("SPE"). In estimating its reserves under SPE methodology, the Group uses long−term planning prices. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year−end spot prices. Management believes that long−term planning price assumptions, which are also used by management for their business planning and investment decisions are more consistent with the long−term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves.

All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub−classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability.

Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re−evaluation of already available geological, reservoir or production data, availability of new data, or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for Depreciation, Depletion & Amortization (DD&A) in relation to oil and gas production assets. The Group has included in proved reserves only those quantities expected to be produced over the useful life of the fields. A reduction in proved developed reserves will increase DD&A expense (assuming constant production), reduce income and could also result in a write−down of the Property, Plant, and Equipment’s book value. Given the significant number of producing fields, it is possible that any changes in reserve estimates year on year could significantly affect prospective charges for DD&A.

Proved reserves of the Group as of 31 December 2023 were based on reports prepared by independent reservoir engineers in accordance with Petroleum Resources Management System rules. Management’s reserves for 2024 were based off the 2023 report updated for 2024 production.

Assets retirement obligations

Under the provisions of current legislation and regulations, the Group has legal or constructive obligations to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group’s obligation relates to the ongoing closure of all non−producing wells. The settlement date of the final closure obligations has been assumed to be the end of production period due to economic life test of the oil and gas reserves.

Where neither subsoil use contracts nor legislation include an unambiguous obligation to undertake or finance such final abandonment and closure costs at the end of the subsoil use contract term, no liability has been recognized. There is some uncertainty and significant judgment involved in making such a determination. Management’s assessment of the presence or absence of such obligations could change with shifts in policies and practices of the Government or in the local industry practice.

The Group calculates asset retirement obligations separately for each field. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long−term risk−free interest rates for emerging market sovereign debt adjusted for risks specific to the Uzbekistan market.

At each reporting date the Group reviews site restoration provisions and adjusts them to reflect the current best estimate in accordance with IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*.

Estimating the future closure costs involves significant estimates and judgments by management. Most of these obligations are many years in the future and, in addition to ambiguities in the legal requirements, the Group’s estimate can be affected by changes in asset removal technologies, costs and industry practice. Uncertainties related to the final closure costs are mitigated by the effects of discounting the expected cash flows. The Group estimates future well abandonment cost using current year prices and the average long−term inflation rate.

The long−term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at 31 December 2024 were equal to 7.0% and 14,45%, respectively (31 December 2023 – 10,1% and 14,87%). Movements in the provision for asset retirement obligations are disclosed in *Note 23*.

Employee benefits

Employee−benefit obligations include post−employment benefits and other long−term benefits. Other long−term benefits include financial aid for employees’ disability, anniversaries, funeral and other benefits. The cost of defined long−term employee benefits before, on and after retirement and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long−term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Measurement of liabilities under guarantees issued

As at 31 December 2023 the Group recognized as financial guarantee liability in amount of UZS 9 158 billion (USD 741 million) and expected reimbursement from the Government in respect of losses incurred in relation to its financial guarantee to the related party. The Group determined, having exercised significant judgement, that the expected reimbursement was not integral part of the contractual terms of financial guarantee. When the reimbursement is not an integral part of the contractual terms of the financial guarantee, the Group accounts for it as a separate reimbursement asset.

As at 31 December 2024, the Group did not have guarantees issued to any related parties outside the Group, with the exception of the amount payable to JSC "Uztransgaz" in the amount of UZS 2 386 *billion (Note 7).*

Financial liability to Air Products Netherlands Gases B.V. (“AP”)

The Group concluded, having exercised significant judgment, that it retained control over the GTL plant assets subject to the above agreements and that the transaction does not represent either a sale or a lease of the GTL plant assets to AP, but rather being a financing transaction. Further details are disclosed in *Note 21*.

Taxation

In assessing tax risks, management considers to be probable obligations the known areas of tax positions which the Group would not appeal or does not believe it could successfully appeal, if assessed by tax authorities. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group’s subsoil use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities.

Taxable income is computed in accordance with the tax legislation enacted as at 1 January 2024. Deferred income tax is calculated on temporary differences for assets and liabilities at the expected rates that were enacted by tax authorities as at 31 December 2024.

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable temporary differences and business nature of such expenses will be proved. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

In 2024, the Group had reassessed expected manner of recovering Investments in joint ventures and associates. Previously, management assumed recovery to be probable through sale of investment shares in the foreseeable future. Now, the Group expects to receive dividends from these Investments in joint ventures and associates. Additionally, the Group has the ability to control the dividend policy of its investments in joint ventures and significant associates.

The above facts provide a basis for applying the exception regarding the recognition of deferred tax related to Investments in joint ventures and associates, as outlined in paragraph 12.43 of IFRS (IAS) 12. This allowed the Group to reassess the valuation of deferred taxes on Investments in joint ventures and associates as at 31 December 2024 and recognize deferred tax only for those dividends that are probable to be declared in the next calendar year (*Note 32*).

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Useful lives of property, plant and equipment

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year−end and, if expectations differ from previous estimates, the changes are accounted for prospectively as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

At the beginning of 2024, the subsidiary company "Uzbekistan GTL" LLC changed its depreciation method from the straight-line method to the Unit of Production method. As a result, the depreciation expense for 2024 was reduced by UZS 593 billion. However, the Group considered, due to fluctuations in production volumes, estimating the effect on future periods is impracticable.

5. Adoption of new or revised standards and interpretations and new accounting pronouncements

New standards, amended standards and interpretations effective

Amendments to IAS 1 “Presentation of Financial Statements”

The first change relates to classification of liabilities. According to the amendment ‘Classification of Liabilities as Current or Non-current’, liabilities are classified as non-current if a company has the right to defer settlement of the liability for at least 12 months. The right must exist at the end of the reporting period and must be unaffected by the likelihood that the company will exercise that right. If the right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at the end of the reporting period. The second amendment - ‘Non-current liabilities with covenants” suggests that an entity may classify liabilities arising under a loan agreement as noncurrent if the entity’s right to defer settlement of those liabilities is subject to an entity complying with covenants within 12 months after the end of the reporting period.

Also, In the notes to the financial statements an entity needs to disclose information so that users understand the risk that the liabilities could become repayable within 12 months after the end of the reporting period. In particular: - Information on covenants, dates by which the entity must comply with the covenants; - carrying amount of related liabilities, and - facts and circumstances related to compliance with the covenants.

The Group made relevant disclosures in *Note 22*.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 - Lease Liability in a Sale and Leaseback. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback.

The initial measurement of the lease liability arising from a sale and leaseback transaction may result in the seller-lessee defining ‘lease payments’ in a way that differs from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply accounting policy that enables it to obtain current and reliable information in accordance with IAS 8. These amendments did not have a material impact on the Group’s consolidated financial statements

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

New standards, interpretations, and amendments not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The Group plans to adopt them when they become effective.

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the consolidated statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

Other standards and amendments not yet effective are not expected to have a significant impact on the Group’s consolidated financial statements.

6. Correction of error

During the preparation of the consolidated financial statements for the year ended 31 December 2024 management has identified an error in the accounting for deferred taxes in the joint venture. Joint venture did not recognize the deferred tax liability arising from the translation of tax-based amounts to the functional currency, which is not in compliance with IAS 12. According to IAS 12, when non-monetary assets are measured in a functional currency different from that used for tax purposes, exchange rate changes create temporary differences that must be recognized as deferred tax liabilities or assets. The error resulted in overstatement of the balance of investment in joint venture and deferred tax liabilities at the Group level. Although the error is not material to prior periods, its correction in the current-year profit or loss would result in material misstatement. To avoid this, the management has made a voluntary restatement of comparative figures as at 31 December 2023 and 1 January 2023 to correct the error.

The effect of restatement on the consolidated statement of financial position as at 1 January 2023 is as follows:

In billions of Uzbek soums	**As previously reported**	**Adjustments**	**As restated**
Investments in joint ventures and associates	24,472	(1,343)	23,129
Total assets	**118,901**	**(1,343)**	**117,558**
Retained earnings	23,477	(1,142)	22,335
Total shareholders' equity	**59,387**	**(1,142)**	**58,245**
Deferred tax liabilities	3,006	(201)	2,805
Total liabilities	**59,514**	**(201)**	**59,313**

The effect of restatement on consolidated statement of financial position as at 31 December 2023 is as follows:

In billions of Uzbek soums	**As previously reported**	**Adjustments**	**As restated**
Investments in joint ventures and associates	29,002	(1,343)	27,659
Total assets	136,596	(1,343)	135,253
Retained earnings	23,136	(1,142)	21,994
Total shareholders' equity	**61,319**	**(1,142)**	**60,177**
Deferred tax liabilities	3,735	(201)	3,534
Total liabilities	**75,277**	**(201)**	**75,076**

7. Significant disposals and acquisitions

Disposal of “Chinaz Refinery Plant” LLC and “UNG Petro” LLC

In accordance with the Government Decree, it was decided to sell 100% of shares of “Chinaz Refinery Plant” LLC and “UNG Petro” LLC to “Petroleum Technology Group” LLC, third party.

Sale of 100% of shares of “Chinaz Refinery Plant” LLC and “UNG Petro” LLC took place in November 2023.

The main categories of assets and liabilities of “Chinaz Refinery Plant” LLC and “UNG Petro” LLC as of the date of disposal are presented below:

In billions of Uzbek soums	**Assets and liabilities as of the date of disposal**
Assets	
Property, plant and equipment	206
Trade and loans receivable	187
Inventory	38
Other assets	116
Total assets	**547**
Liabilities	
Trade payables and other	288
Total liabilities	**288**
Net assets	**259**

The difference in the amount of UZS 260 billion, between book value of the net assets of “Chinaz Refinery Plant” LLC and “UNG Petro” LLC and consideration received as of the disposal date was recognized in other non-operating income.

Acquisition of non-controlling interest in “Uztransgaz” JSC

The Group entered into three-party transaction with “Uztransgaz” JSC and “Uz-Kor Gas Chemical” JV LLC that was initiated in 2023 and substantially competed in 2024.

The Group has acted as guarantor of the obligations of “Uztransgaz” JSC (“UTG”), an entity under common control, under an Uzbek law-governed Gas Sales Contracted dated 19 May 2012 (the “Gas Sales Contract”) for gas purchased by UTG from “Uz-Kor Gas Chemical” JV LLC (“Uz-Kor”). Uz-Kor is a joint venture owned 50/50 by the Group and a consortium of Korean investors through “Kor-Uz Gas Chemical Investment Ltd.” (“Kor-Uz”).

On 6 September 2023, the Term Sheet and Gas Sales Debt Remedial Plan (“Remedial Plan”) was signed by the Company, UTG, Uz-Kor, Kor-Uz and the Ministry of the Economy and Finance (“MEF”). According to the Remedial Plan the parties determined the amount of debt of UTG in the amount of USD 1 075 million (UZS 13 264 billion) under Gas Sales Contract (“Gas Sales Debt”) and distributed it to the UTG and the Company in the following parts: USD 262,5 million and USD 812,3 million (UZS 3 239 billion and UZS 10 023 billion), respectively.

The Group’s part of Gas Sales Debt was discharged by setting off it against outstanding principal and accrued interest amount of Loans due from Uz-Kor amounting to USD 609,5 million (UZS 7 520 billion) (including USD 38,6 million (UZS 476 billion) of interest to be accrued in the period after 31 December 2023, but before settlement) and future dividends in the amount of USD 202,83 million (UZS 2 502 billion) (before discounting to their net present value) receivable from Uz-Kor ("settlement assets").

As part of the execution of the Term Sheet and the Repayment Schedule the Group included reimbursement asset in the amount of UZS 9 143 billion and financial guarantee liability in the amount of UZS 9 158 billion in the consolidated statement of financial position as at 31 December 2023.

At 29 March 2024 the agreement on transfer of UTG shares was signed between the MEF and the Group, after which reimbursement asset was extinguished through the acquisition of 46.8% of shares of UTG, and the difference of UZS 239 billion between the acquisition cost of UZS 10 023 billion and carrying amount of the reimbursement asset disposed of was recognized in finance income.

Under those agreements, during 2024, the Group transferred to UTG the rights of claim for subordinated loans due from to Uz-Kor in the amount of USD 344 million and related accrued interest of USD 244,3 million as repayment for the shares acquired. The outstanding balance of the financial liability amounted to UZS 2 386 billion as at 31 December 2024. The outstanding balance was classified as non-current financial liability as it matures on 31 January 2026.

The table below shows the fair value and book value of the net identifiable assets and the resulting investment related goodwill at acquisition date of UTG:

In billions of Uzbek soums	**Fair value at acquisition date**	**Book value at acquisition date**
Non-current assets	42,904	13,247
Current assets, including	12,238	12,238
Cash and cash equivalents	*400*	*400*
Non-current liabilities	(6,645)	(2,354)
Current liabilities, including	(28,493)	(30,885)
Current financial liabilities	*(7,313)*	*(6,961)*
Net assets	**20,004**	**(7,754)**
The Group’s share in net assets (46.8%)	**9,362**	**(3,629)**

At the acquisition date, the book value of net identifiable assets was negative UZS 7 754 billion, while the fair value of net identifiable assets was UZS 20 004 billion. The UZS 27 758 billion difference is the fair value adjustment on acquisition, which primarily relates to property, plant and equipment and other current assets. This fair value adjustment’s share of the Group is 12 991 (46.8%). Fair value adjustment is included within the cost of investment in associate.

Determination of fair value of net assets acquired

The fair value of Property, plant and equipment was valued using the Cost Approach via the Depreciated Replacement Cost method with economic obsolescence being assessed using Discounted Cash Flow (DCF) method. The economic obsolescence assessment relied primarily on two key assumptions: a 20% discount rate, reflecting project-specific risks and cost of capital, and future forecast information including production volumes, commodity prices, and operating costs. These forecasts were based on internal models and market data available as of the valuation date

Fair values of long-term assets and liabilities were valued using Discounted Cash Flow (DCF) method. Fair values of other current assets and liabilities were deemed to be equal to their carrying values.

Fair value of consideration given

The following table presents the acquisition-date fair value of each major class of consideration.

In billions of Uzbek soums	
Loan receivable from “Uz-Kor Gas Chemical JV” LLC	7,397
Dividends receivable from “Uz-Kor Gas Chemical JV” LLC	2,626
Fair value of consideration	**10,023**

Goodwill

The following table presents the reconciliation between the consideration and the fair value of the share of net assets acquired.

In billions of Uzbek soums	
Consideration paid for the investment	10,023
Fair value of 46.8% share of net assets acquired	9,362
Goodwill	**661**

8. Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the management of the Group and for which discrete financial information is available.

The Group is organized into business units (including subsidiaries, joint ventures and associates) and has three reportable segments as follows:

- Gas, gas condensate and oil production and sales − representing extraction of natural gas, gas condensate and oil, as well as their subsequent sales. In 2024 the Group has included its investment in UTG in this reportable segment on a net basis (based on equity accounting method), as operating results of UTG are reviewed by Chief Operating Decision Maker (CODM) of the Group as part of operating results of the Company;
- Oil refining and retail − representing refining of crude oil and sales of oil products and petrochemicals;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Gas refining − representing production and sales of polyethylene, polypropylene, diesel, naphtha, jet fuel and other products from gas refining.

The remaining operating segments have been aggregated and presented as "Other" due to their insignificance, as none of them have met the quantitative disclosure requirements in 2024 and 2023.

Substantially all the Group's operations and assets are located in the Republic of Uzbekistan.

The Executive Management Board is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Management evaluates performance of each segment based on segment sales and segment profit after tax.

Segment information for the reportable segments for the year ended 31 December 2024 is set out below:

In billions of Uzbek soums	Gas, gas condensate and oil production and sales	Oil refining and retail	Gas refining	Other	Total segments	Adjustments and eliminations	Total
Sales and other income							
External customers	12,782	8,799	6,923	597	29,101	-	29,101
Inter-segment*	3,321	2,769	2,537	670	9,297	(9,297)	-
Share in profit of associates and joint ventures	3,544	-	21	1,461	5,026	-	5,026
Total sales and other income	**19,647**	**11,568**	**9,481**	**2,728**	**43,424**	**(9,297)**	**34,127**
Costs and expenses							
Costs and expenses other than depreciation, depletion and amortization	(10,727)	(11,126)	(4,370)	(1,047)	(27,270)	9,297	(17,973)
Depreciation, depletion and amortization	(2,725)	(71)	(1,251)	(187)	(4,234)	-	(4,234)
Total costs and expenses	**(13,452)**	**(11,197)**	**(5,621)**	**(1,234)**	**(31,504)**	**9,297**	**(22,207)**
Operating profit	**6,195**	**371**	**3,860**	**1,494**	**11,920**	**-**	**11,920**
Finance income	1,669	3	13	10	1,695	-	1,695
Finance expense	(3,917)	(129)	(1,843)	(1)	(5,890)	-	(5,890)
Other non-operating income	1	-	4	-	5	-	5
Foreign exchange (loss)/gain, net	(1,062)	(63)	(1,036)	(2)	(2,163)	-	(2,163)
Profit/(loss) before income tax	**2,886**	**182**	**998**	**1,501**	**5,567**	**-**	**5,567**
Income tax expense	(24)	(59)	(347)	(15)	(445)	-	(445)
Net profit/(loss) for the year	**2,862**	**123**	**651**	**1,486**	**5,122**	**-**	**5,122**
Other segment information							
Investments in associates and joint ventures	13,373	-	11,744	21,540	46,657	-	46,657
Capital expenditures**	7,660	149	420	431	8,660	-	8,660
Total segment assets	**108,355**	**5,103**	**42,743**	**6,327**	**162,528**	**(25,857)**	**136,671**
Total segment liabilities	**49,107**	**4,275**	**31,259**	**1,832**	**86,473**	**(16,479)**	**69,994**

**Inter−segment balances are eliminated on consolidation.*

***Capital expenditure represents additions to non−current assets other than financial instruments and deferred tax assets.*

Reconciliations of information on reportable segments to revenue disclosure for 2024:

In billions of Uzbek soums	**Gas and gas condensate production and sales**	**Oil refining and retail**	**Gas refining**	**Other**	**Total segments**
Sales of refined oil and gas products	2 648	8 489	3 910	104	**15 151**
Sales of gas	8 606	-	813	168	**9 587**
Sales of petrochemical products	-	-	1 804	-	**1 804**
Gas processing and tolling fees	1 267	-	-	-	**1 267**
Oil refinery tolling fees	-	164	-	-	**164**
Gas transportation fees	85	-	-	-	**85**
Sales of other products	14	41	88	120	**263**
Total oil, gas, petroleum products and petrochemicals sales	12 620	8 694	6 615	392	**28 321**
Other incomes	162	105	308	205	**780**
Elimination	3 321	2 769	2 537	670	**9 297**
Total sales and other income	**16 103**	**11 568**	**9 460**	**1 267**	38 398

Segment information for the reportable segments for the year ended 31 December 2023 is set out below:

In billions of Uzbek soums	**Gas, gas condensate and oil production and sales**	**Oil refining and retail**	**Gas refining**	**Other**	**Total segments**	**Adjustments and elimina-tions**	**Total**
Sales and other income							
External customers	9,715	11,139	6,673	471	27,998	-	27,998
Inter-segment*	1,872	373	1,293	2,232	5,770	(5,770)	-
Share in profit of associates and joint ventures	-	-	510	1,640	2,150	-	2,150
Total sales and other income	**11,587**	**11,512**	**8,476**	**4,343**	**35,918**	**(5,770)**	**30,148**
Costs and expenses							
Costs and expenses other than depreciation, depletion and amortization	(6,701)	(10,466)	(2,948)	(2,298)	(22,413)	5,770	(16,643)
Depreciation, depletion and amortization	(2,885)	(61)	(1,842)	(84)	(4,872)	-	(4,872)
Total costs and expenses	**(9,586)**	**(10,527)**	**(4,790)**	**(2,382)**	**(27,285)**	**5,770**	**(21,515)**
Operating profit	**2,001**	**985**	**3,686**	**1,961**	**8,633**	**-**	**8,633**
Finance income	1,301	5	(116)	6	1,196	-	1,196
Finance expense	(2,412)	(29)	(1,985)	(4)	(4,430)	-	(4,430)
Other non-operating income	86	149	-	(41)	194	-	194
Foreign exchange (loss)/gain, net	(1,322)	(82)	(2,770)	(43)	(4,217)	-	(4,217)
(Loss)/Profit before income tax	**(346)**	**1,028**	**(1,185)**	**1,879**	**1,376**	**-**	**1,376**
Income tax expense	(376)	(120)	(214)	(38)	(748)	-	(748)
(Loss)/Net profit for the year	**(722)**	**908**	**(1,399)**	**1,841**	**628**	**-**	**628**
Other segment information							
Investments in associates and joint ventures	-	-	12,002	17,000	29,002	-	29,002
Capital expenditures**	7,828	207	2,424	268	10,727	-	10,727
Total segment assets	**72,670**	**5,406**	**54,608**	**22,182**	**154,866**	**(18,270)**	**136,596**
Total segment liabilities	**51,431**	**4,494**	**31,301**	**6,321**	**93,547**	**(18,270)**	**75,277**

**Inter−segment balances are eliminated on consolidation.*

***Capital expenditure represents additions to non−current assets other than financial instruments and deferred tax assets.*

Reconciliations of information on reportable segments to revenue disclosure for 2023:

In billions of Uzbek soums	Gas and gas condensate production and sales	Oil refining and retail	Gas refining	Other	Total segments
Sales of refined oil and gas products	5 698	5 890	3 642	88	**15 318**
Sales of gas	7 096	-	1 800	6	**8 902**
Sales of petrochemical products	-	-	1 854	-	**1 854**
Gas processing and tolling fees	1 020	-	-	23	**1 043**
Oil refinery tolling fees	-	98	-	3	**101**
Gas transportation fees	78	-	-	1	**79**
Sales of other products	47	44	9	45	**145**
Total oil, gas, petroleum products and petrochemicals sales	13 939	6 032	7 305	166	**27 442**
Other incomes	129	101	50	276	**556**
Elimination	1 872	373	1 293	2 232	**5 770**
Total sales and other income	**15 940**	**6 506**	**8 648**	**2 674**	33 768

Seasonality

The Group’s business is not significantly affected by seasonality.

9. Related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In 2024 and 2023 the Group entered into transactions with shareholder and companies controlled by shareholder (including enterprises directly or indirectly controlled by the Uzbekistan Government), associates and joint ventures and key management.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be affected on the same terms as transactions between unrelated parties.

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnovers) with certain related parties.

In the course of its ordinary business, the Group enters into transactions with other companies controlled by the Uzbekistan Government. Bank loans are recorded based on market interest rates at the date of recognition. Taxes are accrued and paid in accordance with applicable tax law. The Group sells crude oil and petroleum products to related parties in the ordinary course of business at prices close to average market prices. For gas sales to related parties selling prices are set by the Interdepartmental Tariff Commission.

At 31 December 2024 and 2023, the outstanding balances with related parties were as follows:

	2024		2023	
In billions of Uzbek soums	Government and entities under government control	Associates and joint ventures	Government and entities under government control	Associates and joint ventures
Trade receivables and other receivables	1,468	631	3,011	290
Prepayment to the Shareholder	-	-	732	-
Provision for expected credit losses on trade receivables	(142)	(20)	(98)	(190)
Cash and cash equivalents	279	-	583	-
Restricted cash	900	-	752	-
Advances paid (including for non-current assets)	539	168	75	76
Loans due from related parties	-	466	193	7,361
Provision for expected credit losses on loans due from related parties	-	(95)	(60)	(60)
Borrowings	(6,160)	-	(1,452)	-
Trade and other payables	(441)	(652)	(116)	(697)
Other current liabilities	(1,600)	-	-	-
Advances received	(157)	(73)	32	14

During the 2024 year, the Group entered into three-party transaction with the Shareholder, “Uztransgaz” JSC and “Uz-Kor Gas Chemical JV" LLC, in which group acquired 46.8% of non-controlling interest in “Uztransgaz” JSC *(Note 7)*. Reimbursement asset and financial guarantee liability recognised as at 31 December 2023 are balances with related parties.

Purchases from the Natural Gas Stream Project amounted to UZS 19 billion in 2024, compared to UZS 84 billion in 2023.

Furthermore, six loans from foreign banks obtained by the Group are guaranteed by the Government of the Republic of Uzbekistan. The total contract amount is USD 2,440 million and CNY 1,600 million, with maturities between 2029 and 2031. As of 2023 and 2024 reporting period, the outstanding balances were 22 805 billion UZS and 20 540 billion UZS, respectively.

The transactions with related parties for the year ended 31 December 2024 and 2023 were as follows:

In billions of Uzbek soums	2024		2023	
	Government and entities under government control	**Associates and joint ventures**	**Government and entities under government control**	**Associates and joint ventures**
Sales of gas	8,436	1,105	6,546	1,486
Sales of refined oil and gas products	3,167	384	2,483	258
Services rendered	108	242		262
Interest on loans due from related parties	-	456	17	448
Expected credit losses on financial instruments from related parties	(58)	214	175	323
Interest on loans due to related parties	(315)	-	(193)	-
Transportation and selling expenses	(206)	(77)	(95)	-
Other operating income	1	4	1	4

Key management compensation

Key management personnel include members of the Management Board. Compensation of key management personnel (8 employees in 2024 and 9 employees in 2023 years), including basic salary, bonuses and other payments, amounted to UZS 10 573 million and UZS 12 879 million in 2024 and 2023, respectively. In addition, post-employment benefits (EBO) for key management personnel amounted to UZS 1,036 million in 2024 (in 2023: UZS 736 million).

10. Cash and cash equivalents

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Current accounts with banks − US dollars	485	228
Current accounts with banks – UZS	453	678
Current accounts with banks – other currencies	345	54
Total cash and cash equivalents	**1,283**	**960**

The credit quality of cash and cash equivalents is as follows:

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Rated Ba1 to Ba3	887	837
Rated B1 to B3	370	34
Unrated	26	89
Total cash and cash equivalents	**1,283**	**960**

The Group determines credit ratings based on Moody’s, or, if unavailable, converts ratings from Standard & Poor’s and Fitch to the Moody’s scale. Cash and cash equivalents are classified as Stage 1 and considered non-impaired.

11. Restricted cash

At 31 December 2024 and 2023 years, restricted cash was mainly represented by accounts held by the Group as collateral for letters of credit. The credit rating of financial institutions, where the Group held the restricted cash were equivalent to Ba3 on the Moody’s rating scale. Restricted cash is classified as Stage 1 and considered non-impaired.

12. Trade and other receivables

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Long-term trade receivables	1,172	1,184
Less: provision for expected credit losses	(200)	(179)
Total Long-term trade receivables	**972**	**1,005**
Short-term trade receivables	4,184	5,630
Less: provision for expected credit losses	(1,060)	(1,370)
Total Short-term trade receivables	**3,124**	**4,260**
Trade and other receivables	**4,096**	**5,265**

Trade receivables are mainly represented by receivables from sales of oil products and natural gas sold to customers of the Group.

Long−term trade receivables

In 2023, the Group entered into a long−term agreement for a total amount of UZS 3,206 billion, under which it disposed certain oil and gas assets. During 2023, the Group signed additional agreement on modification of payment terms under this agreement discounted amount of which is UZS 1,539 billion calculated using a discount rate of 19.22%. As a result, the Group classified UZS 1,184 billion as the long-term and UZS 355 billion as short-term trade receivables. The Group accrued ECL for long-term and short-term trade receivables in the amount of UZS 179 billion and UZS 54 billion respectively. The Group recognized loss on modification in the amount of UZS 272 billion (*Note 31*).

Loss allowance for expected credit losses (ECL)

Movements in the provision for expected credit losses of trade accounts receivable were as follows:

In billions of Uzbek soums	**2024**	**2023**
At 1 January	**1,549**	**2,028**
Charge for the year	423	231
Recovered during the year	(712)	(710)
At 31 December	**1,260**	**1,549**

The impaired receivables mainly relate to overdue debts (in excess of 90 days) for products supplied and services rendered. ECL provision on trade accounts receivable as at 31 December 2024 and 2023 relates to contracts with customers.

Set out below is the information about credit risk exposure on the Group’s trade receivables using a provision matrix:

	Days past due					
In billions of Uzbek soums	**Not overdue**	**<30 days**	**30−60 days**	**61−90 days**	**>90 days**	**Total**
31 December 2024						
ECL rate	9%	23%	29%	35%	100%	
Trade accounts receivable	4,141	146	216	128	725	**5,356**
ECL provision	393	34	63	45	725	**1,260**
31 December 2023						
ECL rate	6%	24%	36%	36%	100%	
Trade accounts receivable	5,061	96	116	557	984	**6,814**
ECL provision	301	23	42	199	984	**1,549**

13. Inventories

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Refined oil and gas products	1,633	1,031
Materials and supplies	1,695	992
Work–in–progress	99	208
Crude oil	40	211
Other	23	38
Total inventories	**3,490**	**2,480**

14. Loans due from related parties

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Loans due from related parties	466	7,678
Less: provision for expected credit losses	(95)	(120)
Total loans due from related parties	**371**	**7,558**
Current portion of loans due from related parties	(39)	(7,558)
Non–current portion of loans due from related parties	**332**	**-**

In 2023, the Company signed Term Sheet and Gas Sales Debt Remedial plan according to which the debt of "Uztransgaz" JSC ("UTG") under Gas Sales Contract ("Gas Sales Debt") were distributed between UTG and the Company (*Note 7*). According to the Remedial plan, the Group's part of Gas Sales Debt was discharged partially by setting it off against outstanding principal and accrued interest amount of loans due from JV Uz-Kor Gas Chemical.

Loss allowance for expected credit losses (ECL)

Movements in the provision for expected credit losses of loans due from related parties were as follows:

In billions of Uzbek soums	**2024**	**2023**
At 1 January	**120**	**152**
Charge for the year	11	30
Recovered during the year	(36)	(62)
At 31 December	**95**	**120**

All loans due from related parties that are not fully impaired are classified as Stage 1. Set out below is the information about credit risk exposure on the Group's loans receivables using a provision matrix.

	Days past due					
In billions of Uzbek soums	**Not overdue**	**<30 days**	**30–60 days**	**61–90 days**	**>90 days**	**Total**
31 December 2024						
ECL rate	1,4%	–	–	–	100%	–
Loans receivables	376	–	–	–	90	**466**
ECL	5	–	–	–	90	**95**
31 December 2023						
ECL rate	1,6%	–	–	–	–	–
Loans receivables	7,558	–	–	–	–	**7,558**
ECL	120	–	–	–	–	**120**

15. Assets held for sale

In 2023, the Group classified assets amounting to UZS 4 887 billion, related to the expansion project of "Shurtan Gas Chemical Complex" LLC, under the "Gas Refining" segment as assets held for sale. This classification was made in anticipation of transferring the assets within a year in exchange for a participation interest in a joint venture, "ArkChemical" LLC established in 2023, in which the Group has a 40% participating interest. The joint venture's principal activity is the manufacturing of polymer products.

In late 2024, following the completion of the transaction, the assets classified as held for sale were derecognized and contributed to the joint venture's charter capital at the contractual value of UZS 6 006 billion.

A gain on disposal of assets held for sale in the amount of UZS 475 billion was recognized in Gain on disposal of property, plant and equipment, net caption in the consolidated statement of profit or loss.

16. Other current assets

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Other current non–financial assets		
Prepayments on other taxes	365	471
Prepayment to the Shareholder	-	732
Dividends receivable	17	82
Other receivables	254	-
Total other current non-financial assets	**636**	**1,285**
Other current financial assets		
Other receivables	70	253
Total other current financial assets	**70**	**253**
Total other current assets	**706**	**1,538**

Prepayments made to the Shareholder were partially netted off against dividends declared to the Shareholder in 2024.

17. Property, plant and equipment

In billions of Uzbek soums	Oil and gas assets	Buildings and structures	Machinery and equipment	Other	CIP	Total
Cost						
At 1 January 2023	**40,318**	**10,942**	**26,935**	**490**	**7,867**	**86,552**
Additions	5	265	828	50	6,970	8,118
Disposals	(77)	(130)	(131)	(30)	(65)	(433)
Transfer to assets held for sale	-	–	–	–	(3,091)	(3,091)
Transfers from construction–in–progress	5,647	81	453	50	(6,231)	–
Transfers from exploration and evaluation assets	1,374	–	–	–	–	1,374
Change in asset retirement obligation	(411)	–	–	–	–	(411)
At 31 December 2023	**46,856**	**11,158**	**28,085**	**560**	**5,450**	**92,109**
Additions	1,448	51	434	132	5,129	7,194
Disposals	(89)	(99)	(41)	(74)	(233)	(536)
Assets held for sale of catalysts	-	-	-	(935)		(935)
Transfers from construction–in–progress	2,710	235	107	1,333	(4,385)	-
Transfers from exploration and evaluation assets	584	-	-	-	-	584
Change in asset retirement obligation	(215)	-	-	-	-	(215)
At 31 December 2024	**51,294**	**11,345**	**28,585**	**1,016**	**5,961**	**98,201**
Depreciation and impairment						
At 1 January 2023	**(13,402)**	**(872)**	**(1,258)**	**(265)**	**–**	**(15,797)**
Charge for the year	(2,895)	(437)	(1,534)	(74)	–	(4,940)
Disposals	48	23	20	16	–	107
At 31 December 2023	**(16,249)**	**(1,286)**	**(2,772)**	**(323)**	–	**(20,630)**
Charge for the year	(2,962)	(369)	(751)	(401)	-	(4,483)
Disposals	221	13	29	22	-	285
Assets held for sale of catalysts	-	-	-	680		680
At 31 December 2024	**(18,990)**	**(1,642)**	**(3,494)**	**(22)**	**-**	**(24,148)**
Net book value						
At 1 January 2023	**26,916**	**10,070**	**25,677**	**225**	**7,867**	**70,755**
At 31 December 2023	**30,607**	**9,872**	**25,313**	**237**	**5,450**	**71,479**
At 31 December 2024	**32,304**	**9,703**	**25,091**	**994**	**5,961**	**74,053**

In 2024, the subsidiary company "Uzbekistan GTL" LLC changed its depreciation method from the straight-line to the unit-of-production (*Note 4*).

In 2024, the Group capitalized borrowing costs in the amount of UZS 238 billion (2023: UZS 264 billion). As of 31 December 2024, the Group does not have any property, plant and equipment under collateral.

Advances for non-current assets

Advances for non−current assets represent advances paid for construction and deployment operations and chemical catalysts to be used in the production processes and amounted to UZS 2,550 billion as at 31 December 2024 (as at 31 December 2023: UZS 1,054 billion).

18. Exploration and evaluation assets

In billions of Uzbek soums	
Net book value as at 1 January 2023	**919**
Additions	1,466
Transfer to property, plant and equipment	(1,374)
Expensed	(167)
Net book value as at 31 December 2023	**844**
Additions	1,585
Transfer to property, plant and equipment	(584)
Expensed	(675)
Net book value as at 31 December 2024	**1,170**

Total exploration and evaluation expenses for 2024 amounted to UZS 675 billion, of which UZS 275 billion were expensed from the current period's additions. Furthermore, during the reporting period, wells from prior years that had been previously classified as low-yield and economically nonviable were written off in accordance with the Group's accounting policies.

19. Investments in joint−ventures and associates

The equity share in profits of associates and joint ventures comprises the following:

				As at 31 December		
In billions of Uzbek soums	**Place of Business**	**Main activity**	**Percentage ownership**	**2024**	**2023**	**2022**
"Asia Trans Gas" JV LLC	Uzbekistan	Natural gas transportation	50%	13,362	14,059	11,816
"Uztransgaz" JSC	Uzbekistan	Natural gas transportation	46.8%	13,373	-	-
"Uz−Kor Gas Chemical" JV LLC	Uzbekistan	Manufacturing of the polymer products	50%	11,744	12,003	10,175
"ArkChemical" LLC	Uzbekistan	Manufacturing of the polymer products	40%	6,006	-	-
Other joint ventures and associates	Uzbekistan			2,172	1,597	1,138
Total investments in joint ventures and associates				**46,657**	**27,659**	**23,129**

The following table summarizes the movements in the investments in 2024 and 2023:

In billions of Uzbek soums	**2024**	**2023**
At 1 January	**27,659**	**23,129**
Share in profits of joint ventures and associates, net	5,026	2,150
Dividends received, gross of withholding tax	(2,928)	(586)
Contribution to associate	6,777	285
Acquisition of associate	10,023	-
Directly in retained earnings	(1,001)	-
Foreign currency translation	1,167	2,690
Other	(66)	(9)
At 31 December	**46,657**	**27,659**

The share in profits of joint ventures and associates comprises the following:

In billions of Uzbek soums	**2024**	**2023**
“Asia Trans Gaz” JV LLC	1,591	1,480
“Uztransgaz” JSC	3,544	-
“Uz–Kor Gas Chemical” JV LLC	21	510
Other joint ventures and associates	(130)	160
Total equity share in profits of associates and joint ventures	**5,026**	**2,150**

The following tables illustrate summarised financial information of material joint ventures, based on financial statements of these entities for 31 December 2024 and 2023:

In billions of Uzbek soums	**As at 31 December**		
“Asia Trans Gas” JV LLC	**2024**	**2023**	**2022**
Current assets	3,722	3,854	5,453
Non–current assets	26,131	27,136	26,913
Current liabilities	(196)	(159)	(3,045)
Non–current liabilities	(2,933)	(2,713)	(5,689)
Included in the above amounts are:			
Cash and cash equivalents	1,596	1,473	2,363
Current financial liabilities (excluding trade payables)	-	(55)	(2,876)
Non-current financial liabilities (excluding trade payables)	-	(27)	(3,003)
Net assets	**26,724**	**28,118**	**23,632**
Share of ownership of the Group	50%	50%	50%
Carrying amount of the investment	**13,362**	**14,059**	**11,816**

In billions of Uzbek soums **“Asia Trans Gas” JV LLC**	**2024**	**2023**
Revenue	8,015	7,450
Profit for the year	3,181	2,959
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	**3,181**	**2,959**
Share of ownership of the Group	50%	50%
Share in comprehensive income of joint venture	**1,591**	**1,480**
Dividends received by the Group from joint venture	2,836	578
Included in the above amounts are:		
Depreciation and amortization	(2,297)	(2,196)
Interest income	11	-
Interest costs	-	(265)
Income tax expense	(968)	(209)

In 2024, “Asia Trans Gas” JV LLC paid 2,836 billion UZS to the Group as dividends declared for income in prior years (578 billion UZS in 2023). There are no restriction for distribution of dividends.

In billions of Uzbek soums **“Uztransgaz” JSC**	**As at 31 December 2024**
Current assets	9,762
Non–current assets	14,756
Current liabilities	(21,052)
Non–current liabilities	(2,444)
Included in the above amounts are:	
Cash and cash equivalents	156
Net assets	**1,022**
Share of ownership of the Group	46.8%
Carrying amount of Net Assets	478
Fair value adjustment	12,234
Goodwill	661
Carrying amount of the investment	**13,373**

In billions of Uzbek soums	**Nine-month ended 31 December 2024**
Revenue	10,223
Profit for the year	9,191
Post-tax profit or loss from discontinued operations	-
Other comprehensive income	-
Total comprehensive income for the year	**9,191**
Fair value adjustment	(1,618)
Adjusted total comprehensive income for the year	**7,573**
Share of ownership of the Group	46.8%
Share in comprehensive income of joint venture	**3,544**
Dividends received by the Group from joint venture	
Included in the above amounts are:	
Depreciation and amortization	(633)
Recovery of trade and other receivables	2,367
Interest income	9
Interest costs	(587)
Income tax expense	(481)

In accordance with the dividend policy, “Uztransgaz” JSC must declare dividends equal to 50% of net profit in each year in which it earns net profit.

In billions of Uzbek soums	**As at 31 December**	
“Uz–Kor Gas Chemical” JV LLC	**2024**	**2023**
Current assets	18,261	15,505
Non–current assets	25,360	31,767
Current liabilities	(19,449)	(9,464)
Non–current liabilities	(684)	(13,801)
Included in the above amounts are:		
Cash and cash equivalents	6,983	5,206
Non-current financial liabilities (excluding trade payables)	606	13,730
Current financial liabilities (excluding trade payables)	19,099	9,464
Net assets	**23,488**	**24,007**
Share of ownership of the Group	50%	50%
Carrying amount of the investment	**11,744**	**12,003**

In billions of Uzbek soums **“Uz‑Kor Gas Chemical” JV LLC**	**2024**	**2023**
Revenue	6,258	6,249
Profit for the year	42	1,020
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	**42**	**1,020**
Share of ownership of the Group	50%	50%
Share in comprehensive income of joint venture	**21**	**510**
Dividends received by the Group from joint venture	-	-
Included in the above amounts are:		
Depreciation and amortization	(2,188)	(2,287)
Interest income	239	210
Interest costs	(2,275)	(2,478)
Income tax expense	-	-

In the reporting periods, “Uz‑Kor Gas Chemical” JV LLC did not pay dividend to the Group due to conditions of default per JV’s certain non-current borrowing agreements. With improving financial conditions, the JV will accrue dividends for income to its shareholders from year 2026 as per Term Sheet (*Note 7*).

The Group does not disclose information about results of “ArkChemical” LLC as the associate did not have material operations in 2023 and 2024.

20. Trade and other payables

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Trade accounts payable	6,090	4,549
Other financial payables		
Dividends payable	138	965
Other non‑financial payables		
Other tax payables	490	628
Contract liabilities	987	1,472
Total trade and other payables	**7,705**	**7,614**

Trade payables mainly represent payables for crude oil, oil products, gas, construction, drilling, transportation and utilities provided by vendors of the Group.

The amount of UZS 1,180 billion recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 December 2024. No information is provided about remaining performance obligations at 31 December 2024 or at 31 December 2023 that have an original expected duration of one year or less, as allowed by IFRS 15.

As at 31 December 2024 and 2023 trade and other payables were not interest bearing.

Other current liabilities

	As at 31 December	
In billions of Uzbek soums	**2024**	**2023**
Commodity loan	1,495	-
Charity liabilities	350	
Others	434	303
Total other current liabilities	**2,279**	**303**

The others category consists of immaterial balances from various counterparties that are not individually significant.

21. Other financial liabilities

In billions of Uzbek soums	As at 31 December 2024	
	Non-current portion	**Current portion**
Air Products Netherlands Gases B.V. (see below)	10,533	1,630
Deferred consideration to “Uztransgaz” JSC	2,386	-
Other	37	-
Total other financial liabilities	**12,956**	**1,630**

In billions of Uzbek soums	As at 31 December 2023	
	Non-current portion	**Current portion**
Air Products Netherlands Gases B.V. (see below)	10,039	1,342
Total other financial liabilities	**10,039**	**1,342**

Air Products Netherlands Gases B.V.

In May 2023 the Group and Air Products Netherlands Gases B.V. (“AP”) entered into a sale and purchase agreement (the “Agreement”) pursuant to which AP purchased from the Group certain equipment related to the GTL plant with net book value as at 31 December 2023 of UZS 8,329 billion for total consideration of USD 1 billion (UZS 12,339 billion), out of which USD 900 million (UZS 11,105 billion) have been received by the Group by 31 December 2023 and the residual USD 100 million (UZS 1,234 billion) will be received in 2025 subject to satisfaction of certain conditions as required by the Agreement.

At the same time the Group and AP entered into the Tolling Service Agreement (“TSA”) for the 15 years. Under the terms of the TSA, the Group pays to AP fixed annual payments of Base facility charge (BFC). At the end of the term of TSA, title on the equipment should be returned to the Group for one dollar fee.

The Group concluded, having exercised significant judgment, that it retained control over the GTL plant assets subject to the above agreements and that the transaction does not represent either a sale or a lease of the GTL plant assets to AP, but rather being a financing transaction. Accordingly, the Group recognized a financial liability of USD 941 million (UZS 12,163 billion) as at 31 December 2024 (as of 2023 – USD 922 million (UZS 11,381 billion)) measured at amortized cost.

Changes in liabilities arising from financing activities are presented below:

In billions of Uzbek soums	**2024**	**2023**
As at 1 January	**11,381**	**2,401**
Proceeds from other financial liabilities	-	7,906
Repayment of other financial liabilities	(968)	(224)
Finance costs	1,205	676
Change in foreign exchange rates	545	622
As at 31 December	**12,163**	**11,381**

Deferred consideration to “Uztransgaz” JSC

The Group recognized deferred consideration in connection with the acquisition of UTG. This amount, totaling $202.8 million (UZS 2,386 billion), represents dividends receivable from “Uz-Kor Gas Chemical” JV LLC and is scheduled to be transferred to UTG on 31 January 2026, as part of the execution of the Agreement on the Heads of Agreement and the Gas Sale Debt Repayment Plan (the "Repayment Plan").

22. Borrowings

At 31 December 2024, borrowings of the Group were represented by the following facilities:

	As at 31 December 2024	
In billions of Uzbek soums	**Non-current portion**	**Current portion**
Eurobonds	9,024	54
Loans due to international financial institutions (“IFIs”)	18,109	7,414
Loans due to local institutions	2,156	6,017
Total	**29,289**	**13,485**

At 31 December 2023, borrowings of the Group were represented by the following facilities:

	As at 31 December 2023	
In billions of Uzbek soums	**Non-current portion**	**Current portion**
Eurobonds	8,612	51
Loans due to international financial institutions ("IFIs")	23,646	5,901
Loans due to local institutions	369	2,709
Total	**32,627**	**8,661**

Changes in liabilities arising from financing activities:

In billions of Uzbek soums	**2024**	**2023**
As at 1 January	**41,288**	**43,557**
Proceeds from borrowings	9,926	7,734
Finance costs, including capitalized to property, plant and equipment	3,536	3,582
Change in foreign exchange rates	1,678	3,835
Repayment of borrowings	(9,984)	(14,159)
Interest paid	(3,377)	(3,261)
Gain on initial recognition	(191)	-
Other	(102)	-
As at 31 December	**42,774**	**41,288**

Capitalised borrowing costs

In 2024, the Group capitalized borrowing costs in the amount of UZS 238 billion (2023: UZS 264 billion). The capitalization rate applied to facilities with general utility purposes was 5.98% in 2024 (4.67% in 2023).

Non-current liabilities with covenants

The Group has non-current borrowing facilities and Eurobonds repayable in 2026-2031 years, with contracted covenants requiring the Group to comply. As effective at 31 December 2024, the financial covenants require the Group to keep:

- Consolidated Net Debt to Adjusted EBITDA ratio at the level less than 3.75:1,
- Adjusted EBITDA to Finance costs ratio at the level more than 3:1, and
- Consolidated Net Debt to Tangible Net Worth ratio at the level less than 1:1

  for six months ending 30 June and years ending 31 December. The loans become repayable on demand if the covenants are not met. The breach of a financial covenant results in cross-default. The Group actively monitors the compliance of covenants and agrees with lenders on waivers for potential breaches.

During the reporting period certain lenders agreed to waive the anticipated breaches of some financial covenants. In one case, lenders agreed waive the existing financial covenant and lower Interest Coverage Ratio (ICR) from 4.0 to 3.0 and in another case, it was agreed to remove Liquidity Ratio.

Additionally, amendments were made to increase limits on certain non-financial covenants, particularly those related to the disposal of non-core assets and investments.

The Group complied with all applicable loan covenants as at 31 December 2024. The Group does not expect any breaches of applicable financial and non-financial covenants related to non-current borrowings in the next 12 months after the end of the reporting period.

23. Provisions

		Employee benefits		
In billions of Uzbek soums	**Asset retirement obligations**	**Post–employment benefits**	**Other long–term payments**	**Total**
As at 1 January 2023	**762**	**973**	**67**	**1,802**
Provision for the year/current service cost	19	30	4	53
Change in estimate	(430)	(81)	16	(495)
Unwinding of discount *(Note 31)*	119	-	-	119
Interest cost *(Note 31)*	-	153	11	164
Use of provision/payment	-	(68)	(8)	(76)
As at 31 December 2023	**470**	**1,007**	**90**	**1,567**
Provision for the year/current service cost	16	43	8	67
Change in estimate, including:	(232)	(62)	(9)	(303)
As a result of changing financial assumptions	-	*(29)*	-	*(29)*
Based on experience	-	*(33)*	*(9)*	*(42)*
Unwinding of discount *(Note 31)*	67	-	-	67
Interest cost *(Note 31)*	-	150	14	164
Disposals	(1)	-	-	(1)
Use of provision/payment	-	(59)	(8)	(67)
As at 31 December 2024	**320**	**1,079**	**95**	**1,494**
As at 31 December 2023				
Short–term portion	-	45	6	51
Long–term portion	470	962	84	1,516
As at 31 December 2023	**470**	**1,007**	**90**	**1,567**
As at 31 December 2024				
Short–term portion	-	51	8	59
Long–term portion	320	1,028	87	1,435
As at 31 December 2024	**320**	**1,079**	**95**	**1,494**

Key actuarial assumptions

The principal assumptions used in determining defined benefit obligations for the Group’s defined benefit plan are shown below:

	2024	**2023**
Discount rate	14,45%	14,87%
Future salary increases	11,99%	14,49%
Growth of the minimum wage	11,99%	12,55%
Increase in surcharges	11,99%	12,55%
Weighted average duration	14,7 years	14,6 years

A quantitative sensitivity analysis for significant assumption as at 31 December 2024 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**		**Staff turnover**		**Mortality**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**10% increase**	**10% decrease**
Impact on post–employment benefits	(124)	152	12	(11)	(65)	75	(37)	41
Impact on other long–term payments	(9)	11	4	(3)	(7)	9	1	(1)

A quantitative sensitivity analysis for significant assumption as at 31 December 2023 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**		**Staff turnover**		**Mortality**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**10% increase**	**10% decrease**
Impact on post−employment benefits	(116)	144	13	(12)	(62)	71	(39)	33
Impact on other long−term payments	(9)	11	5	(4)	(7)	8	1	(1)

The sensitivity analysis above were made based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The method is consistently applied for all reporting periods presented.

24. Shareholders` equity

As of 31 December 2024, the share capital of the Company consisted of 42,522,748,700 common shares (as of 31 December 2023: 42,522,748,700 common shares) issued at UZS 500 par value as well as preferred non−voting shares of 24,437,863 items (as of 31 December 2023: 24,437,863 preferred shares) issued at UZS 500 par value.

Increase share capital

In August 2024, the Group issued new portion of shares in the amount of UZS 976 billion (UZS 500 per share, 1,952 million shares) based on decision of Shareholders. All shares were purchased by the Shareholder. The amount of issued additional shares was not yet registered as share capital as at 31 December 2024 and will be transferred to share capital after the registration.

Dividends

In 2024, based on the decision of the shareholders, the Group declared dividends of UZS 45,91 per common share, totaling UZS 1,952 billion for the year 2022. Additionally, dividends of UZS 125 per preferred share were declared, amounting to UZS 3 billion for the same year. Out of the total dividends declared in 2024, UZS 976 billion was retained within the Group to increase the Company’s share capital. This increase is to be used for financing exploration and evaluation expenses.

In 2023 based on decision of the shareholders, the Group declared dividends - UZS 23,64 per common share in the total amount of UZS 954 billion and UZS 125 per preferred share in the total amount of UZS 3 billion for 2021.

No dividends were declared by the Company’s shareholders for the year 2024 until the issuance of these consolidated financial statements.

Charity

In accordance with the Group’s accounting policy and IFRS requirements, expenses incurred based on the instructions of the Shareholder are recognized as distributions to the Shareholder, provided that such instructions are properly documented. During 2024 the Group received instructions to donate to Uzbekistan’s charity social funds to support the activities of local communities for the well-being of Uzbekistan citizens. The full amounts of donations were recognized as contributions to shareholders. Remaining unpaid amount of UZS 350 billion is included in trade and other payables.

25. Oil, gas, petroleum products and petrochemicals sales

In billions of Uzbek soums	**2024**	**2023**
Sales of refined oil and gas products	15,151	15,318
Sales of gas	9,587	8,902
Sales of petrochemical products	1,804	1,854
Gas processing and tolling fees	1,267	1,043
Oil refinery tolling fees	164	101
Gas transportation fees	85	79
Sales of other products	263	145
Total oil, gas, petroleum products and petrochemicals sales	**28,321**	**27,442**

Total oil, gas, petroleum products and petrochemicals sales for both 2024 and 2023 represents revenue from contracts with customers.

Revenue from contracts with customers is recognised at the point in time. There is usually one performance obligation per contract. Transaction price usually does not contain variable consideration. Invoices are issued according to contractual terms and are usually payable within 15-30 days, there is no significant financial component. Sales through the commodity exchange are usually prepaid by customers.

Geographical markets	**2024**	**2023**
Uzbekistan	26,361	26,352
Other countries	1,960	1,090
Total oil, gas, petroleum products and petrochemicals sales	**28,321**	**27,442**

In 2024, 20% of the Group's total sales comprised gas sales to the companies under the common control of the Shareholder (in 2023 − 24%).

26. Cost of purchased oil, gas, petroleum products and other materials

In billions of Uzbek soums	**2024**	**2023**
Purchased crude oil	5,317	6,578
Materials and supplies	666	564
Purchased gas for resale	31	-
Total cost of purchased oil, gas, petroleum products and other materials	**6,014**	**7,142**

27. Production expenses

In billions of Uzbek soums	**2024**	**2023**
Payroll	2,277	1,719
Services	1,238	868
Utilities	591	586
Repair and maintenance	559	569
Materials	155	-
Transportation expenses	86	-
Other	131	110
Total production expenses	**5,037**	**3,852**

28. Taxes other than income tax

In billions of Uzbek soums	**2024**	**2023**
Subsoil tax	2,427	1,952
Property tax	426	445
Excise tax	377	220
Land tax	193	184
Value added tax	26	-
Other taxes	51	76
Total taxes other than income tax	**3,500**	**2,877**

29. General and administrative expenses

In billions of Uzbek soums	**2024**	**2023**
Payroll	1,061	879
Services	324	175
Charitable donations and sponsorship	315	323
Repair and maintenance	55	81
Materials and supplies	80	35
Other	98	201
Total transportation and selling expenses	**1,933**	**1,694**

30. Transportation and selling expenses

In billions of Uzbek soums	**2024**	**2023**
Transportation	386	334
Payroll	385	442
Services	159	169
Other	63	39
Total transportation and selling expenses	**993**	**984**

31. Finance income and finance costs

Finance income

Finance income mainly comprises of interest accrued on loans due from related parties and other finance income.

In billions of Uzbek soums	**2024**	**2023**
Income from unwinding of discount of reimbursement asset for financial guarantees	880	-
Interest income	457	465
Income from unwinding of discount of financial assets	293	-
Gain on initial recognition of borrowing facility	50	-
Gain on modification of financial assets	-	427
Income from reversal of ECL related to financial guarantees	-	268
Other	15	36
Total finance income	**1,695**	**1,196**

Finance costs

In billions of Uzbek soums	**2024**	**2023**
Interest expenses	3,298	3,249
Other	66	93
Total interest expenses	**3,364**	**3,342**
Unwinding of discount of other financial liabilities	2,217	533
Interest expenses on employee benefit obligations *(Note 23)*	164	164
Loss on initial recognition/modification of financial assets	78	272
Unwinding of discount of asset retirement obligations *(Note 23)*	67	119
Total finance costs	**5,890**	**4,430**

32. Income tax

The major components of income tax expense for the years ended 31 December are:

In billions of Uzbek soums	**2024**	**2023**
Current tax charge	528	436
Deferred tax charge	(83)	312
Income tax expense reported in the consolidated statement of profit or loss	**445**	**748**

The Group measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax regulations of the Republic of Uzbekistan which may differ from IFRS.

The Group is subject to certain permanent tax differences due to the non−tax deductibility of certain expenses and certain income being treated as non−taxable for tax purposes

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as at 31 December 2024 and 2023 are mainly related to different methods/timing of accounting for income and expenses, as well as temporary differences arising from the difference in the accounting and tax values of certain assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

A reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (15% in 2024 and 2023) to income tax expenses was as follows for the years ended 31 December:

In billions of Uzbek soums	**2024**	**2023**
Profit before income tax	**5,567**	**1,376**
Statutory tax rate	15.0%	15.0%
Theoretical income tax expense at the statutory rate	**835**	**206**
Non−deductible expenses/(non-taxable income), net	573	(200)
Unrecognized deferred tax assets	310	683
Income of subsidiaries and associates taxed at different rates	(356)	59
Withholding tax on dividends	92	-
Change in estimate	(1,009)	-
Income tax expense	**445**	**748**
Effective tax rate	8.0%	54.3%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Deferred tax assets and liabilities as of 31 December 2023 and 2024 were calculated using the expected income tax rates of 15% for most timing differences. 5% was used on timing difference related to investments in joint ventures and associates in cases when the Group plans to realise temporary difference through payment of 5% dividend tax in the foreseeable future.

Deferred tax assets and liabilities as of 31 December and their movements for the respective years comprise:

In billions of Uzbek soums	1 January 2023	In the consolidated statement of profit or loss	In the consolidated statement of other comprehensive income	31 December 2023	In the consolidated statement of profit or loss	In the consolidated statement of other comprehensive income	Through retained earnings	31 December 2024
Deferred tax assets								
Trade receivables	439	27	-	466	(231)	-	-	235
Inventories	23	5	-	28	8	-	-	36
Provisions	270	(26)	(12)	232	(8)	-	-	224
Other	176	38	-	214	(169)	-	31	76
Deferred tax assets	**908**	**44**	**(12)**	**940**	**(400)**	**-**	**31**	**571**
Deferred tax liabilities								
Property, plant and equipment	(894)	(122)	-	(1,016)	(223)	-	-	(1,239)
Investments in joint ventures and associates	(2,819)	(235)	(404)	(3,458)	706	2,437	-	(315)
Deferred tax liabilities	**(3,713)**	**(357)**	**(404)**	**(4,474)**	**483**	**2,437**	**-**	**(1,554)**
Net deferred tax liabilities	**(2,805)**	**(313)**	**(416)**	**(3,534)**	**83**	**2,437**	**31**	**(983)**

The temporary differences associated with investments in the Group’s subsidiaries, joint ventures and associates for which a deferred tax liability was not recognized in the periods presented, aggregate to UZS 24,082 billion (2023: UZS 708 billion). The Group determined that the undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

33. Financial risk management

The Group's principal financial instruments mainly consist of cash and cash equivalents, loans due from related parties as well as accounts receivable and accounts payable. The Group is exposed to interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group further monitors the market risk and liquidity risk arising from all financial instruments.

Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency, and securities, all of which are exposed to general and specific market movements. The Group manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing appropriate margin and collateral requirements.

The sensitivity analyses in the following sections relate to the position as at 31 December 2024 and 2023 years.

Foreign exchange risk

The Group's principal financial instruments denominated in foreign currencies comprise cash and cash equivalents, trade receivables and payables denominated in US dollars and borrowings denominated in US dollars (USD), Euro (EUR) and Renminbi (Chinese yuan, CNY).

As a result of borrowings denominated in USD, EUR and CNY, and cash and cash equivalents, trade receivables and trade payables denominated in USD, the Group's consolidated statement of financial position may be affected by changes in the USD/UZS, EUR/UZS and CNY/UZS exchange rates. The Group is also exposed to foreign exchange risk on transactions.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar, Euro and Renminbi exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). Sensitivity to reasonably possible changes in exchange rates of other currencies is not considered due to its insignificant impact on the Group's consolidated financial results.

The Group mitigates its exposure to foreign currency exchange rate risks by increasing foreign currency revenues from sales of products (works, services) and taking measures to reduce imports. The Republic of Uzbekistan has also taken a set of measures to stabilise the exchange rate (growth of the US dollar to Uzbekistan soum exchange rate in 2024 – 4,7%, in 2023 – 9,9%).

Below is a summary of the Group's exposure to foreign currency risk as at 31 December 2024:

	As at 31 December 2024		
In billions of Uzbek soums	**In EURO**	**In USD**	**In CNY**
Assets			
Trade receivables	845	103	-
Other current assets	-	144	-
Cash and cash equivalents	4	1,176	517
Restricted cash	22	10	-
Loans due from related parties	-	342	-
Liabilities			
Trade and other payables	(31)	(2,885)	-
Other current liabilities	-	(5,607)	-
Other financial liabilities	-	(12,163)	-
Borrowings	(2,616)	(35,925)	(3,074)
Net exposure	**(1,776)**	**(54,805)**	**(2,557)**

Below is a summary of the Group’s exposure to foreign currency risk as at 31 December 2023:

		As at 31 December 2023	
In billions of Uzbek soums	**In EURO**	**In USD**	**In CNY**
Assets			
Trade receivables	-	71	-
Other current assets	-	108	-
Cash and cash equivalents	-	228	54
Restricted cash	1	749	-
Loans due from related parties	-	7,526	-
Liabilities			
Trade and other payables	(25)	(2,925)	-
Other current liabilities	-	(8)	(1,110)
Other financial liabilities	-	(11,381)	-
Borrowings	(3,588)	(34,334)	(2,020)
Net exposure	**(3,612)**	**(39,966)**	**(3,076)**

In billions of Uzbek soums	**Increase/ decrease in UZS to US dollar exchange rate**	**Effect on profit before tax**	**Increase/ decrease in UZS to CNY exchange rate**	**Effect on profit before tax**	**Increase/ decrease in UZS to Euro exchange rate**	**Effect on profit before tax**
2024	5%	(2,740)	2%	(51)	-2%	(36)
	-5%	2,740	-2%	51	2%	36
2023	10%	(3,997)	8%	(246)	15%	(542)
	-10%	3,997	-8%	246	-15%	542

Interest rate risk

Borrowings at floating interest rates expose the Group to interest rate risk arising from possible changes in the variable elements of the overall interest rate.

The Group analyzes its interest rate exposure, including by performing scenario analysis to measure the impact of an interest rate shift on annual income before income tax. According to sensitivity analysis, which is limited to variable rate borrowings and is conducted with all other variables held constant the impact of a potential increase or decrease in interest rates on the Group’s profit before tax, as applied to the variable element of interest rates on borrowings is immaterial, since the Group does not have significant exposure to interest rate risk.

The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year. The interest rate on variable rate borrowings will effectively change throughout the year in response to fluctuations in market interest rates. The impact measured through the sensitivity analysis does not take into account other potential changes in economic conditions that may accompany the relevant changes in market interest rates.

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group’s exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgement to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group’s interest-bearing financial instruments was as follows:

	Carrying amount	
In billions of Uzbek soums	**31 December 2024**	**31 December 2023**
Fixed rate instruments		
Financial assets	371	7,558
Financial liabilities	(16,688)	(11,636)
	(16,317)	**(4,078)**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(26,086)	(29,652)
	(26,086)	**(29,652)**

In particular, fixed-rate financial liabilities include fixed rate bank loans in total amount UZS 16,688 billion of for which the banks have the option to revise the interest rate following the change of key rate set by the NBU and the Group have an option to either accept the revised rate or redeem the loan at par without penalty.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed-rate financial instruments as FVTPL or FVOCI. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 14 basis points in SOFR at the reporting date would have increased (decreased) equity and profit or loss by UZS 365 billion (2023: UZS 415 billion). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Commodity price risk

The Group sells most of its natural and liquefied gas at tariffs regulated by the Interdepartmental Tariff Commission under the Cabinet of Ministers of the Republic of Uzbekistan. Petroleum products, synthetic fuels, polymers and sulphur are sold on commodity exchanges at market prices. All of the Group's products are highly liquid.

The Group prepares annual budgets and periodic forecasts, including sensitivity analyses, for different levels of oil prices in the future. By modelling different price environments, management can make informed decisions on cost management, investment planning, and financing needs, thereby enhancing the Group’s ability to respond to market volatility and maintain financial stability.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group controls its own exposure to credit risk.

Credit risk arises principally from the Group’s trade and other receivables, loans due from related parties, cash and cash equivalents and restricted cash balances. The Group's exposure to credit risk is limited to the carrying amount of financial assets recognized in the consolidated balance sheet.

Cash and cash equivalents and restricted cash

As part of cash collection and credit risk management, the Group regularly evaluates the creditworthiness of financial and banking institutions with which it operates and where it deposits cash. The Group's banking relationships are primarily with large reputable financial institutions in the Republic of Uzbekistan.

Trade and other receivables

Natural gas and liquefied natural gas are sold by the Group to counterparties with 100% state ownership *(see Note 9)*, and the remaining products are sold on commodity exchange trades under 100% prepayment.

Loans due from related parties

The Group provided loan facilities only to entities, where it has control or significant influence and to entities with state ownership.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group regularly monitors projected covenant compliance over the medium and long-term using a detailed financial model. To support access to credit and mitigate liquidity risk, the Group actively pursues new credit lines and loan facilities, and implements measures to enhance its credit profile. Management believes that the Group maintains adequate access to financing from both domestic and international banks to meet its obligations as they fall due.

Payments to local suppliers of goods (works, services) are mainly made upon delivery, and to import suppliers subject to a bank guarantee of return of advance payment or on a letter of credit basis, payable upon delivery of goods (works, services).

The Group’s credit rating as at 31 December 2024 was ‘BB-’ (stable) as confirmed by Fitch Ratings on 20 November 2024, and ‘B+’ (stable) as confirmed by S&P Global Ratings on 4 December 2024.

The table below summarizes the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments:

At 31 December 2024	**<1 year**	**1 to 2 years**	**3 to 5 years**	**>5 years**	**Total**
Borrowings	16,571	7,794	24,423	1,744	50,532
Trade accounts payable	7,705	-	-	-	7,705
Other financial liabilities	711	4,245	3,718	20,914	29,588
Total undiscounted financial liabilities	**24,987**	**12,039**	**28,141**	**22,658**	**87,825**

At 31 December 2023	**<1 year**	**1 to 2 years**	**3 to 5 years**	**>5 years**	**Total**
Borrowings	11,312	9,508	23,751	7,593	52,164
Trade accounts payable	5,514	-	-	-	5,514
Other financial liabilities	1,342	1,721	3,694	19,855	26,612
Financial guarantees	10,023	-	-	-	10,023
Total undiscounted financial liabilities	**28,191**	**11,229**	**27,445**	**27,448**	**94,313**

Capital management

The Group manages its capital structure through a balanced approach aimed at supporting operational needs, investment plans, and financial stability. This includes maintaining an optimal mix of debt and equity, monitoring key financial ratios, and aligning capital allocation with long-term strategic objectives. The Group regularly reviews its capital position through budgeting and forecasting processes, taking into account anticipated cash flows, capital expenditure requirements, and potential market risks. Decisions on new debt, equity financing, or profit retention are made to ensure ongoing compliance with financial covenants and to preserve access to capital markets.

Fair value of financial instruments

As at 31 December 2024 and 2023 all of the Group's financial assets and liabilities are subsequently measured at amortised cost. Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments by captions:

	31 December 2024		31 December 2023	
In billions of Uzbek soums	**Carrying amounts**	**Fair values**	**Carrying amounts**	**Fair values**
Cash and cash equivalents	1,283	1,283	960	960
Restricted cash	931	931	816	816
Trade receivables	4,096	3,970	5,265	5,265
Other current assets	70	70	253	253
Loans due from related parties	371	245	7,558	7,558
Other non–current assets	105	80	151	151
Total financial assets	**6,856**	**6,579**	**15,003**	**15,003**
Trade and other payables	6,090	6,090	5,514	5,514
Borrowings	42,774	41,650	41,288	39,914
Other financial liabilities	14,586	13,959	11,381	11,381
Total financial liabilities	**63,450**	**61,699**	**58,183**	**56,809**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December 2024 (based on carrying amounts):

In billions of Uzbek soums	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets for which fair values are disclosed				
Cash and cash equivalents	1,283	-	-	**1,283**
Restricted cash	931	-	-	**931**
Trade receivables	-	-	4,096	**4,096**
Other current assets	-	-	70	**70**
Loans due from related parties	-	-	371	**371**
Other non–current assets	-	-	105	**105**
Liabilities for which fair values are disclosed				
Trade and other payables	-	-	6,090	**6,090**
Borrowings	9,078	25,523	8,173	**42,774**
Other financial liabilities	-	-	14,586	**14,586**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December 2023 (based on carrying value amounts):

In billions of Uzbek soums	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	Total
Assets for which fair values are disclosed				
Cash and cash equivalents	960	-	-	**960**
Restricted cash	816	-	-	**816**
Trade receivables			5,265	**5,265**
Other current assets	-	-	253	**253**
Loans due from related parties	-	-	7,558	**7,558**
Other non–current assets	-	-	151	**151**
Liabilities for which fair values are disclosed				
Trade and other payables	-	-	5,514	**5,514**
Borrowings	8,663	29,547	3,078	**41,288**
Other financial liabilities	-	11,381	-	**11,381**
Other liabilities	-	-	361	**361**

34. Contingencies, commitments and operating risks

Operating environment

The Group’s operations are only conducted in the Republic of Uzbekistan. The Republic of Uzbekistan continues economic reforms and the development of its legal, tax and regulatory frameworks as required by a market economy.

The President of the Republic of Uzbekistan issued Decree No.158 dated 11 September 2023 “The Uzbekistan - 2030 Strategy”, which includes the following key objectives:

- joining the ranks of upper-middle income countries through sustainable economic development;
- creating a system of education, medicine and social protection that fully meets the needs of the population and complies with international standards;
- ensuring favourable environmental conditions for the population;
- building a just and modern state that serves the people;
- guaranteeing the sovereignty and security of the country.

The Group’s management is monitoring economic developments in the current environment and taking precautionary measures it considers necessary in order to support the sustainability and the development of the Group's business in the foreseeable future.

Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these consolidated financial statements.

Taxation

Currently, the Tax Code of Uzbekistan regulates all aspects of taxation. Management believes that the Group is in substantial compliance with tax legislation affecting its operations.

Management believes that as at 31 December 2024, its interpretation of the relevant legislation is correct and that the Group's position with respect to tax, currency and customs legislation will be maintained.

Capital commitments

Property, plant and equipment

As at 31 December 2024, the Group had capital commitments in the amount of UZS 1,458 billion.

As at 31 December 2023, the Group had capital commitments in the amount of UZS 8,112 billion.

Other – Associates and joint ventures

As at 31 December 2024, the Group had capital commitments in the amount of UZS 1,298 billion in relation to one associate (31 December 2023: the Group had capital commitments in the amount of UZS 1,913 billion in relation to one associate).

35. Subsequent events

New loans received

During the period from January 1 to March 31, 2025, In February and March 2025, the Group raised funds in the amounts of USD 326.2 million, EUR 39.8 million, CNY 42.5 mln and UZS 101.0 billion under loan agreements with JSCB "Uzpromstroybank", KDB Bank, JSCB "Kapitalbank", JSCB "Business Development Bank", MUFG Bank Ltd., JSC Asaka Bank, JSC Aloqa Bank, JSCB "Tenge Bank", China Development Bank, and JP Morgan.

Dividends declared

On 15 April 2025, based on the decision of the shareholders, the Group declared dividends of UZS 7.71 per common share, totaling UZS 343 billion for the year 2023. Additionally, dividends of UZS 125 per preferred share were declared, amounting to UZS 3 billion for the same year of 2023 results.