AVESTA INVESTMENT GROUP

July 2024

RSE «Toshkent»

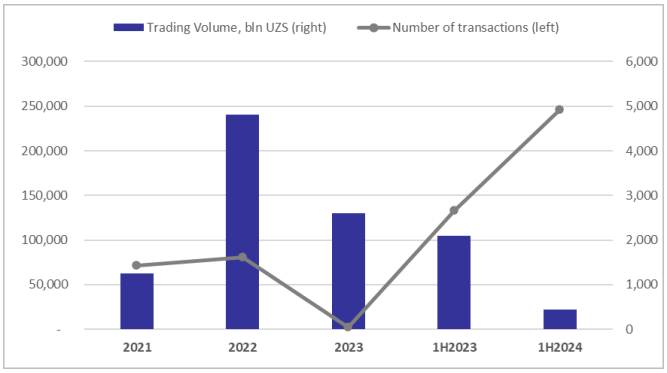
Securities market

Tashkent Stock Exchange results: 1H2024

In the first half of 2024, the total trading volume in the Tashkent Stock Exchange reached 445bln UZS, which is 4.7 times lower than the same period last year. This decline primarily can be attributed to the M&A deals with SOLA (672.7bln UZS), ORFI (580.9bln UZS), ex-QQBK (277bln UZS), IPKY (122.6bln UZS) and others, which accounted for 93.7% of the executed volume in 1H2023. Despite the decline in turnover, the number of transactions has steadily increased, reaching 246,234, indicating an 84.6% growth compared to the previous year's corresponding period.

AVEX increased by 6.5% in 1H2024, with the peak at 3,170 points.

Total volume of trades and number of transactions for 2021-1H2024



AVEX Index for 2021-1H2024

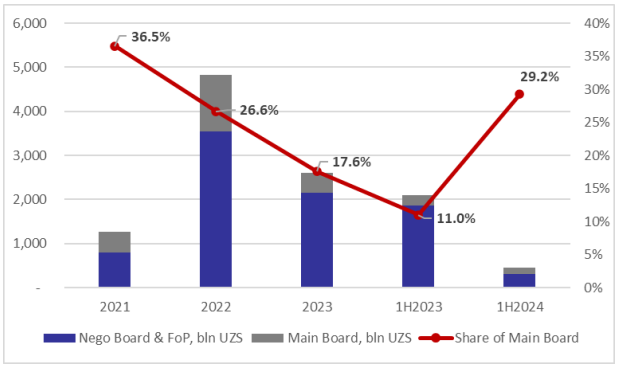


Source: RSE Toshkent, Calculations: Avesta Investment Group

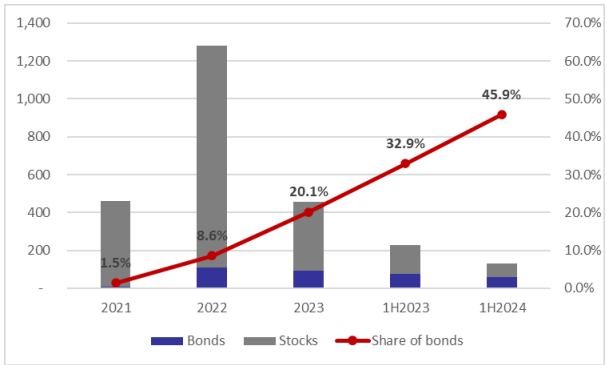
The share of trades on the Main Board in the turnover structure of the Tashkent Stock Exchange in 1H2024 was 29% and amounted to 230.1bln UZS, while in the previous year, it comprised only 11% of the total volume, which once again goes to show that although the volumes have been dropping, the quantity and quality of transactions have been increasing. Also, these figures indicate that a significant portion of the trading volume on the Tashkent Stock Exchange is driven by large M&A deals and transactions executed on the Nego or FoP platforms.

Furthermore, it is worth noting the growing presence of corporate bonds in the turnover structure of the Main Board, as they consistently contribute a large portion of volume to the platform. In 1H2024, their share in total turnover reached 45.9%, compared to 32.9% in the 1H2023.

Total turnover structure and share of the main board in the total volume of trades



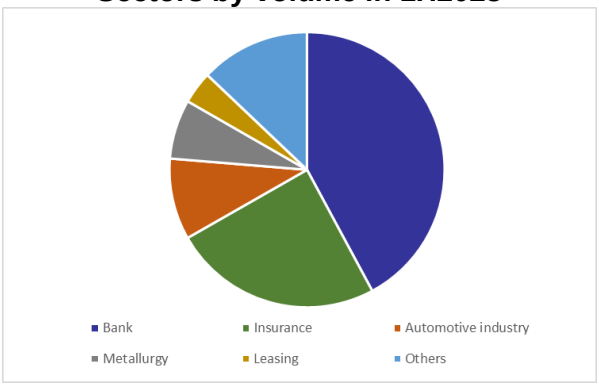
Turnover breakdown of the Main Board and the share of bonds in the total volume of trades.



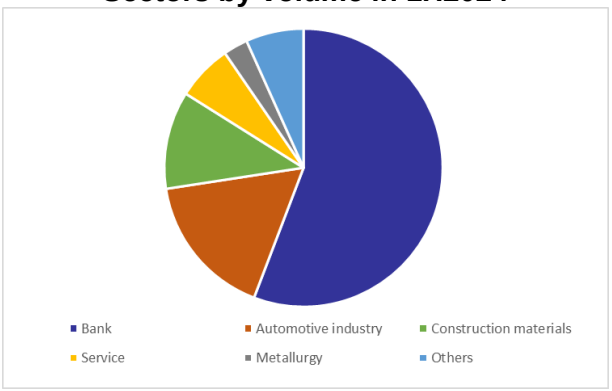
Source: RSE Toshkent, Calculations: Avesta Investment Group

The charts below present the industry composition of total trade volumes in the 1H2023 and 1H2024. To provide a more accurate representation of market volumes, the structure analysis was conducted solely based on trades executed through the Main Board, excluding large trades that can distort the actual volumes. In both years, the banking industry maintained its leading position, accounting for 42.1% of the total volume in 1H2023 and 55.8% in 1H2024. The share of the automotive industry increased by 7.2% up to 16.8%, securing 2nd place in the total turnover. Conversely, the share of the metallurgy sector declined from 7% to 2.8%. Insurance and leasing sectors which had 24.6% and 3.8% respectively in the previous year, were replaced by the construction materials sector (11.4%) and service (2.8%) sector.

Sectors by volume in 1H2023



Sectors by volume in 1H2024



Source: RSE Toshkent, Calculations: Avesta Investment Group

Top 10 issuers with the highest trading volume for 1H2024

Ticker	Sector	Trading Volume	Num. of transactions	Avg. price, UZS	Share in total turnover	% of equity	Mcap (bln. UZS)	Closing price 1H2024, %
KPBA	Bank	156,694,192,584	6	950	35.22%	38.46%	407.4	-74.11%
DORI	Pharmacy	60,640,773,025	1,531	8,605	13.63%	35.11%	190.6	-5.05%
UNVB	Bank	58,535,092,398	1,013	5,257	13.16%	11.13%	800.0	-52.84%
HMBK1	Bank	41,294,581,815	13	825,892	9.28%	100.00%	41.5	1.35%
UZMT	Automotive industry	21,819,123,157	907	72,194	4.90%	0.11%	17,998.2	-4.20%
BFMT3V2	Microfinance	13,790,773,739	1,073	100,536	3.10%	68.59%	20.0	0.15%
TBMZ	Construction materials	9,074,005,780	4	5,200	2.04%	45.22%	20.1	0.00%
METQ	Telecommunications	8,444,242,964	4	8,723	1.90%	47.42%	4.1	262.53%
JASM	Construction	7,534,147,000	2	54,866	1.69%	8.41%	89.6	222.74%
URTS	Service	6,854,180,516	5,877	16,360	1.54%	0.56%	1,124.3	-14.29%
Others		60,280,285,643	235,804		13.55%			
Total		**444,961,398,622**	**246,234**		**100.00%**			

Source: RSE Toshkent, Calculations: Avesta Investment Group

M&A transactions with KPBA shares for 156.7bln UZS at 950 UZS per share contributed 35.2% of the total volume. DORI which likely took place as part of the privatization process accounted for 13.6%. Similarly, most of the volume of trades with UNVB shares was related to Mr. Anvar Irchaev, the Chairman of the Board of Universal Bank JSCB (UNVB), gradually increasing his equity stake in the company from the beginning of the year.

TOP-10 issuers with the highest number of deals for 1H2024

Ticker	Sector	Trading Volume	Num. of transactions	Avg.price, UZS	% of deals	% of equity	Mcap (bln. UZS)	Closing price 1H2024, %
SQBN	Bank	937,029,243	70,739	10.1	28.73%	0.04%	2,442	-0.20%
IPTB	Bank	532,727,262	26,776	1.1	10.87%	0.01%	4,195	10.10%
UZTL	Telecommunications	2,472,180,665	11,712	4,847	4.76%	0.17%	1,275	-30.06%
CBSK	Service	1,387,829,754	10,504	2.1	4.27%	2.26%	73	-35.55%
HMKB	Bank	1,056,243,404	8,613	38.3	3.50%	0.02%	3,617	25.26%
HMKBP	Bank	197,621,358	7,500	34.2	3.05%	0.01%	3,597	15.02%
IPKY	Bank	1,124,280,506	7,367	160.9	2.99%	0.01%	21,385	265.98%
URTS	Service	6,854,180,516	5,877	16,413	2.39%	0.56%	1,124	-14.29%
IPTBP	Bank	107,503,410	5,600	3.2	2.27%	0.00%	4,195	-13.33%
KVTS	Glass	1,276,148,535	5,578	2,411	2.27%	0.54%	111	-37.84%
Others		429,015,653,968	85,968		34.91%			

Source: RSE Toshkent, Calculations: Avesta Investment Group

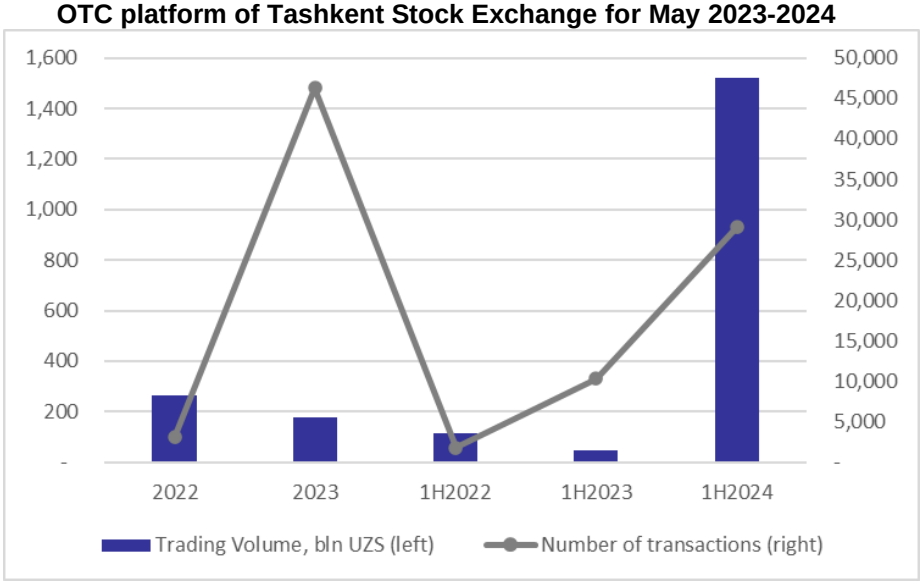
SQBN has consistently been a major contributor to the total number of transactions on the Tashkent Stock Exchange, accounting for almost a third of trades in 1H2024. IPTB, UZTL and CBSK were also actively traded and represented 10.9%, 4.8% and 4.3% of the trading volume, respectively.

IPKY demonstrated the most significant increase in its closing price, rising by 3.7 times up to 355 UZS per share. Likewise, HMKB (+25.3%), HMKBP (+15.0%) and IPTB (+10.1%) – all showed double-digit growth. Conversely, KVTS (-37.8%), CBSK (-35.6%) and UZTL (-30.1%) prices decreased the most during this period. In contrast, URTS (-14.3%), IPTBP (-13.3%) and SQBN (-0.2%) experinced relatively modest decreases in their closing prices.

OTC platform of the Tashkent Stock Exchange

The total trade volume on the OTC platform for 1H2024 reached 1.52bln UZS, which is 31.6 times more than the corresponding period of last year. The number of transactions on the platform reached 29,036 which is almost three times more than in 1H2023.

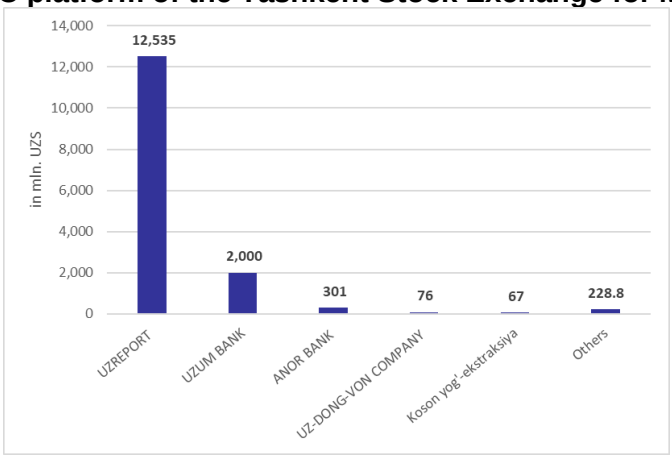
The total volume of trades and number of transactions on the OTC platform of Tashkent Stock Exchange for May 2023-2024



Source: OTC platform "Elsis-Savdo", Calculations: Avesta Investment Group

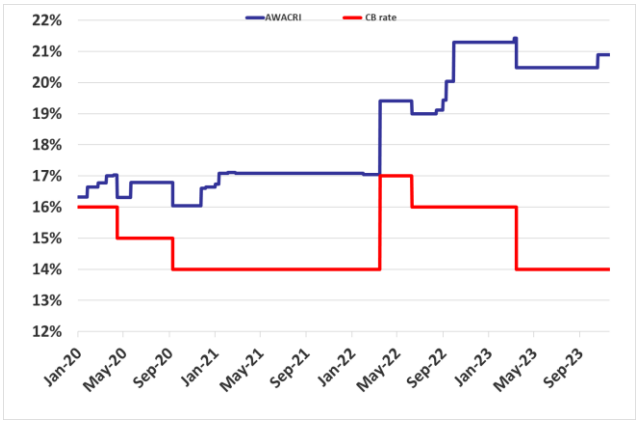
In 1H2024, UZREPORT dominated the OTC market of the Tashkent Stock Exchange representing 82.4% of the total trade volume on the platform. UZUM BANK contributed 13.2%, followed by ANOR BANK which contributed 2%. UZ-DONG-VON COMPANY and Koson yog'-ekstraksiya accounted for 0.5% and 0.4% of the turnover, respectively. The remaining volume was represented by other securities, comprising 1.5% of the turnover on OTC.

Top 5 entities by volume of transactions at the OTC platform of the Tashkent Stock Exchange for May

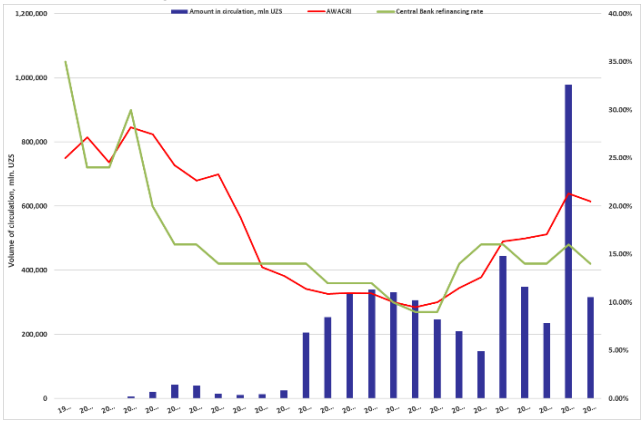


Source: OTC platform "Elsis-Savdo", Calculations: Avesta Investment Group

AWACRI and CB rate in 2020-2024



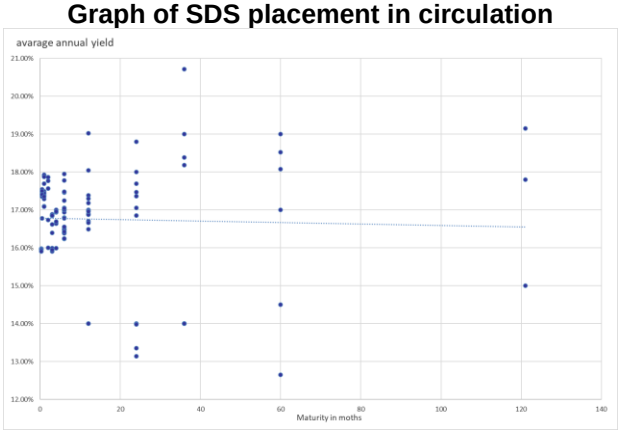
AWACRI, CB rate and volume in circulation



Source: Central Bank of the Republic of Uzbekistan, Avesta Investment Group

At the moment AWACRI exceeds the CB rate by 7.81%.

Graph of SDS placement in circulation



The total amount of placed SDS (State Debt Securities) that are in regulation (not repaid) in 1H2024 reached 52.2trln UZS in 39 placements with a 16.9% average annual yield.

CONTACTS

Avesta Investment Group

Postal address: Uzbekistan, 100015, Tashkent city, Shahrisabz str., 22
Tel: +998 (71) 207-9070
E-mail: info@avestagroup.com
Web: http://www.avestagroup.com

The information and opinions in this report were prepared by Avesta Investment Group or one of its affiliates (collectively “Avesta”). The information herein is believed by Avesta to be reliable and has been obtained from public sources believed to be reliable, but Avesta makes no representation as to the accuracy or completeness of such information. Important Information Regarding Our Independence. The research analysts responsible for the preparation of this report receive compensation that is based upon, among other factors, Avesta’s overall revenues. Avesta may engage in securities transactions in a manner inconsistent with this research report and with respect to securities covered by this report, will sell to or buy from customers on a principal basis. Disclosures of conflicts of interest, if any, are discussed at the end of the text of this report or on the Avesta Investment Group’s website at http://www.avestagroup.com.

Opinions, estimates, and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinions of Avesta and are subject to change without notice. Avesta has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. Prices and availability of financial instruments also are subject to change without notice. This report is provided for informational purposes only. It is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction. The financial instruments discussed in this report may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. If a financial instrument is denominated in a currency other than an investor’s currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Unless governing law provides otherwise, all transactions should be executed in the investor’s home jurisdiction. Additional information relative to securities, other financial products or issuers discussed in this report is available upon request.

This report may not be reproduced, distributed or published by any person for any purpose without Avesta's prior written consent. Please cite source when quoting.

© 2003-2024 «Avesta Investment Group».