AVESTA INVESTMENT GROUP

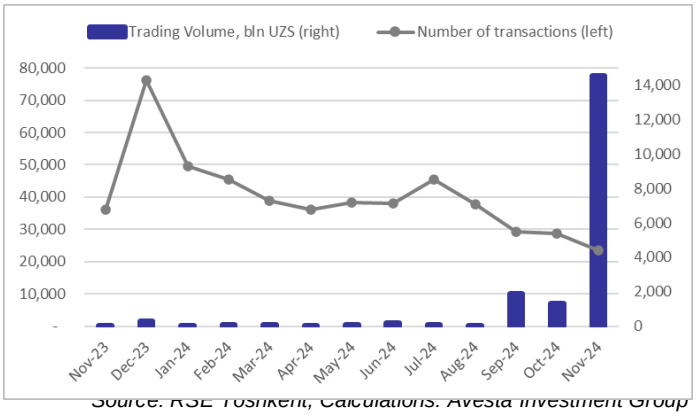
December 2024

Tashkent Stock Exchange results: November 2024

In November, the total trading volume in the Tashkent Stock Exchange amounted to 14.6trln UZS, compared to the mere 16.3bln in November 2024. Despite the increase in turnover, the number of completed transactions declined by 35.5%, totaling 23,366. This decrease can be attributed to several deals related to restructuring processes and M&As executed on the stock exchange this month.

AVEX increased by 2.6% in November, with a peak at 2,246 points.

Total volume of trades and number of transactions for November 2023-2024



AVEX Index for November 2023-2024



Source: RSE Toshkent, Calculations: Avesta Investment Group

Top 10 issuers with the highest trading volume for November 2024

Company	Ticker	Sector	Trading Volume	Num. of transactions	Avg. price, UZS	Share in total turnover	% of equity	Mcap (bln. UZS)	Closing price November, %
Almalyk Mining JSC	AGMK	Metallurgy	12,195,129,987,479	1	69,499	83.76%	24.45%	49,338.4	0.00%
Biznes Development Bank	BRBN	Bank	1,600,479,757,652	468	119.2	10.99%	28.01%	3,987.6	0.24%
Mortgage Refinancing Company	IQMK3V4	Bank	250,266,260,120	6	1,001,065	1.72%	100.00%	250.0	0.00%
Uztemiryulkonteyner	UTYK	Transportation	200,076,943,954	20	169,778	1.37%	35.01%	1,060.4	57.50%
Octobank	OCBK	Bank	125,522,236,232	73	1,000	0.86%	25.10%	5,000.0	95.31%
Garant Bank	OGIN	Bank	110,001,319,367	173	100	0.76%	31.43%	713.7	5.15%
Boshtransloyiha	BTRL	Construction	38,263,847,423	60	36,876	0.26%	0.03%	4,807.7	-20.89%
Universal bank	UNVB	Bank	31,989,338,682	80	5,000	0.22%	6.40%	806.5	-10.39%
Uzbek Commodity Exchange	URTS	Service	1,659,595,406	2,160	5,003	0.01%	0.01%	1,311.0	23.17%
Imkon Finans	IFMT4	Microfinance	1,051,764,978	84	999,777	0.01%	10.52%	10.0	0.00%
	Others		4,946,263,545	20,241		0.03%			
	Total		**14,559,387,314,836**	**23,366**		**100.00%**			

Source: RSE Toshkent, Calculations: Avesta Investment Group

AGMK dominated the turnover with a transaction involving the transfer of a 24.76% equity stake in the company for 12.2trln UZS (approx. $954.3mln) at 69,499 UZS per share which marks the largest transaction in the history of the Tashkent Stock Exchange. This transfer was carried out in accordance with Presidential Decree №4731 dated May 26, 2020, wherein the Uzbekistan Fund for Reconstruction and Development (UFRD) acquired the stake in exchange for financing the Yoshlik project for the construction of new mining plants. Based on the latest available financial information as of 9M2024, the company is valued at a market price with x6 P/E ratio and x1.9 P/B ratio. The total market capitalization of the company at the privatization price is valued at $3.9bln.

Another significant transaction involved UTYK shares, where a 35% equity stake in the company was transferred to Cotton Logistics LLC for 200bln at 169,751 UZS per. This deal accounted for 11% of the total trading volume in November. Based on the latest available financial information as of 9M2023, at the privatization price the company is valued for x3.9 P/E and x1 P/B ratios, with dividends yield of 35.6% for 2021FY and 43.5% for 2022FY.

On the 11th of November, the Mortgage Refinancing Company of Uzbekistan JSC (IQMK3V4) conducted its fourth bond placement for 250bln UZS, with a three-year maturity and an expected return of 19%. Since issuance, IQMK3V4 has been one of the top performers in terms of trading volume for several weeks in a row. The bonds were placed among local state-owned banks. Excluding the effect of large one-time deals, bonds accounted for nearly 98% of the turnover.

The remaining large volume deals from the table, mostly involving banks, were also related to restructuring processes. BRBN transferred a 10.5% equity stake in the company to UFRD and MoEF for 1.6trln UZS at 119.25 UZS per share. This transaction was carried out in accordance with Presidential Decree №366 dated November 15th, 2023, within the transformation of Qishloq Qurilish Bank JSCB to Business Development Bank JSCB. The funds will be used to refinance microloans allocated to support small businesses. OGIN executed transactions worth 110bln UZS, likely related to the issuance of additional shares among existing shareholders and their allocation. Deals with OCBK and UNVB were associated with the company's chairman increasing their equity stake in the company.

TOP-10 issuers with the highest number of deals for November 2024

Company	Ticker	Sector	Trading Volume	Num. of transactions	Avg.price, UZS	% of deals	% of equity	Mcap (bln. UZS)	Closing price November, %
Uzbek Commodity Exchange	URTS	Service	1,659,595,406	2,160	5,003	9.24%	0.01%	1,311.0	23.17%
Aloqabank	ALKB	Bank	55,534,587	1,741	0.5	7.45%	0.006%	944.1	-32.35%
Aloqabank pref	ALKBP	Bank	83,908,851	1,694	3.6	7.25%	0.001%	6,222.2	-34.75%
Ipak Yuli Bank	IPKY	Bank	60,325,948	1,131	141	4.84%	0.01%	8,071.0	-19.77%
Hamkorbank	HMKB	Bank	177,771,941	896	22.7	3.83%	0.0061%	3,178.5	3.35%
Chilonzor item trading centre	CBSK	Service	995,155,789	877	2.3	3.75%	0.97%	105.0	5.75%
Qizilqumcement	QZSM	Cement	144,193,649	790	1,550	3.38%	0.02%	715.6	-8.31%
Ipoteka Bank	IPTB	Bank	26,699,730	771	1.1	3.30%	0.001%	4,502.2	-6.40%
Uztelecom	UZTL	Telecommunications	71,974,199	767	3,910	3.28%	0.0065%	1,125.5	0.00%
Uzbekneftegaz	UZNG	Oil and gas industry	13,156,694	726	1,630	3.11%	0.00002%	22,249.7	0.00%
	Others		14,556,098,998,043	11,813		50.56%			
			14,559,387,314,836	**23,366**		**100.00%**			

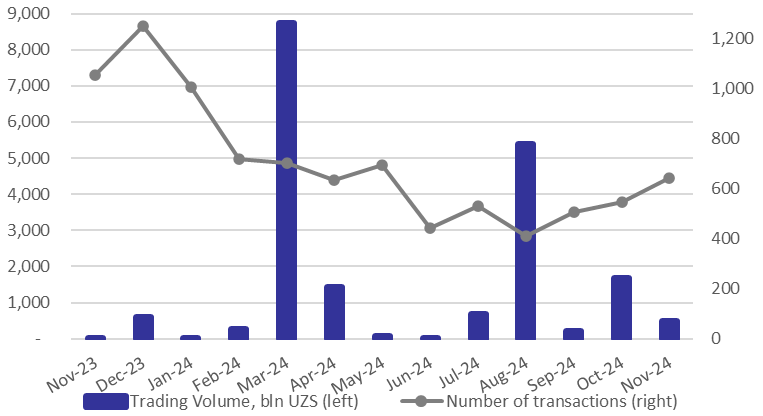
Source: RSE Toshkent, Calculations: Avesta Investment Group

URTS emerged as a significant contributor to the number of transactions, accounting for 9.2% of the total deals. This was a result of the company conducting an SPO this month, offering a 4.4% equity share within the framework of the People's IPO program. The oversubscription reached 108%, with retail investors comprising the majority of the order book. Consequently, the stock price rose by 23.2% by the end of the month. Additionally, Aloqa Banks JSC's (ALKB and ALKP) both ordinary and preferred shares each contributed around 7%, securing positions in the top 3 of the transactions list. IPKY shares were also actively traded, representing 4.8% of the trading volume.

Over-the-counter (OTC) platform of the Tashkent Stock Exchange

The trade volume on the OTC platform for November reached 71.8bln UZS, which is much higher than the mere 4bln UZS turnover in the corresponding period of last year. The number of transactions on the platform reached 4,461, which is 38.8% less than in November of 2023.

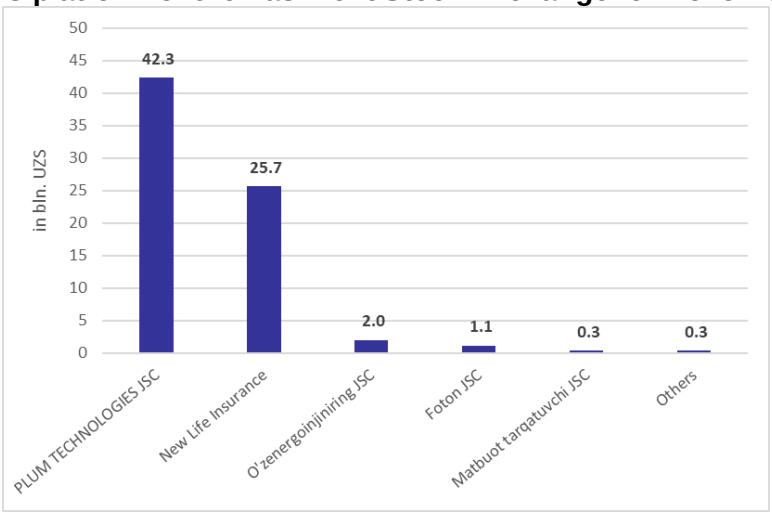
The total volume of trades and number of transactions on the OTC platform of Tashkent Stock Exchange for November 2023-2024



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

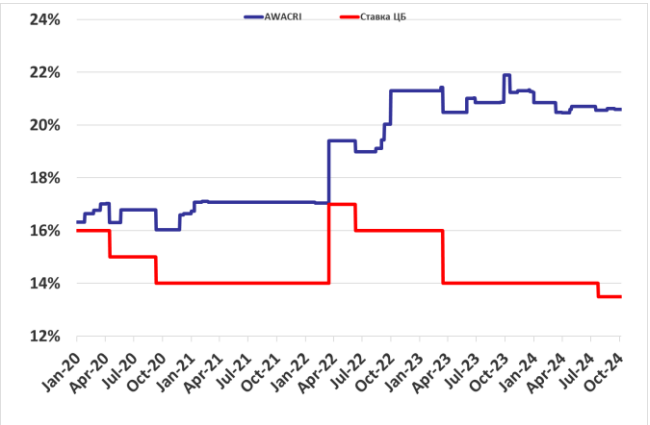
Over half of the volume on the OTC market of the Tashkent Stock Exchange in November came from trades with PLUM TECHNOLOGIES JSC. New Life Insurance JSC also contributed to around a quarter of the turnover on the platform, while O'zenergoinjiniring JSC represented only 2.8%. Foton JSC and Matbuot tarqatuvchi JSC accounted for nearly 1.6% and 0.4%, respectively.

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

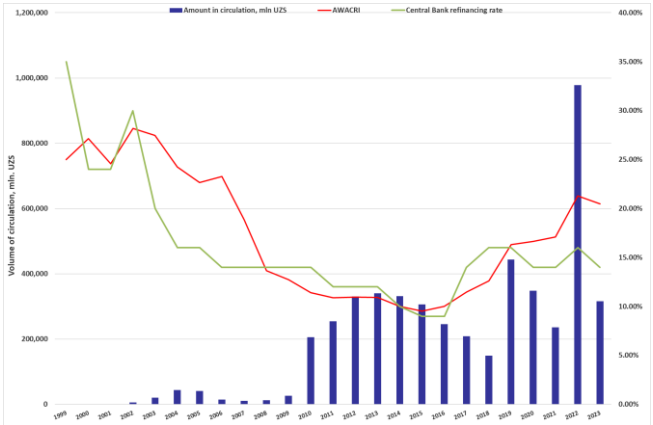


Source: OTC platform "Elsis-Savdo", Calculations: Avesta Investment Group

AWACRI and CB rate in 2020-2024



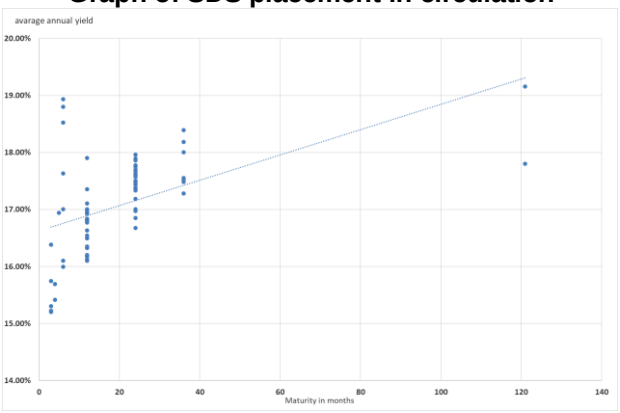
AWACRI, CB rate and volume in circulation



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

At the moment AWACRI exceeds the CB rate by 6.84%.

Graph of SDS placement in circulation



The total amount of placed SDS (State Debt Securities) that are in regulation (not repaid) in November 2024 reached 1trln UZS in 3 placements with a 15.9% average annual yield.

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