AVESTA INVESTMENT GROUP

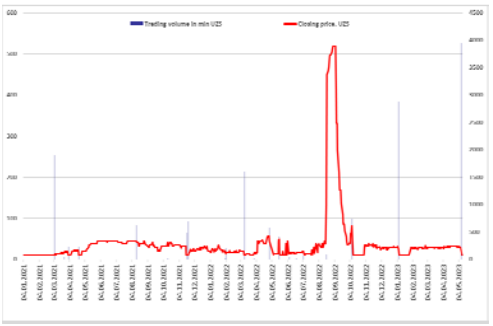
Uzbekistan Weekly

Weekly Review
May 8-12, 2023

OVERVIEW OF THE TASHKENT STOCK EXCHNAGE

Ticker	Sectors	Sum, UZS	Num. of deals	Closing price, UZS	Change. %	% of turnover
IPKY	Bank	3,947,681,120	200	12	-55.59%	46.77%
METQ	Telecommunications	2,543,342,265	1	3,600	0.00%	30.13%
UZMK	Metallurgy	602,662,076	94	8,691	0.08%	7.14%
HMKB	Bank	394,027,235	1,975	142	13.56%	4.67%
UZMT	Automotive industry	284,678,950	166	67,800	7.62%	3.37%
UZIR	Mining industry	144,448,169	24	27,000	-3.56%	1.71%
IFMT3	Bank	143,000,000	4	1,000,000	0.00%	1.69%
TRSB	Bank	114,028,678	5	8,846	0.00%	1.35%
URTS	Service	54,963,567	159	20,050	1.26%	0.65%
UZM1	Metallurgy	38,779,902	108	2,400	6.67%	0.46%
Others		172,293,464	4,673			2.04%
Total		**8,439,905,426**	**7,409**			**100.00%**

IPKY price and volume dynamics



	12.05.2023	Change in 1D, %	Change in 3M, %	Change in 1Y, %
AWACRI	20.47%	0.00%	-3.85%	5.52%
USD/UZS	11,465.0	0.10%	1.01%	2.51%
EUR/UZS	12,529.0	-0.16%	2.55%	6.05%
RUB/UZS	151.7	1.09%	-2.79%	-7.52%

Due to the four-day trading week, the current week ended up inferior to the previous one in terms of trading results – over the 8.4bln UZS (-33%) and 7,409 deals (-23%). The Top-10 provided 98% of the stock exchange's total turnover.

The largest transaction, 46.7% of the total turnover, registered with IPKY at a price of 12 UZS. The next comes METQ with a 2.5bln UZS transaction at a price of 3,600 UZS which makes up 30.1% of the total turnover. This is followed by active trading with UZMK and HMKB.

Notable growth of HMKB quotes is probably based on the upcoming AGM date expectations. Supervisory board recommended not to pay divdends on ordinary shares, but bonus shares issue is still possible.

Weekly News:

ECONOMICS

- President announced the three and a half years early President election, which will be organized on July 9th, 2023. Decision explained by the significant changes in the balance of the political system of the country and new goals for all members of the parliament, government and municipal administrations after the Constitutional referendum;
- Foreign reserves decreased by more than $0.2bln in April. Physical gold reserves decreased by 0.1mln ounces down to 12.2mln;
- For the first four months of the year, foreign companies paid 32.4bln UZS taxes in Uzbekistan, which is 60% more than in 2022;
- $100mln will be attracted from international financial organizations to finance the introduction of renewable technologies by population and business;
- According to the Central Bank, approximately one quarter of the newly purchased apartments are financed by mortgage. The volume of issued mortgage loans increased by 15.3% to approximately $284mln in 1Q2023;
- On May 10, President signed a law introducing liability for the illegal withdrawal of money from the accounts of enterprises.

BUSINESS

- Commerzbank AG to provide 100mln EUR loan to UzSQB JSCB (SQBN);
- Central Bank issued the license to Yangi Bank JSC (New Bank), which became the fourth new bank for the last six month in Uzbekistan;
- Turnover at the Uzbekistan Currency Exchange increased in the 1Q2023 by 80.24%, including 2.4 times at the interbank money market and 54.27% growth at the spot currency market;
- National venture fund UzVC invested $100k into deposit.uz project;
- Fitch affirms BB- rating with Stable outlook to UzSQB JSCB (SQBN);
- French Montagne et Neige Developpement signed the 100mln EUR contract on construction of the resort in Chimgan mountains near to Tashkent;
- InfinBank attracted $25mln from ITFC an $15mln from ICD to finance SME projects;
- Chinese car brand OMODA is preparing to enter the market of Uzbekistan. The company intends to start sales in the country ahead of schedule - by the end of August;

RSE "TOSHKENT"

- Dear Clients and Friends! Uzmetkombinat JSC (UZMK) announced the long-awaited registration of the additional share issue to capitalize the previous 140mln EUR investments of the sovereign Uzbekistan Fund for Reconstruction and Development (UFRD). Despite the previous practice of the most of SOEs, current issue providing the pre-emptive rights issue to all shareholders owning ordinary shares of the company at the market prices. Moreover, one of the quasi-sovereign funds – Abu Dhabi Uzbek Investments Company will become minority investor of the company by the purchase of all non-sold under the rights issue shares. This will allow not just keep the free-float share, but also attract reputable institutional investor ahead of the future IPO plans of the company. All required information is posted at web-site of the company, stock exchange and the Unified portal for corporate information disclosure. Avesta investment Group, as an underwriter of the IPO, is honored to assist UZMK in the process of preparation for this issue and the following IPO plans. Please, contact us in order to prepare the documentation in the rights issue;
- Due to the national holiday, Remembrance and Honoring Day, the Stock Exchange was closed on May 9th.

Contacts

Avesta Investment Group LLC
License for Investment advisory №1505

Legal Address: 22, Shahrisabz str., 100 015, Tashkent, Uzbekistan
Postal address: 36 Navoi str., 100011
Tashkent, Uzbekistan
Tel: +998 71-207-90-70

E-mail: info@avestagroup.com
Official website: 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 judgement 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 prior written consent. Please cite source when quoting.

© 2003-2023 «Avesta Investment Group».