“SHABAKAHOI INTIQOLI BARQ” OPEN JOINT STOCK COMPANY

Financial statements
for the year ended December 31, 2024

and Independent Auditors’ report

DISCLAIMER

The attached report was originally prepared in Russian and then translated into English for the convenience of readers. In the event of any differences between the English and Russian versions, the Russian will prevail.

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"SHABAKAHOI INTIQOLI BARQ" OJSC

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the Open Joint Stock Company "Shabakahoi Intiqoli Barq" (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2024, the results of its operations, cash flows and changes in capital for the year then ended, in accordance with International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business for the foreseeable future.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal control, throughout the Company;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with legislation, accounting standards of the Republic of Tajikistan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- detecting and preventing fraud and other irregularities.

The financial statements for the year ended December 31, 2024 were approved and authorized for issue on June 11, 2025 by the Management of the Company.

On behalf of the Management:

Makhmudzoda Mirzo
General Director

11 June 2025
Dushanbe,
Republic of Tajikistan

Muminov Jaloliddin
Chief Accountant

11 June 2025
Dushanbe,
Republic of Tajikistan

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF OPEN JOINT STOCK COMPANY "SHABAKAHOI INTIQOLI BARQ"

Opinion

We have audited the accompanying financial statements of "SHABAKAHOI INTIQOLI BARQ" OPEN JOINT STOCK COMPANY (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by the International Accounting Standards Board (IFRS accounting standards).

Basis for Qualified Opinion

The Company accounts for its sales contracts in accordance with IFRS 15 Revenue from Contracts with Customers and recognizes revenue when the invoice is issued at the invoice amount. Recognizing revenue at the invoice amount is a departure from IFRS accounting standards because the Company cannot identify the terms of payment for services rendered and cannot assess the probability of collecting the consideration to which it is entitled in exchange for services rendered. The Company should have recognized revenue in accordance with the requirements of IFRS 15.15 when consideration is received, rather than when the invoice is issued. If the Company had recognized revenue upon receipt of the consideration, sales revenue would have decreased by TJS 276,145 thousand and TJS 250,944 thousand in 2024 and 2023, respectively, and the gross value of accounts receivable from "Shabakahoi Taksimoti Bark" JSC would have decreased by TJS 603,391 thousand and TJS 288,585 thousand in 2024 and 2023, respectively.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for a qualified opinion.

Responsibilities of Management and Those Charged with Governance for The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for The Audit of The Financial Statements

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

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

- identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Davit Yedigaryan, FCCA
Engagement Partner
"BDO Armenia" CJSC
11 June 2025

"SHABAKAHOI INTIQOLI BARQ" OJSC

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024
(in thousands Tajik somoni)

	Notes	December 31, 2024	December 31, 2023
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	6	3,968,449	3,315,810
Intangible assets		32	51
TOTAL NON-CURRENT ASSETS		3,968,481	3,315,861
CURRENT ASSETS:			
Inventories	7	68,683	47,385
Advances paid	8	1,756	10,955
Trade and other accounts receivable	9	824,849	586,795
Cash and cash equivalents	10	33,861	7,244
TOTAL CURRENT ASSETS		929,149	652,379
TOTAL ASSETS		**4,897,630**	**3,968,240**
EQUITY AND LIABILITIES:			
EQUITY:			
Share capital	11	3,803,136	1,872,900
Revaluation reserve on property, plant and equipment	6	831,996	940,263
Additional paid in capital		-	1,007,473
Accumulated gain/ (loss)		57,469	(128,358)
TOTAL EQUITY:		**4,692,601**	**3,692,278**
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Deferred tax liabilities	22	113,728	154,937
Deferred income	14	52,471	52,471
TOTAL NON-CURRENT LIABILITIES		166,199	207,408
CURRENT LIABILITIES:			
Trade accounts payable	12	10,677	17,057
Taxes payable	13	15,300	37,211
Other liabilities	14	12,853	14,286
TOTAL CURRENT LIABILITIES		38,830	68,554
TOTAL LIABILITIES		205,029	275,962
TOTAL EQUITY AND LIABILITIES		**4,897,630**	**3,968,240**

On behalf of the Management:

Makhmudzoda Mirzo
General Director

11 June 2025
Dushanbe,
Republic of Tajikistan

Muminov Jaloliddin
Chief Accountant

11 June 2025
Dushanbe,
Republic of Tajikistan

The notes on pages 12-48 form an integral part of the financial statements.
The Independent Auditors' Report is on pages 5-6.

"SHABAKAHOI INTIQOLI BARQ" OJSC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

(in thousands Tajik somoni)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenue	15	742,625	620,483
Cost of sales	16	(549,711)	(500,729)
GROSS PROFIT		192,914	119,754
General and administrative expenses	17	(16,456)	(20,406)
Accrual of expected credit loss reserve on financial assets		(106,701)	(64,640)
Recovery/ (Accrual) of impairment reserve on non-financial assets	19	(1,202)	3,324
Net gain/ (loss) on foreign currency transactions	20	9	(1,104)
Other non-operating (loss)/income, net	21	1,538	(10,228)
PROFIT BEFORE INCOME TAX		70,102	26,700
Income tax expenses	22	(16,311)	(13,035)
NET OPERATING INCOME		53,791	13,665
Other comprehensive income		-	-
NET COMPREHENSIVE INCOME		53,791	13,665
Profit per share (somoni)	**23**	**1.41**	**0.73**

On behalf of the Management:

Makhmudzoda Mirzo
General Director

11 June 2025
Dushanbe,
Republic of Tajikistan

Muminov Jaloliddin
Chief Accountant

11 June 2025
Dushanbe,
Republic of Tajikistan

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“SHABAKAHOI INTIQOLI BARQ” OJSC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands Tajik somoni)

	Note	Share capital	Revaluation reserve on property, plant and equipment	Additional paid in capital	Accumulated gain/ (loss)	Total equity
Balance at January 1, 2023	1	1,872,900	1,018,657	1,007,473	(225,460)	3,673,570
Recognition of revaluation of property plant and equipment		-	-	-	-	-
Amortization of revaluation of property, plant and equipment		-	(95,603)	-	95,603	-
Deferred tax	19	-	17,209	-	-	17,209
Profit for the year		-	-	-	13,665	13,665
Dividends declared	11	-	-	-	(12,166)	(12,166)
Balance at December 31, 2023		1,872,900	940,263	1,007,473	(128,358)	3,692,278
Increase of share capital		1,930,236	-	(1,007,469)	-	922,767
Amortization of revaluation of property, plant and		-	(132,036)	-	132,036	-
Deferred tax		-	23,765	-	-	23,765
Recognition of revaluation of property plant and equipment		-	4	(4)	-	-
Profit for the year		-	-	-	53,791	53,791
Balance at December 31, 2024		3,803,136	831,996	-	57,469	4,692,601

On behalf of the Management:

Makhmudzoda Mirzo	**Muminov Jaloliddin**
General Director	**Chief Accountant**
11 June 2025	11 June 2025
Dushanbe,	Dushanbe,
Republic of Tajikistan	Republic of Tajikistan

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"SHABAKAHOI INTIQOLI BARQ" OJSC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands Tajik somoni)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:			
Proceeds from energy sales		386,671	305,384
Other income from operations		33	83
Total cash inflow from operating activity		386,704	305,467
Inventory purchase		(39,574)	(13,183)
Payroll and social tax		(78,768)	(84,314)
Payment for services		(9,187)	(23,025)
Other taxes payment		(118,780)	(108,483)
Other operating payments		(4,379)	(21,344)
Total cash outflow from operating activity		(250,688)	(250,349)
Payment of income tax		(37,135)	(24,287)
Net cash inflow from operating activities		98,881	30,831
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(72,330)	(30,354)
Purchase of intangible assets		-	-
Net cash outflow from investing activities		(72,330)	(30,354)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash inflow/(outflow) from financing activities		-	-

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024 (continued)
(in thousands Tajik somoni)

	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
NET INCREASE IN CASH AND CASH EQUIVALENTS		26,551	477
Effect of Exchange Rate Changes on Cash		66	913
Effect of accrual of expected credit losses for cash in bank accounts		-	-
CASH AND CASH EQUIVALENTS, at the beginning of the year	10	7,244	5,854
CASH AND CASH EQUIVALENTS, at the end of the year	10	33,861	7,244

On behalf of the Management:

Makhmudzoda Mirzo
General Director

11 June 2025
Dushanbe,
Republic of Tajikistan

Muminov Jaloliddin
Chief Accountant

11 June 2025
Dushanbe,
Republic of Tajikistan

The notes on pages 12-48 form an integral part of the financial statements.
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(in thousand Tajik somoni, unless otherwise stated)

1. GENERAL INFORMATION

On April 28, 2018, the Decree of the Government of the Republic of Tajikistan No. 234 "On the reorganization of joint-stock companies" was issued, according to which, under the management of OJHC "Barki Tojik", OJSC "Shabakahoi Intiqoli barq" and OJSC "Shabakahoi taqsimoti barq" were created. The list of the company on the basis of which OJSC "Shabakahoi Intiqoli Barq" and OJSC "Shabakahoi Taqsimoti Barq" were to be created:

№	Name of the company
1	Open Joint Stock Company "Shabakahoi barqi shahri Istaravshan"
2	Open Joint Stock Company "Shabakahoi barqi shahri Panjakent"
3	Open Joint Stock Company "Shabakahoi barqi Kulob"
4	Open Joint Stock Company "Shabakahoi barqi shahri Dushanbe"
5	Open Joint Stock Company "Shabakahoi barqi Tursunzoda"
6	Open Joint Stock Company "Shabakahoi barqi shahri Kulob"
7	Open Joint Stock Company "Shabakahoi barqi Janubi"
8	Open Joint Stock Company "Shabakahoi barqi Yavan"
9	Open Joint Stock Company "Shabakahoi barqi Dangara"
10	Open Joint Stock Company "Shabakahoi barqi Isfara"
11	Open Joint Stock Company "Shabakahoi barqi Norak"
12	Open Joint Stock Company "Shabakahoi barqi Buston"
13	Open Joint Stock Company "Shabakahoi barqi Bokhtar"
14	Open Joint Stock Company "Shabakahoi barqi Khujand"
15	Open Joint Stock Company "Shabakahoi barqi Rasht"
16	Open Joint Stock Company "Shabakahoi barqi mintaqai Sughd"
17	Open Joint Stock Company "Shabakahoi barqi Markazi"

On June 22, 2019, by Decree of the Government of the Republic of Tajikistan No. 330, the share capital of "Shabakahoi intiqoli bar" OJSC was established in the amount of 1,872,900 thousand somoni divided into 18,729 thousand ordinary shares of 100 somoni. Share capital is formed from investments in the form of buildings, structures, equipment and other material assets, securities, intellectual property, other property rights, cash and cash equivalents and their value will be valued in national currency.

The difference in equity resulting from the split between the balance sheet as at 31 December 2020 and the authorized share capital of TJS 1,872,900 thousand is reflected in additional equity.

On May 1, 2020, the Decree of the Government of the Republic of Tajikistan No. 259 "On issues

Open Joint Stock Company "Shabakahoi Intiqoli Barq" and Open Joint Stock Company "Shabakahoi Taqsimoti Barq" according to which 7 members of the Supervisory Board were appointed in the following composition:

#	Position Name	Position in Supervisory board
1	Deputy Minister of Energy and Water Resources of the Republic of Tajikistan	Chairman
2	Deputy Minister of Finance of the Republic of Tajikistan	Member
3	Deputy Minister of Economic Development and Trade of the Republic of Tajikistan	Member
4	Deputy Minister of Justice of the Republic of Tajikistan	Member
5	Deputy Chairman of the Committee on Investments and State Property Management of the Republic of Tajikistan	Member
6	General Director of the Open Joint-Stock Company "Shabakahoi intiqoli barq"	Member
7	Chief Accountant of Open Joint-Stock Company "Shabakahoi intiqoli barq"	Member

The separation balance sheet between the companies OJHC "Barqi Tojik", OJSC "Shabakahoi intiqoli barq" and OJSC "Shabakahoi taqsimoti barq" was signed on December 31, 2020, and from January 1, 2021, the companies began to carry out their activities.

Company was registered in Department of registration of legal entities and private entrepreneurs under the Tax Committee of the Republic of Tajikistan on January 9, 2021.

(in thousand Tajik somoni, unless otherwise stated)

The Company and its branches carry out its activity in the Republic of Tajikistan.

The Company's principal activity is transmission of electricity in the Republic of Tajikistan. Operating activity of the Company is regulated by the Law of the Republic of Tajikistan "On natural monopolies" (the "Law"), as the Company is the dominant in the transmission of electricity in the Republic of Tajikistan. In accordance with the Law tariffs of the Company must be coordinated and agreed with the Agency for regulation of natural monopolies of the Republic of Tajikistan (the "Agency"). The main customers are OJSC "Shabakahoi taqsimoti barq" and OJSHC "Barqi Tojik".

The Company's Head office is located in the Republic of Tajikistan, Dushanbe, I. Somoni ave, 64.

As at December 31, 2024 the sole shareholder of the Company was the Government of the Republic of Tajikistan. Ultimate control of the Company is carried out by the Government of the Republic of Tajikistan.

Company has 3 branches:

#	Name of branch	Location	Date of established
1	Branch of the Open Joint-Stock Company "Shabakahoi intiqoli barq" in the city of Bokhtar	24 A.Jomi str., Bokhtar city, Khatlon region, Republic of Tajikistan	23.01.2021
2	Branch of the Open Joint-Stock Company "Shabakahoi intiqoli barq" in the city of Guliston	113 Istiqlol str., Guliston city, Sugd region, Republic of Tajikistan	23.01.2021
3	Branch of the Open Joint-Stock Company "Shabakahoi intiqoli barq" in the city of Dushanbe	1/3 M.C.Khamadoni str., Dushanbe city, Republic of Tajikistan	23.01.2021

As at December 31, 2024 and 2023 the Company had 2,265 and 2,146 employees, respectively.

The financial statements were authorized for issue by the Company's management on June 11, 2025.

2. OPERATING ENVIRONMENT

In contrast to the more developed markets emerging markets, such as the Republic of Tajikistan, are exposed to various risks, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in countries and the countries' economy in general.

Laws and regulations affecting businesses in the Republic of Tajikistan continue to change rapidly. Tax, currency and customs legislation within the country are subject to varying interpretations, and other legal and fiscal difficulties leading to the challenges faced by the Company. The future economic direction of the Republic of Tajikistan is largely dependent on economic, fiscal and monetary measures undertaken by the government, together with legal, regulatory developments.

These financial statements do not include any adjustments that would have been required due resolution of the uncertainty in the future. Possible adjustments may be made to the statements in that period in which necessity of their reflection will become evident, and it will be possible to estimate their numerical values.

3. PRESENTATION OF FINANCIAL STATEMENTS

Report on compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (the "IFRS") issued by the International Accounting Standards Board (the "IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee (the "IFRIC").

Use of estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Due to the inherent uncertainty in making those estimates, actual results reported in future periods could differ from such estimates.

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collective term includes all International Accounting Standards and related interpretations, promulgated by the International Accounting Standards Board ("IASB").

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will continue as a going concern in the foreseeable future. For the year ended 31 December 2024, the Company had a net profit of TJS 53,791 thousand (31 December 2023: TJS 13,665 thousand).

3. PRESENTATION OF FINANCIAL STATEMENTS (continued)

Positive financial results and current operating activities indicate its ability to generate sufficient cash flows to cover liabilities as they fall due.

The management and the shareholder intend to further develop the Company's operations in the Republic of Tajikistan. The Company is owned by the Government of the Republic of Tajikistan and transmits all electricity consumed in the Republic of Tajikistan. Electricity transmitted by the Company remains a key element of the economy of the Republic of Tajikistan, as well as the basis for solving the social and economic problems of the state.

Based on the above, the management believes that the going concern assumption is appropriate for the Company due to the ongoing funding from the sole shareholder of the Company.

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the Company operates. The functional currency of the Company and the presentation currency is the national currency of the Republic of Tajikistan - the Tajik somoni (hereinafter - "somoni").

4. SIGNIFICANT ACCOUNTING POLICIES

Electricity transmission

Revenue for electricity transportation services is recognized when counterparties are billed for the total amount of electricity delivered. Invoicing is made for each monthly payment cycle based on the volume of transported electricity indicated in the automated electricity metering control system at approved tariffs. Revenue from the sale of electricity is recognized in the financial statements net of value added tax (VAT).

Foreign currency conversion

The functional currency of the Company and the Company's presentation currency is the national currency of the Republic of Tajikistan Tajik somoni (the "somoni").

	December 31, 2024	December 31, 2023
Somoni / USD	10.9325	10.9571

Transactions in foreign currencies are initially recorded by the Company in their functional currency at the rate of exchange ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate ruling on the reporting date.

All exchange differences are recognized in the statement of profit or loss and other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is recognized only if inflow of economic benefits to the Company is probable, and if revenue can be reliably measured, despite of the timing of cash proceeds. The revenue is measured at fair value of the consideration received or receivable, in accordance with contractual terms of payments.

Taxes

Current income tax

Current tax assets and liabilities for the current period as measured at recoverable from or payable to taxation authorities. The tax rates and tax legislation applied for calculations are the rates and legislation accepted or factually adopted as at reporting date in the countries, where the Company performs its activities and has taxable income. For the year ended December 31, 2024 income tax rate for legal entities was equal to 18% on the territory of the Republic of Tajikistan.

Deferred taxes

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences, when the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized. Deferred tax is reflected in statement of profit or loss and other comprehensive income, except when they connected with items, which are directly related to equity, and in this case deferred tax is also reflected within equity.

The Company conducts netting of deferred tax assets and liabilities and reflects summary difference in the financial statements, if:

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company has a legally enforceable right for netting current tax assets against current tax liabilities; and
Deferred tax assets and deferred tax liabilities relate to corporate taxes levied by the same taxation authority from the same taxable entity.

In addition to income tax, there are requirements on accrual and payments of various taxes applicable to the Company's activities in the Republic of Tajikistan where the Company performs its activities.

The book value of deferred tax assets is reviewed at each reporting date and decreased to the extent of sufficient profits, which will allow to use all or part of the deferred tax assets, are assessed as unlikely. Deferred tax assets not recognized in the statements are reviewed at each reporting date and are recognized to the extent, when there is high probability of upcoming profits, allowing to recover such tax assets.

Deferred tax assets and liabilities are valued at tax rates, which are expected to be applied in the period, when such asset will be recovered or liability settled at tax rates (tax regulation), which were accepted or factually adopted at the reporting date.
Deferred tax, related to the components other than statement of comprehensive income, as also not recorded in statement of comprehensive income. The deferred taxes are recognized in accordance with underlying transactions or in as a component of other comprehensive income, or directly on equity.

Deferred tax assets and liabilities are offset only if there are legal right for offset of current income tax assets and liabilities, and deferred taxes are related to the same company and tax authority.

Property, plant and equipment

After initial recognition as an asset, property, plant and equipment are carried at revalued cost, being the fair value of the object on the date of revaluation less any subsequent accumulated depreciation and impairment losses.

The equipment is held at revalued amount less accumulated depreciation and/or accumulated loss from impairment, if any. This cost includes cost of replaced spare parts, as well as borrowing costs, in case of non-current construction projects, when certain criteria are met. When there is a need for significant component replacement within defined period the Company disposes the replaced component and recognizes new components in accordance with useful life and depreciation. Expenses related to major technical check are included to the cost of the asset, as replaced equipment, when related criteria are met. All other expenses for maintenance are included in the statement of profit or loss and other comprehensive income as incurred.

The buildings are held at revalued amount less accumulated depreciation and impairment losses.

Depreciation is charged on the carrying value of property, plant and equipment to write off assets over their useful life.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is charged at straight line method at the following rates:

Property, plant and equipment group	**Useful life (years)**
1. Buildings and constructions	2-50
2. Machinery and equipment	1.5-30
3. Furniture and office equipment	1.1-10
4. Transport	1,5-10

In 2021, after revaluation the useful life of property, plant and equipment were reconsidered and increased. Changes in depreciation accruals were made on perspective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss, and presented in the statement of comprehensive income for the period, when derecognition took place.

The useful life term and depreciation method are annually reassessed, and adjusted if needed.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost. Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired are recorded at cost less accumulated amortization and accumulated impairment losses (if any). Internally generated intangible assets, except for development costs included to the cost of an asset are not capitalized, and related expenses included in the statement of comprehensive income in the period, when incurred.

The useful life of intangible assets can be definite or indefinite.

Intangible assets with definite useful life are amortized during the period of this period and subject for impairment assessment if such indicators exist. The period and amortization method for all intangible asset with definite useful life are reassessed at least at each reporting date. Changes in estimated useful life or structure of inflow of future benefits inherent to the asset are added to the financial statements as changes in period and method of amortization, depending on situation, and disclosed as changes in estimates. The amortization expenses for intangible assets with definite useful life recognized in the statement of comprehensive income in the category, which relates to the function of the intangible asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets with indefinite useful life are not amortized, rather tested separately for impairment on an annual basis. The useful life term of intangible assets with indefinite useful life is reviewed on an annual basis in order to determine whether it is reasonable to continue classify the asset as intangible asset with indefinite useful life. If it is not acceptable, the change in useful life of an asset is prospectively changed from indefinite to definite.

Gains and losses from disposal of intangible assets are measured as difference from proceeds and book value of the asset and recognized in the statement of comprehensive income at the date of asset disposal.

Impairment of tangible and intangible assets

At the end of each reporting period, the Company assesses whether there is any indication that fixed and intangible assets may be impaired. If any such indication exists evaluation is carried out for a possible reduction in the recoverable amount of assets (if any). If it is impossible to estimate the recoverable amount of an individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately as an expense, except where the relevant asset (land, buildings, or equipment) carried at a revalued amount. In this case the impairment loss is recognized as a reduction of revaluation of the respective fund.

If an impairment loss subsequently reverses, the carrying amount of an asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if the asset was not recognized an impairment loss (cash-generating unit) in prior years. Reversal of an impairment loss is recognized immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

During write-off of a revalued property, plant and equipment, the amounts included in the revaluation reserve are transferred to retained earnings.

Financial instruments' initial recognition and subsequent measurement

(a) Financial assets and liabilities recognition

A financial asset is any asset that is:

(a) cash;
(b) an equity instrument of another entity;
(c) a contractual right:
  (i) to receive cash or another financial asset from another entity; or
  (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
(d) a contract that will or may be settled in the entity's own equity instruments and is:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments classified as equity instruments hat impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

A financial liability is any liability that is:

(a) a contractual obligation:
(i) to deliver cash or another financial asset to another entity; or
(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
(b) a contract that will or may be settled in the entity's own equity instruments and is:
(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixe amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

Initial recognition and measurement

Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except trade receivables. However, if the fair value of the financial asset or financial liability at initial recognition differs from the transaction price (except trade receivables), an entity shall apply fair value at initial recognition when equals the transaction price, an entity shall consider factors specific to the transaction and to the asset or liability.

Notwithstanding the above requirements, except for trade receivables, the Company measures trade receivables at initial recognition at transaction price (as defined in IFRS 15) unless the trade receivables do not contain a significant financing component in accordance with IFRS 15 (or when an entity applies the practical expedient in accordance with IFRS 15).

Orderly purchases or sales are purchases or sales of financial assets that require delivery of the assets within the timeframes established by law or by market agreement. The Company's financial assets include cash and current deposits, trade and other receivables, loans and other receivables, and unquoted financial instruments.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent measurement of financial assets

After initial recognition, Company measures a financial asset at:
(a) amortized cost;
(b) fair value through other comprehensive income; or
(c) fair value through profit or loss.

Subsequent measurement of financial liabilities

After initial recognition, the Company measure financial liability in accordance with its classification:

The Company classify all financial liabilities as subsequently measured at amortized cost, except for:
(a) financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.
(b) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.
(c) financial guarantee contracts. After initial recognition, an issuer of such a contract shall (unless paragraph (a) or (b) applies) subsequently measure it at the higher of:
(i) the amount of the loss allowance determined in accordance with !mpairment criteria and (ii) the amount initially recognized (financial assets except trade receivables) less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15.
(d) commitments to provide a loan at a below-market interest rate. An issuer of such a commitment shall (unless paragraph (a) applies) subsequently measure it at the higher of:
(i) the amount of the loss allowance determined in accordance with Impairment criteria of IFRS 9 and (ii) the amount initially recognized (financial assets except trade receivables) less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15.
(e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration shall subsequently be measured at fair value with changes recognised in profit or loss.

Option to designate a financial liability at fair value through profit or loss:

The Company, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when permitted by IFRS 9, or when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel, for example, the entity's board of directors and chief executive officer.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

Company derecognizes a financial asset when, and only when:
(a) the contractual rights to the cash flows from the financial asset expire, or
(b) it transfers the financial asset and the transfer qualifies for derecognition;

Company transfers a financial asset if, and only if, it either:
(a) transfers the contractual rights to receive the cash flows of the financial asset, or
(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions disclosed bellow.

Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), the entity treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:
(a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
(b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
(c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in IAS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

When the Company transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. In this case:

(a) if the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer.
(b) if the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company continue to recognize the financial asset.
(c) if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Company determine whether it has retained control of the financial asset. In this case:
(i) if the Company has not retained control, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer.
(ii) if the Company has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

The transfer of risks and rewards is evaluated by comparing the Company's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset.
The Company has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer (eg because the Company has sold a financial asset subject to an agreement to buy it back at a fixed price or the sale price plus a lender's return). The Company has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset (eg because the entity has sold a financial asset subject only to an option to buy it back at its fair value at the time of repurchase or has transferred a fully proportionate share of the cash flows from a larger financial asset in an arrangement, such as a loan sub-participation, that meets the conditions in paragraph set above).

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Often it will be obvious whether the Company has transferred or retained substantially all risks and rewards of ownership and there will be no need to perform any computations. In other cases, it will be necessary to compute and compare the Company's exposure to the variability in the present value of the future net cash flows before and after the transfer. The computation and comparison are made using as the discount rate an appropriate current market interest rate. All reasonably possible variability in net cash flows is considered, with greater weight being given to those outcomes that are more likely to occur. Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control. In all other cases, the Company has retained control.

Derecognition of financial liabilities

The Company removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

If the Company repurchases a part of a financial liability, the entity shall allocate the previous carrying amount of the financial liability between the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the repurchase. The difference between (a) the carrying amount allocated to the part derecognized and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognized is recognized in profit or loss.

Impairment of financial assets

At each reporting date the Company performs the assessment of indicators of impairment of financial asset or group of financial assets. Financial asset or group of financial assets can be impaired if, and only if, there is a reliable evidence of impairment as a result of one of number of events taking place subsequent to initial recognition (the "event resulting the loss"), which resulted the impact, which can be reliably measured, on expected future cash flows of the financial asset or group of financial assets.

The indicators of impairment can include the fact that debtor or group of debtors are experiencing insolvency issues, and cannot repay the debt or has delays is repayment of interest or principal amount of debt, as well as probability of insolvency and upcoming liquidation process or financial restructuring. Moreover, such indicators include observable evidence, indicating existence of reliably measured decrease in expected cash flows of the financial instrument, in particular, the changes in overdue debts or economic environment, which has certain dependencies with defaults in repayments of debt.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company recognizes a loss allowance for expected credit losses on a financial asset that is measured for a contract asset or a loan commitment and a financial guarantee contract to which the impairment requirements apply.

The objective of the impairment is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking.

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for:

(a) trade receivables or contract assets that result from transactions that are within the scope of IFRS 15, and that:

(i) do not contain a significant financing component in accordance with IFRS 15 (or when the Company applies the practical expedient of IFRS 15); or

(ii) contain a significant financing component in accordance with IFRS 15, if the Company chooses as its accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses. That accounting policy shall be applied to all such trade receivables or contract assets but may be applied separately to trade receivables and contract assets.

(b) lease receivables that result from transactions that are within the scope of IFRS 16.

Financial assets recorded at amortized cost

The Company performs the assessment of indicators of impairment financial assets recorded at amortized cost if individually significant or if individually insignificant, then by groups. If the Company identifies the reliable evidence of absence of impairment, despite of the significance, such asset is included in the group of financial assets with similar characteristic of credit risk, and subsequently reviews this group for impairment indicators in aggregate. Assets, individually assessed as impaired are not included in aggregate assessment of the group for impairment.

When there is reliable evidence of incurred losses from impairment, the amount of loss is recognized as a difference of book value and discounted expected future cash flows (without expected future credit losses not yet incurred).

Present value of expected future cash flows are discounted at initial effective interest rate of the financial asset. If the interest rate of borrowing is a floating rate, the discount rate for impairment loss calculation is current effective interest rate.

The book value of the asset decreases through reserve account, and amount of loss added to the statement of comprehensive income. Accrual of interest income on decreased book value continued based on rate, used for discounting future cash flows for the purpose of assessing losses from impairment. Interest income is included in financial income in the statement of profit or loss and other comprehensive income. Loans along with related provisions are not included in the statement of financial position if there is no evidence of recoverability of such and all available security was sold or transferred to the Company. If during the subsequent period, the amount of calculated losses from impairment increases or decreases as a result of an event taking place after recognition of impairment, the amount of losses recognized increase or decrease by means of reserve account adjustment. If the subsequently the write-off of value of financial asset recovers, the amount of recovery recognized as decrease of finance costs in the statement of profit or loss and other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories is determined using the weighted average cost method.

Impairment of non-financial assets

The Company performs the assessment of impairment indicators of the assets at each reporting date. If such indicators exist or if there is a requirement to perform impairment test, then the Company performs the assessment of recoverability of asset. The recoverable amount of the asset or component, generating cash flows (the "CGCF") is higher of fair value of the asset less cost to sell and value in use of the asset.

Recoverable amount is determined for separate asset, except for cases, when such asset does not generate cash flows, which dependent on cash flows generated by other assets or group of assets. If the book value of the asset or CGCF exceeds its recoverable amount, the asset is impaired and written off to recoverable amount. When estimated value in use future cash flows are discounted at the discount rate before taxation, which reflects the current market estimate of time value of money and risks related to the asset. When determining fair value of the asset less cost to sell recent market deals (if any) are taken into account. If no such information is available, appropriate valuation model is used. These calculations are supported by valuation coefficients, market prices of freely convertible shares of the subsidiaries or other available indicators of the fair value.

If the book value of the asset or CGCF exceeds its recoverable amount, the asset is considered as impaired and written down to recoverable amount. Under assessment of value in use the future cash flows are discounted at the rate net of tax, which reflects the present market value of cash flows and risks inherent to the asset. Under assessment of the fair value less cost to sell, the recent market transactions (if were existent) are taken into consideration. If no such transaction took place the relevant valuation model is applied. These computations are supported by estimated coefficients, active market quotes of subsidiaries shares and other available indicators of fair value.

Impairment losses from ongoing activities (including inventory impairment) are included in the statement of comprehensive income as a component of those expenses, which are related to the function of the asset, except for previously revalued real estate if revaluation was recognized in other comprehensive income. In such cases the impairment loss is deducted from other comprehensive income to the extent the revaluation gain was recognized.

Cash

Cash in the statement of financial position includes the cash in banks and cash on hands.

Provisions

Provisions are recorded if the Company has current liabilities (legal or constructive), as a result of the past events, with a probable outflow of economic benefits required to settle liability, and such liability can be reliably measured. If the Company expects to recover all or part of the provisions, e.g., under insurance contracts, the recovery is recorded as a separate asset, but only when such recovery inflow is not doubted. Expenses, related to the provision, are added to the statement of comprehensive income less recovery.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions and other employee benefits

The Company performs payments to social fund in accordance with pension scheme of the Republic of Tajikistan. The payments to social fund are fixed. The Company will not have any further legal or constructive liabilities to the Fund in relation to the retirement benefits if Fund will not have sufficient resources to perform payments to employees for services performed in current and previous years.

The Company performs fixed payments to the State social fund amounting to 20% of salaries of the employees and recorded in the period as incurred. The Company does not have any other pension or other schemes or liabilities to perform pension payments to its employees.

Application of new and revised international financial reporting standards

The Company has adopted the following new or revised standards and interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee (the "IFRIC"), which became effective for the Company's financial statement for the year ended December 31, 2024:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Amendments to IFRS 16 Leases, which introduce a new accounting model for variable payments and will require seller-lessees to remeasure and possibly restate sale and leaseback transactions.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, which will introduce targeted disclosure requirements that will enhance the transparency of supplier financing arrangements and their impact on the Company's liabilities and cash flows,
- Amendments to IAS 1 Presentation of Financial Statements require liabilities to be classified as current or non-current based on the Company's rights to defer settlement for at least 12 months that must exist and be material at the reporting date. This right can only be affected by covenants that the Company must comply with at or before the reporting date.

The adoption of new or revised standards did not have a material impact on the Company's financial position or results of operations.

New and revised IFRSs issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of December 31, 2024 and have not been applied in preparing these financial statements. Of these, the following standards and amendments may have an impact on the Company's financial and operating activities.

The Company plans to apply these standards and amendments when they become effective. The Company has not yet analyzed the possible impact of the new standards on the Company's financial statements.

As of the date of authorization of these financial statements, the following new standards and interpretations were issued but not yet effective, and which the Company has not early adopted:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments introduce requirements for assessing when a currency is exchangeable for another currency and when it is not. The amendments require an entity to assess the exchange rate in accordance with the requirements of the standard if it concludes that the currency is not exchangeable for another currency.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments require entities to review the accounting and disclosures for write-offs of financial liabilities, the classification of financial assets with complex terms (including ESG (Environmental, Social, Governance)-related ones), and to provide more detailed disclosures.

- IFRS 18 Presentation and Disclosure in Financial Statements. The standard significantly changes the presentation of financial statements by introducing mandatory subtotals (such as operating profit/loss) in the statement of profit or loss, new principles for aggregation/disaggregation of information, and requiring disclosure and reconciliation of performance measures (MPMs) to improve comparability and transparency.

- IFRS 19 Subsidiaries Not Subject to Public Accountability: Disclosures. The standard allows non-public subsidiaries to substantially reduce the amount of disclosure in their separate financial statements (while still applying the full recognition and measurement requirements of IFRSs) if their parent prepares and publishes consolidated IFRS financial statements, significantly reducing the burden on such subsidiaries.

The Company intends to adopt these new standards and amendments, if they are applicable, when they become effective.

5. CRITICAL ACCOUNTING ESTIMATES AND PROFESSIONAL JUDGEMENTS IN APPLYING ACCOUNTING POLICY (CONTINUED)

The Company makes estimates and assumptions that affect within the next financial period the amounts of assets and liabilities recognized in financial statements. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant impact on the figures recorded in the financial statements and estimates that can cause a significant adjustment to the carrying amounts of assets and liabilities within the next financial period include:

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions at the end of the reporting period that affect the amounts of revenue, costs, assets and liabilities, presented in statements. However, uncertainty of these assumptions and estimates could result outcomes, that could require in future material adjustments of book value of asset or liability in respect of which such assumptions and estimates are made.

Judgments

In the process of applying the Company's accounting policy, management has used the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and assumptions

The key assumptions about the future and other key sources of estimation of uncertainty at the reporting date, which may cause significant adjustments of the carrying value of assets and liabilities during the next financial year, are discussed below.

Assumptions and estimates are based on the Company's source data, which it had at the time of preparation of the financial statements. However, current circumstances and assumptions regarding the future are subject to change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions as they occur.

Impairment of non-financial assets

Impairment occurs when the carrying amount of an asset or the cash-generating unit, exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The fair value less costs to sell is based on available information on commercial deals of sales of similar assets or observable market prices less incremental costs incurred in connection with the disposal of an asset. The calculation of value in use is based on a discounted cash flow model. Cash flows are taken from the budget for the next five years and do not include restructuring activity, in conducting of which the Company does not have obligations or significant investment in future, which will improve the asset tested for impairment of cash generating unit. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model, and also to the expected cash inflows and the growth rate, used for extrapolation.

More information about the key assumptions used to determine the recoverable amount of the various units, generating cash, including sensitivity analysis, is provided in Note 31.

5. CRITICAL ACCOUNTING ESTIMATES AND PROFESSIONAL JUDGEMENTS IN APPLYING ACCOUNTING POLICY (CONTINUED)

Fair value of financial instruments

In cases when the fair value of financial instruments and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including discounted cash flow model. As a source data for these models is used information from observable markets, but in those cases where this is not feasible, a certain proportion of judgment is required to determine fair value. The judgments include considerations of such data as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments, recognized in the financial statements.

Allowance for doubtful accounts receivable, advances paid, investments and allowance for impairment to net realizable value of inventories

Management's determination of the allowance for doubtful accounts receivable, advances paid, investments and allowance for impairment to net realizable value of inventories requires management to make judgments based on its best estimates of the Company's ability to realize these assets. General changes in the economy or other similar circumstances after the balance sheet date may cause management to reach conclusions that may differ from those reached in preparing these financial statements.

Useful lives of property, plant and equipment

The Company estimates the useful lives of fixed assets at each reporting date. The estimation of the useful lives of fixed assets depends on factors such as economical use, repair and customer service programs, technological progress and other business conditions. Management's assessment of the useful lives of fixed assets reflects the relevant information available to management as at the date the financial statements.

Revaluation and impairment of property, plant and equipment

The Property, Plant and Equipment have been revalued using the work of an external valuator.
Fair value is determined using the cost method for specialized assets due to the lack of comparable market data due to the nature of the property. Non-specialized assets with analogues and an active market for which sales data can be collected were revalued on a comparative basis.

(in thousand Tajik somoni, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2024 and December 31, 2023 property, plant and equipment of the Company are presented as follows:

	Buildings and constructions	Machinery and equipment	Furniture and Office equipment	Vehicles	Construction in progress and equipment for installation	Total
Cost						
January 1, 2023	**1,970,369**	**2,040,378**	**6,200**	**5,292**	**105,577**	**4,127,816**
Additions	2,136	13,076	17	671	65,687	81,587
Transfer from inventory	(80)	29	56	-	5,623	5,628
Internal movement	4,921	43,898	125	484	(49,428)	-
Impairment of assets	-	-	-	-	(9,065)	(9,065)
Disposals	-	(22)	-	-	(120)	(142)
December 31, 2023	**1,977,346**	**2,097,359**	**6,398**	**6,447**	**118,274**	**4,205,824**
Transfer from inventory	2,610	968	-	214	988,360	992,152
December 31, 2023	1,117	1,964	-	-	5,849	8,930
Internal movement	790,868	226,640	313	778	(1,018,599)	-
Recognition of positive revaluation, net	-	-	-	-	9,065	9,065
Disposals	(6,666)	(1)	-	-	(16,051)	(22,718)
December 31, 2024	**2,765,275**	**2,326,930**	**6,711**	**7,439**	**86,898**	**5,193,253**

(in thousand Tajik somoni, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings and constructions	Machinery and equipment	Furniture and Office equipment	Vehicles	Construction in progress and equipment for installation	Total
Accumulated depreciation						
January 1, 2023	**284,368**	**310,508**	**957**	**1,149**	**-**	**596,982**
Accrued for the period	125,518	166,171	774	568	-	293,031
Additions	-	-	11	-	-	11
Disposals	-	(9)	-	(1)	-	(10)
December 31, 2023	**409,886**	**476,670**	**1,742**	**1,716**	**-**	**890,014**
Accrued for the period	177,294	156,830	821	660	-	335,605
Disposals	(756)	(59)	-	-	-	(815)
December 31, 2024	**586,424**	**633,441**	**2,563**	**2,376**	**-**	**1,224,804**
Net carrying value						
December 31, 2023	**1,567,460**	**1,729,870**	**4,656**	**4,731**	**118,274**	**3,315,810**
December 31, 2024	**2,178,851**	**1,693,489**	**4,148**	**5,063**	**86,898**	**3,968,449**

As at December 31, 2024, property and equipment and construction in progress were not insured.

(in thousand Tajik somoni, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company monitors the use of its assets, but because the Company's sole shareholder is the Government of the Republic of Tajikistan, it is not able to write-off fixed assets without the permission of the State Committee on Investments and Property Management of the Republic of Tajikistan.

As of December 31, 2024 and December 31, 2023, the amount of fully depreciated fixed assets was 94,031 and 90,444 thousand somoni, respectively.

As of December 31, 2024 and December 31, 2023, there have been no fixed assets pledged as collateral.

As of December 31, 2021, the Company owned and controlled all property, plant and equipment, but they were officially registered with Barki Tojik OJSC. During 2024, in accordance with the Decree of the Government of the Republic of Tajikistan, fixed assets were officially registered in the name of the Company and recognized as a contribution to the authorized capital.

The Company adopted a revaluation model for property and equipment accounting in accordance with IAS 16 Property, plant and equipment. In 2022 was performed and recognized revaluation of property, plant and equipment as of January 1, 2021.

As at January 1, 2021 the Company's property plant and equipment' historical cost and fair value were as follows:

Group of property plant and equipment	Historical amount	Fair value
Buildings and constructions	1,237,095	1,945,582
Machinery and equipment	1,476,059	1,921,944
Furniture and Office equipment	2,303	3,072
Vehicles	1,753	3,075
Construction in progress and equipment for installation	139,252	129,149
TOTAL	**2,856,462**	**4,002,822**

7. INVENTORIES

As at December 31, 2024 and 2023 inventories of the Company were as follows:

	December 31, 2024	January 1, 2023
Materials	71,718	48,471
Spare parts	15,042	16,165
Fuel and lubricants	111	435
Construction materials	222	120
Other	8,341	7,715
Allowance for impairment	(26,751)	(25,521)
	68,683	**47,385**

(in thousand Tajik somoni, unless otherwise stated)

8. ADVANCES PAID

As of December 31, 2024 and 2023, advances issued by the Company are as follows:

	December 31, 2024	December 31, 2023
Advances paid for goods and services	1,010	9,342
Advances to employees	448	259
Other	539	1,623
Allowance for doubtful advances paid	(241)	(269)
	1,756	**10,955**

9. TRADE AND OTHER ACCOUNTS RECEIVABLE

As at December 31, 2024 and 2023 trade and other accounts receivable of the Company were as follows:

	December 31, 2024	December 31, 2023
Accounts receivable for electricity	1,201,178	856,441
Other	105	87
Expected credit losses for trade and other accounts receivable	(376,434)	(269,733)
	824,849	**586,795**

The most significant debtors of the Company are as follows:

	December 31, 2024	December 31, 2023
OJSC "Shabakahoi Taqsimoti Barq"	1,171,246	856,441
OJSC "Barqi Tojik"	29,932	-

Balances arising from transactions with related parties (in trade and other receivables as of December 31, 2024 and 2023) amounted to 824,745 thousand somoni and 586,708 thousand somoni, respectively.

10. CASH AND CASH EQUIVALENTS

As at December 31, 2024 and 2023 cash and cash equivalents of the Company were as follows:

	December 31, 2024	December 31, 2023
Cash in bank	33,762	7,048
Cash on hand	99	196
	33,861	**7,244**

As of December 31, 2024 and 2023, the balances in cash and cash equivalents resulting from transactions with related parties amounted to TJS 33,762 thousand and TJS 2,439 thousand, respectively.

(in thousand Tajik somoni, unless otherwise stated)

11. SHARE CAPITAL

In 2024, the authorized capital of the Company was increased as follows:

a) In the amount of 752,552 thousand somoni (according to the Decree of the Government of the Republic of Tajikistan No. 102 dated 02/27/2024) due to the revaluation reserve for fixed assets transferred from Barki Tojik OJSC in 2021 as a result of the separation balance sheet.
b) In the amount of 1,177,684 thousand somoni (According to the Decree of the Government of the Republic of Tajikistan No. 474 dated 08/28/2024), including:
- 254,917 thousand somoni due to additional capital
- 922,766 thousand somoni due to the official registration of fixed assets in the name of the Company transferred from Barki Tojik OJSC.

As of December 31, 2024, the Company's declared, issued and paid share capital amounts to TJS 3,803,136 thousand and is distributed among 38,031,356 ordinary shares with a par value of TJS 100 each.
In 2023, the Company declared dividends in the amount of 10 percent of net profit calculated using the tax accounting method in the amount of 12,166 thousand somoni in accordance with the Decree of the Government of the Republic of Tajikistan No. 118 dated March 27, 2023 "On the rate of payment from the net profit of state enterprises and business entities in which the state has a share in the authorized capital."

12. TRADE ACCOUNTS PAYABLE

As at December 31, 2024 and 2023 trade payables of the Company were as follows:

	December 31, 2024	December 31, 2023
Accounts payable for electricity	2,255	1,341
Accounts payable for goods and services	8,210	15,511
Other	212	205
	10,677	**17,057**

Below is information on the largest creditors:

	December 31, 2024	December 31, 2023
"Shabakahoi Taqsimoti Barq" OJSC	2,179	-
HDMM "ASR ART"	2,203	369
"Farzina" LLC	1,046	846
"Nurali SKM" LLC	-	7,768
"Barqi Tojik" OJSHC	-	1,341

As of December 31, 2024 and 2023, the balances in trade payables resulting from transactions with related parties amounted to 2,179 thousand somoni and 1,341 thousand somoni respectively.

13. TAXES PAYABLE

As at December 31, 2024 and 2023 taxes payable of the Company were as follows:

	December 31, 2024	December 31, 2023
Income tax payable	8,468	12,388
VAT payable	4,449	8,629
Social tax payable	1,415	1,384
Dividend tax	-	12,166
Road tax payable	-	2,504
Other	968	140
	15,300	**37,211**

(in thousand Tajik somoni, unless otherwise stated)

14. OTHER LIABILITIES

As at December 31, 2024 and 2023 other liabilities of the Company were as follows:

	December 31, 2024	December 31, 2023
Other deferred income	52,471	52,471
Salary payable	6,159	5,750
Unused vacation provision	6,135	6,836
Accrued union dues	-	1,303
Settlements with employees for other transactions	16	384
Other	543	13
	65,324	**66,757**

The movement in provision for unused vacation for the years ended December 31, 2024 and 2023 were presented as follows:

	2024	2023
at January 1	6,836	3,060
Accrual	7,269	8,471
Repayment of vacation	(7,970)	(4,695)
at December 31	**6,135**	**6,836**

15. REVENUE

The Company's revenues from electricity transmission service for the years ended December 31, 2024 and 2023 were presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenue from electricity transmission service	742,625	620,483
	742,625	**620,483**

As of December 31, 2024 and 2023, the balances in revenue resulting from transactions with related parties amounted to 742,625 thousand somoni and 620,483 thousand somoni respectively.

(in thousand Tajik somoni, unless otherwise stated)

16. COST OF SALES

The cost of electricity transmission service for the years ended December 31, 2024 and 2023 are presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Depreciation expenses	335,207	292,622
Normative losses of electricity	106,000	101,549
Salary and related taxes	73,184	73,064
Materials	12,813	11,375
Fuel	4,502	4,035
Unused vacation provision	6,037	7,171
Services	3,861	4,123
Business trip	1,053	1,364
Taxes	921	640
Repair and maintenance of property and equipment	791	608
Other	5,342	4,178
	549,711	**500,729**

As of December 31, 2024 and 2023, the balances in cost of sales resulting from transactions with related parties amounted to 106,000 thousand somoni and 101,549 thousand somoni respectively.

17. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended December 31, 2024 and 2023 were presented as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Salary and related taxes	9,876	8,093
Unused vacation provision	1,232	366
Electricity	903	818
Audit fees	742	1,282
Depreciation expenses	442	440
Fines and penalties	432	7,393
Taxes other than income tax	406	5
Materials	310	218
Business trip	260	194
Fuel and lubricants	189	156
Representation expenses	179	10
Stationery	123	201
Bank fees	77	59
Repair and maintenance of fixed assets	-	13
Other	1,285	1,158
	16,456	**20,406**

As of December 31, 2024 and 2023, the balances in general and administrative expenses resulting from transactions with related parties amounted to 2,706 thousand somoni and 1,136 thousand somoni respectively.

(in thousand Tajik somoni, unless otherwise stated)

18. ACCRUAL OF ALLOWANCE FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

Movement of allowance for expected credit losses on financial assets of the Company for the years ended December 31, 2024 and 2023 are presented as follows:

	Allowance for expected credit losses on trade and other receivables	Total
At December 31, 2022	**205,093**	**205,093**
Accrual	64,640	64,640
At December 31, 2023	**269,733**	**269,733**
Recovery	106,701	106,701
At December 31, 2024	**376,434**	**376,434**

19. ACCRUAL OF ALLOWANCE FOR IMPAIRMENT ON NON-FINANCIAL ASSETS

Movement of allowance for impairment on non-financial assets of the Company for the years ended December 31, 2024 and 2023 are presented as follows:

	Provision for impairment of inventories	Provision for impairment of advances granted	Total
At December 31, 2022	**27,306**	**1,808**	**29,114**
Recovery	(1,785)	(1,539)	(3,324)
At December 31, 2023	**25,521**	**269**	**25,790**
Recovery	-	(28)	(28)
Accrual	1,230	-	1,230
At December 31, 2024	**26,751**	**241**	**26,992**

(in thousand Tajik somoni, unless otherwise stated)

20. NET GAIN/(LOSS) FROM FOREIGN CURRENCY OPERATIONS

Net gain/(loss) from Foreign Currency Operations for the years ended December 31, 2024, and 2023, was as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Trading Operations	58	22
Exchange Rate Differences	(67)	1,082
	(9)	**1,104**

21. OTHER NON-OPERATING (EXPENSE)/INCOME, NET

Other non-operating gain/(loss), net for the years ended December 31, 2024 and 2023 were as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Other non-operating income		
Income from inventory sales	-	120
Income from disposal of non-current assets	-	6
Other	9,405	880
	9,405	1,006
Other non-operating loss		
Cost of inventory sales	5,862	9,065
Impairment expense	-	28
Other	2,005	2,141
	7,867	11,234
	1,538	**(10,228)**

22. INCOME TAX

The Company 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 Tajikistan where the Company operates, which may differ from IFRS. For the year ended December 31, 2024, the income tax rate was 18% for companies engaged in the service sector on the territory of the Republic of Tajikistan.

The Company 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 December 31, 2024 relate mostly to different methods of income and expense recognition as well as to temporary differences generated by tax – book bases' differences for certain assets and liabilities.

(in thousand Tajik somoni, unless otherwise stated)

	For the year ended December 31, 2024	For the year ended December 31, 2023
Current income tax expenses	33,754	26,705
Changes in deferred income tax	(17,443)	(13,670)
Income tax expenses	**16,311**	**13,035**

	For the year ended December 31, 2024	Effective tax rate
Income before tax	70,102	
Tax at set rate	12,618	18%
Tax effect on permanent differences	3,693	5.27%
Income tax expense	**16,311**	**23.27%**

	For the year ended December 31, 2023	Effective tax rate
Income before tax	26,700	
Tax at set rate	4,806	18%
Tax effect on permanent differences	8,229	30,82%
Income tax expense	**13,035**	**48,82%**

Temporary differences as at December 31, 2024 and 2023, comprise:

	December 31, 2024	December 31, 2023
Deferred income tax assets:		
Allowance for impairment of construction in progress	-	9,065
Expected credit loss on trade receivables	376,434	269,733
Allowance for doubtful advances paid	241	269
Allowance for unused vacations	6,135	6,836
Total deferred income tax assets	**382,810**	**285,903**

	December 31, 2024	December 31, 2023
Deferred tax liabilities:		
Property, plant and equipment	1,014,630	1,146,662
Total deferred tax liabilities	1,014,630	1,146,662
Net deferred tax liabilities	631,820	860,759
Net deferred income tax liability at the set tax rate (18%)	**113,728**	**154,937**

(in thousand Tajik somoni, unless otherwise stated)

Temporary differences between tax accounting and current financial statement as well as tax losses lead to deferred tax liabilities as at December 31, 2024 and 2023 as a result of the following:

	December 31, 2023	Recognized in the statement of profit or loss and other comprehensive income	Recognized in equity	December 31, 2024
Temporary differences:				
Allowance for impairment of construction in progress	(1,632)	1,632	-	-
Expected credit loss on trade receivables	(48,551)	(19,207)	-	(67,758)
Allowance for doubtful advances paid	(48)	5	-	(43)
Allowance for unused vacations	(1,231)	127	-	(1,104)
Property, plant and equipment	206,399	-	(23,766)	182,633
	154,937	**(17,443)**	**(23,766)**	**113,728**

	January 1, 2023	Recognized in the statement of profit or loss and other comprehensive income	Recognized in equity	December 31, 2023
Temporary differences:				
Allowance for impairment of construction in progress	-	(1,632)	-	(1,632)
Expected credit loss on trade receivables	(36,916)	(11,635)	-	(48,551)
Allowance for doubtful advances paid	(326)	278	-	(48)
Allowance for unused vacations	(551)	(680)	-	(1,231)
Property, plant and equipment	223,608	-	(17,209)	206,399
	185,815	**(13,669)**	**(17,209)**	**154,937**

The Company has recognized deferred tax assets because it believes it is probable that there will be future taxable profit against which these differences can be offset. Furthermore, electricity tariffs were increased by 13.4% as of January 1, 2024, in accordance with the Government's decree.

(in thousand Tajik somoni, unless otherwise stated)

23. GAIN/(LOSS) PER SHARE

Gain/ (loss) per share of the Company for the years ended December 31, 2024, and 2023 was as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Gain/ (loss) for the year	53,791	13,665
Number of shares in circulation	38,031	18,729
Gain/ (loss) per share	**1.41**	**0.73**

24. TRANSACTIONS WITH RELATED PARTIES

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions with state companies

The Company applies the exemption from the application of IAS 24, disclosures in respect of related party transactions and balances and transactions, including commitments, because it is associated with the state organization. Accordingly, the Company discloses the nature of their relationship with the Government, the description and the amount of each operation that is significant, individually or in the aggregate.

The following amounts in the statement of financial position as at December 31, 2024 arose from transactions with related parties:

	December 31, 2024	
	Related party transactions	Total category as per the financial statements caption
Trade and other accounts receivable	824,745	824,849
Cash and cash equivalents	33,762	33,861
Trade accounts payable	2,179	10,677

	December 31, 2023	
	Related party transactions	Total category as per the financial statements caption
Trade and other accounts receivable	586,708	586,795
Cash and cash equivalents	2,439	7,244
Trade accounts payable	1,341	17,057

The following amounts were included in the statement of profit or loss and other comprehensive income for the year ended December 31, 2024 which arose due to transactions with related parties:

(in thousand Tajik somoni, unless otherwise stated)

	2024	
	Related party transactions	**Total category as per the financial statements' caption**
Revenue	742,625	742,625
Cost of sales	106,000	536,618
General and administrative expenses	2,706	18,203

	2023	
	Related party transactions	**Total category as per the financial statements' caption**
Revenue	620,483	620,483
Cost of sales	101,549	500,729
General and administrative expenses	1,136	20,406

For the year ended December 31, 2024 and 2023 the remuneration of key management was as follows:

	For the year ended December 31, 2024	**For the year ended December 31, 2023**
Salary and bonuses	256	716
Contributions to social fund	51	143
	307	**859**

	Counterparty	**Relations**
ASSETS		
Trade and other accounts receivable	OJSC "Shabakahoi taqsimoti barq"	Common shareholder
	OJSC "Barqi Tojik"	Common shareholder
Cash and cash equivalents	SSB "Amonatbank"	Common shareholder
LIABILITIES		
Trade payables	OJSC "Shabakahoi taqsimoti barq"	Common shareholder
PROFIT AND LOSS		
Revenue	OJSC "Shabakahoi taqsimoti barq" OJSC "Barqi Tojik"	Common shareholder
Cost of sales	OJSC "Barqi Tojik"	Common shareholder
General and administrative expenses	OJSC "Barqi Tojik" OJSC "Shabakahoi taqsimoti barq" SSB "Amonatbank"	Common shareholder
- renumeration to key management personnel	Deputy of Chairman, Chairman of Supervisory Board, Member of Supervisory Board	

(in thousand Tajik somoni, unless otherwise stated)

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. For most financial instruments, the Company is required to use judgment to determine fair value based on current economic conditions and the specific risks associated with the instrument.

As of December 31, 2024 and 2023, the Company used the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Cash and cash equivalents - The carrying amount is their fair value.
Trade and other receivables - The carrying amount is considered a reasonable estimate of their fair value because the expected credit losses on trade and other receivables are considered a reasonable estimate of the discount needed to reflect the impact of credit risk.
Trade payables. The carrying amount is a reasonable estimate of their fair value due to their current nature.

The following tables present the fair value of financial assets and financial liabilities as of December 31, 2024 and 2023. Other assets and liabilities that are measured at fair value on a recurring basis are cash and cash equivalents. There are no non-recurring fair value measurements.

	Level 1	Level 2	Level 3	December 31, 2024
FINANCIAL ASSETS:				
Trade and other accounts receivable	-	-	824,849	824,849
Cash and cash equivalents	33,861	-	-	33,861
TOTAL FINANCIAL ASSETS	**5,854**	**-**	**824,849**	**858,710**
FINANCIAL LIABILITIES:				
Trade accounts payable	-	-	10,677	10,677
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**10,677**	**10,677**

	Level 1	Level 2	Level 3	December 31, 2023
FINANCIAL ASSETS:				
Trade and other accounts receivable	-	-	586,795	586,795
Cash and cash equivalents	7,244	-	-	7,244
TOTAL FINANCIAL ASSETS	**7,244**	**-**	**586,795**	**594,039**
FINANCIAL LIABILITIES:				
Trade accounts payable	-	-	17,057	17,057
Other liabilities	-	-	3,060	3,060
TOTAL FINANCIAL LIABILITIES	**-**	**-**	**20,117**	**20,117**

26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Social commitments and pensions and retirement plans

The Company incurs expenses on development and maintenance of social objects and welfare of its employees and other social needs.

Employees of the Company receive pension benefits in accordance with the laws and regulations of the Republic of Tajikistan.

As at December 31, 2024 the Company was not liable for any supplementary pensions, post- retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

(b) Insurance

As at December 31, 2024 the Company had no insurance coverage in respect of its assets, activities and its public obligations and other risks, to be insured. Since the absence of insurance does not mean reducing the cost of the assets or incurrence of liabilities, provisions were not considered in the financial statements for uncertain losses.

(c) Environment protection issues

Official laws of the Republic of Tajikistan #58 "On environment protection" dated June 15, 2004, and #228 "On air protection" dated February 1, 1996, are aimed to protect atmosphere from pollution and established maximum permissible level of emission of harmful substances.

Integrated control and permits for allowable emissions of pollutants are conducted in accordance with the article 11 "Basic requirements for the valuation of atmosphere air quality" and article 13 "Measurement and control of emissions into the atmosphere".

The Republic of Tajikistan has acceded to the Kyoto Protocol and ratified it on November 22, 2008. After the ratification of Kyoto Protocol coordination is assigned to Committee for environmental protection under the Government of the Republic of Tajikistan.

Legislation for environmental protection in the Republic of Tajikistan is in the process of development and government agencies continuously revise standards for the application of such legislation. The Company periodically evaluates its obligations under environmental regulations. As obligations are defined, they are recognized immediately in the statements. Potential liabilities that may arise as a result of changes in existing regulations, litigation in civil cases or legislation cannot be estimated with any certainty, but could be significant. Under the existing system of control and penalties for non-compliance with the existing legislation, Management believes that at the moment there are no significant liabilities related to environmental damage.

(d) Technical risks

Reconstruction of the electric power industry is dictated by the current situation in the energy sector due to the rapid deterioration of the technical condition of the fixed assets of the Company. Implementation of current and capital repairs is not enough; new construction, rehabilitation, reconstruction and technical re-equipment are required in accordance with technical progress. Thus, technical risk of impairment is high.

(in thousand Tajik somoni, unless otherwise stated)

27. FINANCIAL RISKS MANAGEMENT

Main financial liabilities of the Company include trade accounts payable and other liabilities. Main purpose of these financial liabilities is related to Company's operations and support of its activity.

Company has trade and other receivables, cash and cash equivalents which directly arise in the course of Company's operational activity.

	December 31, 2024	December 31, 2023
Financial assets		
Trade and other receivables	824,849	586,795
Cash and cash equivalents	33,861	7,244
Total financial assets	**858,710**	**594,039**
Financial liabilities		
Trade payables	10,677	17,057
Other liabilities	-	12,586
Total financial liabilities	**10,677**	**29,643**

The Company is subject to current risk, credit risk. All financial assets and liabilities of Company concentrated in Republic of Tajikistan and has maturities up to 1 year.

Management of the Company controls risk management process. Management reviews and approves risk management policy.

Prior to placement of Company's shares, duties of Supervisory Board are performed by the Government of the Republic of Tajikistan. Exclusive powers of Supervisory Board are:

- Determination of main directions of Company's activity, approval of annual reports and financial statements,
- Amending of Company's charter, including change of its share capital,
- Election of members of auditing committee (inspector) of the Company and their dismissal,
- Approval of Audit committee reports,
- Taking decision on acquisition of shares, issued by the Company,
- Taking decision on reorganization and liquidation of the Company, assignment of liquidation committee and approval of liquidation balance sheet,
- Election of Company's General director and his termination,
- Exercise of other powers, prescribed by laws of the Republic of Tajikistan and charter of the Company.

Currency risk

Currency risk is a risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in exchange rates. The Company's exposure to foreign currency exchange rates is stipulated primarily due to Company's operating activity (when sales or expenses are denominated in currencies, other than the functional currency of the Company).

There are strict restrictions and controls in respect of Somoni conversion into other currencies. Currently Somoni is not convertible currency outside the Republic of Tajikistan.

(in thousand Tajik somoni, unless otherwise stated)

	TJS	USD	2024 Total
FINANCIAL ASSETS:			
Trade and other receivables	824,849	-	824,849
Cash and cash equivalents	24,559	9,302	33,861
TOTAL FINANCIAL ASSETS	**849,408**	**9,302**	**858,710**
FINANCIAL LIABILITIES:			
Trade payables	10,677	-	10,677
Other liabilities	65,324	-	65,324
TOTAL FINANCIAL LIABILITIES	**76,001**	**-**	**76,001**
Open currency position	773,407	9,302	782,709

	TJS	USD	2023 Total
FINANCIAL ASSETS:			
Trade and other receivables	586,795	-	586,795
Cash and cash equivalents	5,001	2,243	2,243
TOTAL FINANCIAL ASSETS	**591,796**	**2,243**	**594,039**
FINANCIAL LIABILITIES:			
Trade payables	17,057	-	17,057
Other liabilities	66,757	-	66,757
TOTAL FINANCIAL LIABILITIES	**83,814**	**-**	**83,814**
Open currency position	507,982	2,243	510,225

Currency risk sensitivity

The following table shows the Company's sensitivity to a 10% increase and decrease in the US dollar exchange rate against the somoni for 2024 and 2023. These indicators represent the sensitivities used in the internal foreign exchange risk reports to key management personnel and represent management's assessment of possible changes in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their period-end translation for a 10% change in foreign exchange rates.

	2024	
	Official USD exchange rate, +10%	**Official USD exchange rate, -10%**
Impact on profit and loss	930	(930)
	2023	
	Official USD exchange rate, +10%	**Official USD exchange rate, -10%**
Impact on profit and loss	224	(224)

Credit risk

Credit risk is a risk that the Company will incur financial loss because the counterparties fail to meet their obligations under financial instrument or client contract. The Company is exposed to credit risk related to its operating activity (primarily, trade receivables).

Trade accounts receivable

Credit risk management associated with customer is performed by each subsidiary in accordance with the policies, procedures and control system established by the Company in respect of credit risk management associated with customers. Regular monitoring of outstanding accounts receivable is carried out.

Financial assets of the Company, which are potentially subject to credit risk, are composed primarily of trade receivables.

In 2024, the percentage of cash collection for energy transmission in the Company as a whole was 59.6% (accrued - 853,790 thousand somoni including VAT, paid - 508,753 thousand somoni).

The carrying amount of accounts receivable less expected credit losses on trade and other receivables represents the maximum amount subject to credit risk.

While the collection of receivables may be affected by economic factors, management believes that there is no significant risk of losses other than expected credit losses on trade and other receivables..

Liquidity risk

All financial assets and liabilities of Company has maturities up to 1 year.

Capital management

Capital includes capital owned by the Government of the Republic of Tajikistan.
The main objective of the Company's capital management is to ensure strong credit worthiness and an adequate level of capital to conduct its operations and maximize shareholder value.

The Company manages its capital structure and its changes in response to changes of economic conditions.
There were no changes to the capital management objectives, policies and processes for the year ended December 31, 2024.

28. SUBSEQUENT EVENTS

Tariff changes

According to the Decree of the Government of the Republic of Tajikistan No. 165 dated March 15, 2025, from April 1, 2025, the tariff for electricity transmission services was increased by 8.5%.

Declaration of dividends

In accordance with the Decree of the Government of the Republic of Tajikistan No. 115 dated February 28, 2025 "On regulation of net profit of state enterprises and business entities in which the state has a share in the authorized capital", the Company declared dividends in the amount of 10 percent of net profit.

As of the date of issue of the Company's financial statements, there were no events, other than those described above, that should be disclosed in the financial statements in accordance with IAS 10 "Events after the reporting period".