OJSC "BARQI TOJIK"

NUREK HYDROPOWER REHABILITATION PROJECT, PHASE II

IDA GRANT D6850-TJ AND IDA GRANT D9540-TJ

SPECIAL PURPOSE FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2025

DUSHANBE
May 2026

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

The management of the Project Realization Group under OJSC "Barqi Tojik" ("PRG BT") is responsible for the preparation of the special purpose financial statements for the year ended 31 December 2025 of "Nurek Hydropower Rehabilitation Project, Phase II" ("Project") financed by Financing Agreements: IDA Grant Number D6850-TJ dated 3 December 2020, Grant Number D9540-TJ dated 17 May 2022, in accordance with the International Public Sector Accounting Standard, Financial Reporting under the Cash Basis of Accounting, ("IPSAS-Cash Basis") issued by the International Public Sector Accounting Standards Board ("IPSASB") and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" ("WB Guidelines").

In preparing the special purpose financial statements, PRG BT's management is responsible for:

- Proper selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional required disclosures for the year ended 31 December 2025.

PRG BT's Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Project;
- Maintaining adequate accounting records that are sufficient to show and explain the Project's transactions, and which enable them to ensure that the special purpose financial statements comply with IPSAS – Cash Basis and the WB Guidelines;
- Taking such steps that are reasonably available to them to safeguard the assets of the Project and to affirm that funds received have been used in accordance with the Financing Agreement IDA GRANT NUMBER D6850-TJ and IDA GRANT NUMBER D9540-TJ, and World Bank related guidelines, with due attention to economy and efficiency, and only for the purposes for which the financing was provided;
- Maintaining supporting documents, records and accounts to support claims for reimbursement of expenditures incurred;
- Procuring Goods and Services financed in accordance with the Financing Agreement and provisions of the World Bank Procurement Guidelines; and
- Preventing and detecting fraud and other errors.

The special purpose financial statements for the year ended 31 December 2025 were signed on May 20, 2026, by the PRG BT's Management.

On behalf of the PRG BT's Management:

Asozoda M.
General Director OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

Ergashev T.
A.I. Chief Accountant OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

Shukurzoda F.
Executive Director, PRG "Energy loss reduction" OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

Maxudov D.
Chief Accountant PRG "Energy loss reduction" OJSC "Barqi Tojik"
May 20, 2026
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INDEPENDENT AUDITORS' REPORT

To the management of the OJSC "Barqi Tojik" ("BT")

Opinion

We have audited the special purpose financial statements of "Nurek Hydropower Rehabilitation Project, Phase II" ("Project") financed by Financing Agreements IDA Grant Number D6850-TJ dated 3 December 2020, IDA Grant Number D9540-TJ dated 17 May 2022, which comprise the statement of cash receipts and payments, and the statement of expenditures per components for the year ended 31 December 2025, and notes to the special purpose financial statements, including a summary of significant accounting policies ("special purpose financial statements").

In our opinion, the accompanying special purpose financial statements for the year ended 31 December 2025 are prepared, in all material resect, with International Public Sector Accounting Standard: Financial Reporting Under the Cash Basis of Accounting, ("IPSAS-Cash Basis") and World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" ("WB Guidelines").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISAs") as issued by International Auditing and Assurance Standards Board ("IAASB"). 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 Project and of the BT in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled out other ethical requirements in accordance with IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Cash Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the special purpose financial statements, which describes those financial statements are prepared in accordance with cash basis framework, as a result, they may not be suitable for other purposes.

Responsibilities of the Management for the Financial Statements

Management of the PRG BT is responsible for the preparation of the special purpose financial statements in accordance with IPSAS-Cash Basis issued by the International Public Sector Accounting Standards Board ("IPSASB") and World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" ("WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 high level of assurance but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Project'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 project 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 Project to cease to continue as a going concern.

ICS Baker Tilly Klitou and Partners SRL

Chisinau, the Republic of Moldova

May 20, 2026

Nurek Hydropower Rehabilitation Project, Phase II
IDA Grant Number D6850-TJ and IDA Grant Number D9540-TJ

Statement of cash receipts and payments
For the year ended 31 December 2025
(Amounts are shown in US dollars)

	Note.	Year ended 31 Dec 2025	Cumulative as at 31 Dec 2025	Year ended 31 Dec 2024	Cumulative as at 31 Dec 2024
OPENING CASH		-	-	-	-
Sources of Funds	4				
IDA Grant Number D6850-TJ		5,657,745	18,912,586	13,254,841	13,254,841
IDA Grant Number D9540-TJ		-	-	-	-
		5,657,745	**18,912,586**	**13,254,841**	**13,254,841**
Other/(Reimbursement)					
OJSC "Barqi Tojik"	4	-	-	-	-
		-	-	-	-
Project Expenditures	5				
(1) Goods, works, non-consulting, services, Training and Incremental Operating Costs under the Project		5,657,745	18,912,586	13,254,841	13,254,841
TOTAL PROJECT EXPENDITURES		**5,657,745**	**18,912,586**	**13,254,841**	**13,254,841**
CLOSING CASH		-	-	-	-

On behalf of the PRG BT's Management:

Asozoda M.
General Director OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

Ergashev T.
A.I. Chief Accountant OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

Shukurzoda F.
Executive Director, PRG "Energy loss reduction" OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

Maxudov D.
Chief Accountant PRG "Energy loss reduction" OJSC "Barqi Tojik"
May 20, 2026
Dushanbe, Republic of Tajikistan

The notes on pages 7-14 form an integral part of these special purpose financial statements.

Nurek Hydropower Rehabilitation Project, Phase II
IDA Grant Number D6850-TJ and IDA Grant Number D9540-TJ

Statement of expenditures per component
For the year ended 31 December 2025
(Amounts are shown in US dollars)

Project components	Year ended 31 Dec 2025	Cumulative as at 31 Dec 2025	Year ended 31 Dec 2024	Cumulative as at 31 Dec 2024
Part 1. Rehabilitation of the five generating units, the key infrastructural components of the plant, and replacement of autotransformers	**5,657,745**	**18,912,586**	**13,254,841**	**13,254,841**
(1) Goods, works, non-consulting, services, Training and Incremental Operating Costs under the Project	5,657,745	18,912,586	13,254,841	13,254,841
	5,657,745	**18,912,586**	**13,254,841**	**13,254,841**
(2) Refund of Preparation Advance	-	-	-	-
(3) Front-end Fee	-	-	-	-
	5,657,745	**18,912,586**	**13,254,841**	**13,254,841**

On behalf of the PRG BT's Management:

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May 20, 2026
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May 20, 2026
Dushanbe, Republic of Tajikistan

The notes on pages 7-14 form an integral part of these special purpose financial statements

Nurek Hydropower Rehabilitation Project Phase II
IDA Grant Number D6850-TJ and IDA Grant Number D9540-TJ

Notes to the special purpose financial statements
For the year ended 31 December 2025
(Amounts are shown in US dollars)

1. General information

1.1. The Project

According to the Financing Agreement between the Republic of Tajikistan and the International Development Association (IDA) on 03 December 2020, IDA provided following financing:

- ✓ IDA Grant Number D6850-TJ in the amount of Special Drawing Rights 36,500,000 (SDR)
- ✓ IDA Grant Number D9540-TJ in the amount of Special Drawing Rights 46,000,000 (SDR)

The Financing Agreement became effective on 03 December 2020.
The Closing date of IDA Grant Number D6850-TJ, is set 31 December 2032.
The Financing Agreement became effective on 17 May 2022.
The Closing date of IDA Grant Number D9540-TJ, is set 31 December 2032.

The financing is provided for implementation of "Nurek Hydropower Rehabilitation Project, Phase II".

1.2. The Project objectives

The objective of the Phase II project is to rehabilitate and increase the generating capacity of six power generating units of Nurek HPP and improve their efficiency.

Part 1: Rehabilitation of six generating units and related penstocks
Part 2: Rehabilitation of Nurek Bridge, powerhouse, and other buildings and strengthening of Nurek HPP capacity to operate the power plan.
Part 3: Technical assistance.

1.3. Budget
Nurek Hydropower Rehabilitation Project, Phase II

The budget for Nurek Hydropower Rehabilitation Project, Phase II (IDA Grant Number D6850-TJ) and (IDA Grant Number D9540-TJ) as at 31 Dec 2025 consist as follows:

Category	IDA GRANT NUMBER D6850-TJ		IDA GRANT NUMBER D9540-TJ		Percentage of Expenditures to be financed (exclusive of VAT and customs taxes)
	SDR	USD equivalent*	SDR	USD equivalent*	
(1) Goods, works, non-consulting services, consulting services, Training, and Incremental Operating Costs under the Project.	36,500,000	50,005,000	46,000,000	63,020,000	100%
Total	**36,500,000**	**50,005,000**	**46,000,000**	**63,020,000**	

* The budget USD equivalent for IDA Grant D6850-TJ and IDA Grant D9540-TJ with underling currency of SDR, is calculated based on cumulative funds received in USD plus, if any, USD equivalent of undisbursed funds in SDR as at reporting date.
SDR/USD rate as at 31.12.2025 is set at 1.37 (31.12.2024: 1.30).

1.4. Project implementation

The Project is implemented by the Project Realization Group under OJSC "Barqi Tojik" (the PRG BT).
The address of the PRG BT is Ismoili Somoni Ave 64, 734026, Dushanbe, Republic of Tajikistan.

2. Summary of significant accounting policies

2.1. *Preparation and presentation of financial statements*

The special purpose financial statements are prepared in accordance with the International Public Sector Accounting Standard: Financial Reporting Under the Cash Basis of Accounting (IPSAS-Cash Basis), issued by the International Public Sector Accounting Standards Board (IPSASB), and presented in accordance with the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (WB Guidelines).

The principal accounting policies applied in the preparation of these special purpose financial statements are set out below.

2.2. Cash basis of accounting

Project financing is recognized as a source of project funds when the cash is received. Project expenditures are recognized as a use of project funds when the payments are made.

2.3. Reporting currency

Financial reports are presented in United States dollars ("USD").

The payments made in local currency, Tajik Somoni ("TJS") as well as other currencies different of USD, are converted into USD at the official exchange rate defined by the National Bank of Tajikistan ("NBT").

The exchange rate defined by the NBT as at 31 December 2025 is USD 1 = 9.2513 TJS.

The exchange rate defined by the NBT as at 31 December 2024 is USD 1 = 10.9325 TJS.

2.4. Taxes

In accordance with the Financing Agreements between the Republic of Tajikistan and the International Development Association, Asian Infrastructure Investment Bank and Eurasian Development Bank the Project is exempt from value added tax.

3. Withdrawal applications

Withdrawal applications for the year ended 31 December 2025 comprise:

3.1. IDA Grant Number D6850-TJ

		Direct payment	Reimbursement	Total
Application #	**Value Date**	**USD or equivalent**	**USD or equivalent**	**USD or equivalent**
BT 6850 005	19-Nov-2025	3,191,955	-	3,191,955
BT 6850 007	22-Dec-2025	2,465,790	-	2,465,790
	Total	**5,657,745**	**-**	**5,657,745**

Nurek Hydropower Rehabilitation Project Phase II
IDA Grant Number D6850-TJ and IDA Grant Number D9540-TJ

Notes to the special purpose financial statements
For the year ended 31 December 2025
(Amounts are shown in US dollars)

4. Funds received

a) The funds received under Phase II project were presented by the following reimbursement methods:

	Year ended 31 Dec 2025	Cumulative as at 31-Dec-25	Year ended 31 Dec 2024	Cumulative as at 31-Dec-24
Sources of Funds				
IDA Grant Number 6850-TJ				
Direct payment	5,657,745	18,878,649	13,220,903	13,220,903
Refund of preparation	-	-	-	-
Reimbursement	-	33,937	33,937	33,937
PPFI - IDA Project	-	-	-	-
	5,657,745	**18,912,586**	**13,254,841**	**13,254,841**
Funding Budget	-	48,575,660	-	48,575,660
Disbursement %	-	38.93%	-	27.29%
IDA Grant Number 9540-TJ				
Direct payment	-	-	-	-
Refund of preparation	-	-	-	-
Reimbursement	-	-	-	-
PPFI - IDA Project	-	-	-	-
	-	-	-	-
Funding Budget	-	61,595,840	-	61,595,840
Disbursement %	-	00.00%	-	00.00%
Total Funding	**5,657,745**	**18,912,586**	**13,254,841**	**13,254,841**
Other - OJSC "Barqi Tojik"				
Incurred expenditures	-	-	-	-
Reimbursement to BT	-	-	-	-
Net	-	-	-	-

b) No direct payment or reimbursement was made under the Phase II project (IDA Grant Number D9540-TJ).

5. Project expenditure

a) Project expenditures incurred under the Phase II project by nature and by funding sources is as follows:

Year ended 31 Dec 2025

Expenditure nature	IDA GRANT NUMBER D6850-TJ	IDA GRANT NUMBER D9540-TJ	Total
Works	2,465,790	-	**2,465,790**
Goods	3,191,955	-	**3,191,955**
Non-Consulting Services (including audit)	-	-	**-**
Consultants' Services	-	-	**-**
Training	-	-	**-**
Refund of Preparation Advance	-	-	**-**
Front-end Fee	-	-	**-**
Total	**5,657,745**	**-**	**5,657,745**

Cumulative as at 31 Dec 2025

Expenditure nature	IDA GRANT NUMBER D6850-TJ	IDA GRANT NUMBER D9540-TJ	Total
Works	7,387,170	-	**7,387,170**
Goods	11,491,479	-	**11,491,479**
Non-Consulting Services (including audit)	-	-	**-**
Consultants' Services	-	-	**-**
Training	33,937	-	**33,937**
Refund of Preparation Advance	-	-	**-**
Front-end Fee	-	-	**-**
Total	**18,912,586**	**-**	**18,912,586**

b) No expenditures incurred under the Phase II project (IDA Grant Number D9540-TJ).

6. Statement of Financial Position

	31 Dec 2025 USD	31 Dec 2024 USD
ASSETS		
Cumulative project expenditures		
IDA Grant Number D6850-TJ	18,912,586	13,254,841
IDA Grant Number D9540-TJ	-	-
OJSC "Barqi Tojik"	-	-
Total assets and expenditures	**18,912,586**	**13,254,841**
FINANCING		
IDA Grant Number D6850-TJ	18,912,586	13,254,841
IDA Grant Number D9540-TJ	-	-
OJSC "Barqi Tojik"	-	-
Total financing	**18,912,586**	**13,254,841**
Total net assets	-	-

7. Litigations

There are no pending litigations related to the Project as at reporting date and as at approval date of these financial statements.

8. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan. The contract obligations as at 31 December 2025 is as follows:

Counterparty	Date of contract	Date of contract completion	Currency unit	Contract amount in original currency	Contract amount in USD	Cumulative paid in original currency as at 31-Dec-2025	Cumulative paid in USD as at 31-Dec-2025	Payable balance in original currency as at 31-Dec-2025	Payable balance in USD as at 31-Dec-2025
"Multiple Contractor Andritz Hydro"-Phase 2	March 28, 2024	December 31, 2031	EUR TJS	85,150,306 27,714,037	102,667,913	16,832,507 4,204,332	18,804,097	68,317,800 23,509,705	83,863,817

9. EVENTS AFTER THE REPORTING DATE

During 2026 until the date of issue of these project financial statements the World Bank provided financing to the Project as follows:

Sources of financing	Application	Value Date	Direct payments	Total
IDA CREDIT #6850-TJ	006	Mar 04, 2026	15,412	15,412
			15,412	**15,412**

As at the date of issue of the project financial statements no other significant events or transactions occurred, except for events and transactions described above.