OPEN JOINT STOCK COMPANY "BARQI TOJIK"

Consolidated financial statements
for the year ended December 31, 2025

and independent auditors' report

OJSC “BARQI TOJIK”

TABLE OF CONTENTS

	Page
STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025	2
INDEPENDENT AUDITOR’ REPORT	3-6
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025:	
Consolidated statement of financial position	7-8
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of changes in equity	10-11
Consolidated statement of cash flows	10-11
Notes to the consolidated financial statements	14-66

OJSC "BARQI TOJIK"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

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 consolidated financial statements of the Open Joint Stock Company "Barqi Tojik" (the "Group") and its subsidiaries (the "Group").

Management is responsible for the preparation of the consolidated financial statements that present fairly the financial position of the Group as at December 31, 2025, 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 consolidated 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 consolidated financial statements; and
- preparing the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Group 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 Group;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group 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 Group; and
- detecting and preventing fraud and other irregularities.

The consolidated financial statements for the year ended December 31, 2025 were approved and authorized for issue on July 31, 2026 by the Management of the Group.

On behalf of the Management of the Group:

Asozoda M.
General director

July 31, 2026
Dushanbe,
Republic of Tajikistan

Ergashev T.
Chief Accountant

July 31, 2026
Dushanbe,
Republic of Tajikistan

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OPEN JOINT STOCK COMPANY "BARQI TOJIK"

Opinion

We have audited the accompanying consolidated financial statements of Open Joint Stock Company "Barqi Tojik" (the "Group"), which comprise the statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of this report.

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), complying with the ethical requirements relevant to the audit of financial statements and we have fulfilled our 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 our opinion

Material Uncertainty Related to Going Concern

We draw attention to Note 3 "Presentation of consolidated financial statements", Basis of Preparation chapter to the consolidated financial statements, which indicates that the Group has accumulated losses of 29,298,504 thousand Tajik somoni as at 31 December 2025 (31 December 2024: 32,349,673 thousand Tajik somoni). These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

As stated in Note 3, the consolidated financial statements have been prepared on a going concern basis. The Group's sole shareholder has confirmed its intention to provide financial support to the Group. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our opinion is not modified in respect of this matter.

ICS Baker Tilly Klitou & Partners SRL trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit approach
Revaluation of PPE and Inventories	
During 2025, the Group revalued its property, plant and equipment and inventories. As of December 31, 2025, the carrying amount of property, plant and equipment was 23,707,272. The determination of the revalued amount was based on the application of depreciated replacement cost / indexed carrying amount method and direct market comparison method. The effect of the revaluation includes an impairment loss of 239,679 thousand TJS, recognized in the consolidated statement of profit or loss within other non-operating expenses (Note 29), as well as a revaluation surplus of 4,153,021 thousand TJS (Note 7) and the related deferred tax liability of 747,544 thousand TJS (Note 23), both recognized in other comprehensive income. Given the significant carrying amount of the Group's property, plant and equipment and the significant judgments involved in determining their revalued amounts, including the valuation methodology, applied valuation ratios and underlying data, we identified the valuation of these assets as a key audit matter.	• Analysis of the applied revaluation methodology; • Verification of the source data used in the calculations; • Evaluation of the reasonableness of the applied ratios by comparing them with available market and other supporting information; • Discussion of the key assumptions with management and obtaining relevant explanations and supporting documents; • Spot checks of the correctness of the applied ratios and the arithmetic accuracy of the calculations; • Reconciliation of the revaluation results with the accounting records and consolidated financial statements; • Evaluation of the accuracy of the presentation of the revaluation results and the completeness of the related disclosures in the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Group's members as a body. To the fullest extent, permitted by the Law, our audit work has been undertaken so that we might report those matters that we are required to report in an Auditor's Report and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Baker Tilly Klitou and Partners

Baker Tilly Klitou and Partners SRL

July 31, 2026

OJSC “BARQI TOJIK”

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(in thousands Tajik somoni)

	Notes	December 31, 2025	December 31, 2024
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	7	23,707,272	18,047,162
Intangible assets		948	1,019
Long-term advances paid	8	450,351	430,878
Right of use assets	9	13,808	-
Long-term investments	10	158,730	158,730
TOTAL NON-CURRENT ASSETS		24,331,109	18,637,789
CURRENT ASSETS:			
Inventories	11	863,610	1,119,876
Trade and other accounts receivable	12	126,422	322,250
Advances paid	13	155,681	332,142
Taxes paid in advance	14	288	79,465
Cash and cash equivalents	15	64,687	85,174
TOTAL CURRENT ASSETS		1,210,688	1,938,907
TOTAL ASSETS		25,541,797	20,576,696
EQUITY AND LIABILITIES:			
EQUITY:			
Share capital	16	18,294,011	17,373,249
Revaluation reserve on property, plant and equipment		7,627,500	4,653,253
Reserve capital		24,302	24,302
Accumulated deficit		(29,298,504)	(32,349,673)
TOTAL EQUITY		(3,352,691)	(10,298,869)
NON-CURRENT LIABILITIES:			
Long-term borrowed funds	17	13,601,388	15,140,276
Deferred income	18	3,020,672	3,726,613
Lease liabilities	9	11,939	-
Deferred tax liability	23	1,764,228	695,313
TOTAL NON-CURRENT LIABILITIES		18,398,227	19,562,202

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025 (CONTINUED)

(in thousands Tajik somoni)

	Notes	December 31, 2025	December 31, 2024
CURRENT LIABILITIES:			
Short-term borrowed funds	17	1,281,693	1,437,602
Trade and other accounts payable	19	8,363,802	9,687,222
Advances received	20	73,164	42,298
Lease liabilities	9	1,158	-
Taxes payable	21	731,973	110,076
Other payables and accrued expenses	22	44,471	36,165
TOTAL CURRENT LIABILITIES		10,496,261	11,313,363
TOTAL LIABILITIES		28,894,488	30,875,565
TOTAL EQUITY AND LIABILITIES		25,541,797	20,576,696

On behalf of the Management of the Group:

Asozoda M.
General director

July 31, 2026
Dushanbe,
Republic of Tajikistan

Ergashev T.
Chief Accountant

July 31, 2026
Dushanbe,
Republic of Tajikistan

The notes on pages 14-66 form an integral part of the consolidated financial statements. The Independent Auditors' Report is on pages 3-6.

OJSC "BARQI TOJIK"

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands Tajik somoni)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Revenue	24	4,385,431	3,830,641
Cost of sales	25	(3,205,898)	(3,894,490)
Gross profit		1,179,533	(63,849)
Selling (expenses)/income	26	(105,625)	46,243
General and administrative expenses	27	(181,305)	(108,679)
Net gain on foreign exchange operations		2,928,746	388,256
Financial expenses	28	(592,259)	(1,921,980)
Other non-operating income, net	29	(316,670)	61,162
PROFIT BEFORE INCOME TAX		2,912,420	(1,598,847)
Income tax expenses	23	(462,090)	-
PROFIT FOR THE YEAR		2,450,330	(1,598,847)
Other comprehensive income:			
Revaluation of fixed assets	7	3,405,475	-
Discount from trade accounts payable	19	409,538	-
TOTAL COMPREHENSIVE INCOME		6,265,343	(1,598,847)

On behalf of the Management of the Group:

Asozoda M.
General director

July 31, 2026
Dushanbe,
Republic of Tajikistan

Ergashev T.
Chief Accountant

July 31, 2026
Dushanbe,
Republic of Tajikistan

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OJSC “BARQI TOJIK”

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands Tajik somoni)

	Notes	Share capital	Reserve capital	Revaluation reserve on property, plant and equipment	Accumulated deficit	Total equity
Balance at December 31, 2023	16	10,947,763	24,302	4,851,705	(31,498,872)	(15,675,102)
Adjustment due to correction of errors from previous years	16	-	-	-	(126,836)	(126,836)
Transfer fixed assets to OJSC "ShIB" and OJSC "ShTB"		(1,570,515)	-	-	646,777	(923,738)
Depreciation of revaluation of property and equipment		-	-	(228,105)	228,105	-
Deferred taxes		-	-	29,653	-	29,653
Increase of share capital		7,996,001	-	-	-	7,996,001
Loss for the year		-	-	-	(1,598,847)	(1,598,847)
Balance at December 31, 2024	16	17,373,249	24,302	4,653,253	(32,349,673)	(10,298,869)

OJSC "BARQI TOJIK"

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands Tajik somoni)

	Notes	Share capital	Reserve capital	Revaluation reserve on property, plant and equipment	Accumulated deficit	Total equity
Balance at December 31, 2024	16	17,373,249	24,302	4,653,253	(32,349,673)	(10,298,869)
Correction of prior -period errors-income tax advances	6	-	-	-	(31,198)	(31,198)
Correction of prior -period errors-capitalization of fixed assets	6	-	-	-	88,720	88,720
Correction of prior -period errors- deferred income for grants received	6	-	-	-	200,481	200,481
Balance at January 01, 2025	16	17,373,249	24,302	4,653,253	(32,091,670)	(10,040,866)
Increase of share capital		920,762	-	-	-	920,762
Depreciation of revaluation of property and equipment		-	-	(199,756)	199,756	-
Deferred taxes	23	-	-	(231,472)	-	(231,472)
Dividends declared	16	-	-	-	(266,458)	(266,458)
Income for the year	16	-	-	-	2,450,330	2,450,330
Other comprehensive income		-	-	**3,405,475**	**409,538**	**3,815,013**
Revaluation of fixed assets	7,23	-	-	3,405,475	-	3,405,475
Discount for trade and other accounts receivable	16,23	-	-	-	409,538	409,538
Balance at December 31, 2025	16	18,294,011	24,302	7,627,500	(29,298,504)	(3,352,691)

On behalf of the Management of the Group:

Asozoda M.
General director

July 31, 2026
Dushanbe, Republic of Tajikistan

Ergashev T.
Chief Accountant

July 31, 2026
Dushanbe, Republic of Tajikistan

The notes on pages 14-66 form an integral part of the consolidated financial statements. The Independent Auditors' Report is on pages .3-6

OJSC “BARQI TOJIK”

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(in thousands Tajik somoni)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Proceeds from energy sales		4,552,830	3,897,986
Other income from operations		14,579	12,735
Total cash inflow from operating activity		4,567,409	3,910,721
Inventory purchase		(1,397,078)	(1,371,249)
Payment for services		(359,361)	(349,337)
Electricity purchase		(934,202)	(604,700)
Interest payment		(527,213)	(443,987)
Other taxes payment		(487,485)	(334,964)
Payroll and social tax		(263,335)	(254,754)
Income tax payment		(17,088)	-
Other operating payments		(96,778)	(62,236)
Total cash outflow from operating activity		(4,082,540)	(3,421,227)
Net cash inflow/(outflow) from operating activities		484,869	489,494
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(367,538)	(246,048)
Purchase of intangible assets		(46)	-
Net cash outflow from investing activities		(367,584)	(318,124)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Grants received		206,448	-
Proceeds from borrowings		171,304	369,354
Principal payments of loans received		(507,297)	(547,583)
Net cash (outflow)/inflow from financing activities		(129,545)	(178,229)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024 (CONTINUED)

(in thousands Tajik somoni)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(12,260)	(6,859)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(8,227)	53
CASH AND CASH EQUIVALENTS, at the beginning of the year	15	85,174	91,980
CASH AND CASH EQUIVALENTS, at the end of the year	15	64,687	85,174

During the year ended 31 December 2025, the Group offset receivables and payables arising from transactions related to the supply of electricity to the Republic of Uzbekistan and the purchase of natural gas from the Republic of Uzbekistan with Uzenergosotish in the amount of 167,748 thousand TJS.

For the years ended December 31, 2025 and 2024, the Group acquired and constructed fixed assets financed through loans and grants totaling 492,133 thousand TJS and 295,272 thousand TJS, respectively. Payments for these fixed assets were made directly to the Group's suppliers and contractors without any cash movements through the Group's accounts.

The Group has a current account with the Ministry of Finance of the Republic of Tajikistan, which receives payments for electricity from budgetary organizations. These funds are used to repay loans received from the Ministry of Finance of the Republic of Tajikistan and tax liabilities to the budget. The consolidated statement of cash flows does not include transactions on this current account. For the years ended December 31, 2025, and 2024, the Group repaid loans through this current account in the amounts of 3,383 TJS thousand and 122,868 TJS thousand, respectively.

In accordance with Government Resolution No. 601 dated 16 November 2024, the company's outstanding liabilities to OJSC Sangtuda HPP-1 were reduced. The reduction, totaling 273,173 thousand somoni, was recorded as an increase in the company's share capital.

On behalf of the Management of the Group:

Asozoda M.
General director

July 31, 2026
Dushanbe,
Republic of Tajikistan

Ergashev T.
Chief Accountant

July 31, 2026
Dushanbe,
Republic of Tajikistan

The notes on pages 14-66 form an integral part of the consolidated financial statements. The Independent Auditors' Report is on pages 3-6.

1. GENERAL INFORMATION

Open Joint Stock Company "Barqi Tojik" (hereinafter – the "Group") was registered with the Ministry of Justice of the Republic of Tajikistan on June 3, 1999. The Group and its subsidiaries (hereinafter collectively referred to as the "Group") carry out their activities on the territory of the Republic of Tajikistan.

The Group is a joint-stock Company and was established in accordance with the legislation of the Republic of Tajikistan. The Group’s principal activity is generation and sale of electricity and thermal energy in the Republic of Tajikistan. The Group also exports electricity to neighboring countries. Electricity is generated on five hydro and two thermal power stations, which are the structural units of the Group. Operating activity of the Group is regulated by the Law of the Republic of Tajikistan “On natural monopolies” (the “Law”), as the Group has a dominant position in generation and supply of electricity in the Republic of Tajikistan. In accordance with the Law, tariffs of the Group shall be coordinated and agreed with the State Agency for Antimonopoly Policy and Business Support under the Government of the Republic of Tajikistan (hereinafter referred to as the “Agency”). The key customers of electricity is OJSC “Shabakahoi taqsimoti bark” and the customer of thermal energy of the State Unitary Enterprise City Heating Networks of Dushanbe.

The Group's head office is located at 64 I. Somoni Ave., Dushanbe, Republic of Tajikistan.

As at December 31, 2025 and 2024, the sole shareholder of the Group was the Government of the Republic of Tajikistan. Ultimate control of the Group’s activity is carried out by the Government of the Republic of Tajikistan.

The Group has the following branches and representative offices:

	2025	**2024**
Branch	Nurek HPP	Nurek HPP
Branch	Baipaza HPP	Baipaza HPP
Branch	Cascade of Vakhsh HPPs	Cascade of Vakhsh HPPs
Branch	Cascade of Varzob HPPs	Cascade of Varzob HPPs
Branch	Kairakkum HPP	Kairakkum HPP
Branch	Dushanbe Thermal Power Plant -2	Dushanbe Thermal Power Plant -2
Branch	Transport base and coal supply	Transport base and coal supply
Branch	Dushanbe Thermal Power Plant	Dushanbe Thermal Power Plant
Branch	Javanskaya CHPP	Javanskaya CHPP
Branch	Tajikenergosnab	Tajikenergosnab
Branch	-	Kindergarten 22

The main activity of the subsidiary is related to the repair of electrical equipment. The share of OJSC "Barqi Tojik" in the authorized capital of the Group is 100%.

The Group implements certain projects financed by its own and attracted by the Government of the Republic of Tajikistan credits and grants from the international financial institutions. These projects are coordinated and managed by the State Institution "Project Management Center for the Electric Power Sector", an independent, specialized structure operating under the Government of the Republic of Tajikistan.

The total number of Group employees as at December 31, 2025 and 2024 was 3,873 and 3,947 employees, respectively.

2. OPERATING ENVIRONMENT AND DEVELOPMENT OF THE ENERGY INDUSTRY

Operating environment

Emerging country economies, such as the Republic of Tajikistan, are exposed to various risks, including economic, political and social, and legal and legislative risks. Past experience shows that potential and actual financial constraints, along with an increased level of perceived risks associated with investing in emerging economies, can adversely impact the national economy as a whole and its investment climate in particular.

Laws and regulations affecting businesses in the Republic of Tajikistan continue to evolve. 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 Group operating in the Republic of Tajikistan. 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 consolidated 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 consolidated statements in that period in which necessity of their reflection will become evident, and it will be possible to estimate their numerical values.

Developments in the energy sector

Industry sector as well as other sectors of the Republic of Tajikistan are experiencing significant restructuring and reform (the process of transformation of the country with a planned economy into a state with a market economy), and future directions and results of reforms can be reviewed and modified as necessary. Potential reforms in tariff policy, repayment of debt by state enterprises, reorganization of the market of gross sale and implementation of measures to promote competition in gross sale market, can have a significant impact on sector entities.

3. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Compliance statement

These consolidated 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 consolidated 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 consolidated 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").

A number of new standards and amendments to the standards come into force for annual periods starting after January 1, 2025, and early application is allowed; however, the Group did not apply the following new or amended standards ahead of time in the preparation of these consolidated financial statements.

Because of the minor impact of the transition methods chosen by the group in applying these standards, the comparative information in these financial statements has not been restated to reflect the requirements of the new standards.

3. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Going concern

These consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue its operation for the foreseeable future. At December 31, 2025 The Group accumulated losses in the amount of 29,298,504 thousand somoni (31 December 2024: 32,349,673 thousand somoni). These factors indicate the existence of a material uncertainty, which may cast significant doubt about the Group’s ability to continue as a going concern.

The financial deficit is mainly covered by financing provided by the Government in the form of loans (Note 17).

The Government of the Republic of Tajikistan owns a Group that generates, distributes and sells the bulk of the electricity consumed in the Republic of Tajikistan. The electricity generated by the Group remains a key element for the country's economy, as well as fundamental for the implementation of the social and economic goals of the Government.

According to the Decree of the Government of the Republic of Tajikistan dated October 28, 2020 No. 571 On State financial support of the closed joint-stock holding company “Barqi Tojik”, the Ministry of Finance of the Republic of Tajikistan, the State Committee for Investment and State Property Management of the Republic of Tajikistan jointly with the OJSC "Barqi Tojik" until December 31, 2021, shall:

• Bring into compliance the terms of loan agreements between the Republic of Tajikistan and development partners, in view of no more than 1 percent rate.

• Determine and submit, in accordance with Appendix 2, the difference between the initial and adjusted rates, as well as accrued fines under the terms of sub-loan agreements, to the authorized capital of OJSC "Barqi Tojik" on the date of liabilities renewal.

Management has reasonable expectation that the Group will continue to receive financial support from the sole shareholder of the Group - the Government of the Republic of Tajikistan and based on that consideration, the Group management expects that the Group will continue its ordinary operations in the foreseeable future in accordance with the principle of going concern.

Functional and presentation currency

The functional currency of each of the Group’s consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Group and the Group’s presentation currency is national currency of the Republic of Tajikistan Tajik somoni (the “somoni”).

Basis of consolidation

The consolidated financial statements include the financial statements of OJSC “Barqi Tojik” and the financial information of the State Institution “Project Management Center for the Electric Power Sector” relating to projects implemented for the benefit of the Group.

The Center manages projects financed through loans and grants from international financial institutions attracted by the Government of the Republic of Tajikistan. The related assets, liabilities, income and expenses are included in the Group’s consolidated financial statements.

3. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

The subsidiary is consolidated from the date of acquisition, which is the date when control is obtained over the subsidiary, and discontinued from consolidation when the control is lost. The consolidated financial statements of the subsidiaries are prepared for the same period as for the Group, based on consistently applied accounting policy for all branches of the Group.

Changes in ownership of subsidiaries without loss of control are treated as transactions equity. If the Group loses control over the subsidiary the following is reflected:

- discontinues recognition of assets and liabilities of the subsidiary;
- records the fair value of proceeds received in exchange;
- records fair value of outstanding portion of the investment;
- records gains or losses in statement of comprehensive income;
- reclassifies interest of the Group in subsidiaries, recognised in other comprehensive income before to statement of comprehensive income or retained earnings in accordance with particular requirements.

The consolidated financial statements of the subsidiaries are prepared for the same period as the Group, based on consistently applied accounting policy for all branches of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES

Electricity sales

Revenue from sale of electricity is recognised when customers on post-paid metering are billed for the power consumed. The billing is done for each monthly billing cycle based on the units consumed as read on the customers' electricity meters and the approved customer tariffs. Revenue from sale of electricity is recognised in the consolidated financial statements net of valued added tax (VAT).

Foreign currency transactions

The functional currency of the Group and the Group's presentation currency is national currency of the Republic of Tajikistan Tajik somoni (the "somoni"). The Group applies direct method of consolidation, and upon disposal of foreign investment performs the reclassification of gains and losses from translation differences to the consolidated statement of profit or loss and other comprehensive income.

	December 31, 2025	December 31, 2024
Somoni / USD	9.2513	10.9325
Somoni / EUR	10.8916	11.4223
Somoni / Chinese Yuan	1.3239	1.4977
Somoni / XDR	12.6697	14.2574
Somoni/ Kuwaiti Dinar	30.0435	35.4813

Transactions in foreign currency are initially recognised by the companies of the Group in functional currency at exchange rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currency are revalued at spot rate of functional currency effective at the reporting date.

All foreign currency differences are transferred to the statement of profit or loss and other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-monetary lines at historical cost in foreign currency are recognised at exchange rate effective at the date of initial transaction. Non-monetary lines at revalued method in foreign currency are recognised at the exchange rate effective at the date of consideration of fair value. Gains and losses arising from non-monetary items are treated same as gains and losses from foreign currency transactions.

Assets and liabilities in foreign investments are translated to somoni at the exchange rate effective at the reporting date, and consolidated statement of comprehensive income of such subsidiaries, are recorded at the rate effective on the date of transaction.

Translation differences arising from such treatment are recorded in other comprehensive income. Upon disposal of foreign investment the component of other comprehensive income, related to this foreign investment are transferred to the consolidated statement of profit or loss and other comprehensive income.

Revenue recognition

Revenue is recognized only if inflow of economic benefits to the Group 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.

Interest income

Interest income and expense on financial instruments held at amortised cost, and interest bearing financial assets, classified as held-for-sale are recognised based on effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The interest income is added to finance income in the consolidated statement of profit or loss and other comprehensive income.

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 Group performs its activities and has taxable income.

Deferred taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences, except for cases when:

- Deferred tax liabilities arising at initial recording of goodwill, asset or liability as a result of transaction other than business combination, and at transaction date does not impact accounting profit nor taxable profit or loss;
- Taxable temporary differences in respect of investments in subsidiaries, associates, as well as interest in joint ventures, and if possible to control distribution by periods related to recoverability of temporary differences, and there is high probability of recovery of temporary difference in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax incentives and unused tax losses, to the extent of highly probable upcoming profits, against which the recovery of deductible temporary differences, unused tax incentives and unused tax losses will take place, except for:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Deferred tax asset, related to temporary difference as a result of initial recognition of asset or liability arising from business combinations, which at the date of transaction does not impact accounting nor tax profit or losses;
- Deductible temporary differences as a result of investments in subsidiaries, associated companies, as well as interest in joint venture where the deferred tax assets are recognised to the extend of highly probable upcoming profits, against which the recovery of deductible temporary differences, unused tax incentives and unused tax losses will take place.

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 recognised in the statements are reviewed at each reporting date and are recognised 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 recognised 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 Group 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 Group 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 consolidated statement of profit or loss and other comprehensive income as incurred.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is charged on the carrying value of property, plant and equipment to write off assets over their useful life. Depreciation is charged at straight line method at the following rates:

Property, plant and equipment Group	Useful life (years)
1. Buildings	3-98
2. Constructions	
- Transmission equipment	2-90
3. Machinery and equipment	
- Hydro turbines	5-50
- Electronic equipment	4-50
- Production equipment	3-75
4. Other fixed assets	
- Vehicles	3-25
- Office equipment	3-20
- Furniture and appliances	3-50
- Leasehold improvements	6-55
- Land improvements	6-50

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 consolidated 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 recognised separately from goodwill are initially recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired are recorded at cost less accumulated amortisation 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 amortised during the period of this period and subject for impairment assessment if such indicators exist. The period and amortisation 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 consolidated financial statements as changes in period and method of amortisation, depending on situation, and disclosed as changes in estimates. The amortisation expenses for intangible assets with definite useful life recognised in the statement of comprehensive income in the category, which relates to the function of the intangible asset.

Intangible assets with indefinite useful life are not amortised, 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 recognised in the consolidated statement of comprehensive income at the date of disposal of use asset.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Patents and licenses

Patents are issued for the period of 10 years by the relevant state body with a right to prolong. License on right for intellectual property issued from 5-10 years, depending on type of license.

Licenses can be prolonged in the end of the term, if the Group will comply with preset conditions. Prolongation can be made for notional fee or free of charge. Therefore the useful life of these licenses is treated as indefinite.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group 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 Group 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.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

Effective from 1 January 2025, the Group applies IFRS 16 *Leases*.
At inception of a contract, the Group assesses whether the contract is, or contains, a lease. For lease arrangements, the Group recognises a right-of-use asset and a corresponding lease liability at the date when the underlying asset becomes available for use.

Lease liabilities are initially measured at the present value of future lease payments, discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group's incremental borrowing rate is used.

The initial cost of a right-of-use asset comprises the initial amount of the lease liability, lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs, where applicable.

Subsequently, right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. Lease liabilities are subsequently increased by interest expense and reduced by lease payments made. Where applicable, lease liabilities are remeasured for changes in lease terms or future lease payments.

The Group applies the recognition exemptions permitted by IFRS 16 to short-term leases with a lease term of 12 months or less and leases of low-value assets. Payments under such leases are recognised as expenses on a straight-line basis over the lease term.

Operating lease income where the Group acts as a lessor is recognised on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized as expenses, in the period when such expenses incurred. Borrowing costs include the payment for interest and other expenses, incurred by the Group in respect of borrowings.

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:
  (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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Group measure 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.

Despite the requirements above witch except trade receivables, at initial recognition, the Group measure trade receivables at their transaction price (as defined in IFRS 15) if the trade receivables do not contain a significant financing component in accordance with IFRS 15 (or when the entity applies the practical expedient in accordance with IFRS 15).
Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Financial assets of the Group includes the cash and current deposits, trade and other receivables, loans and other amounts receivables and unquoted financial instruments.

Subsequent measurement of financial assets

After initial recognition, Group measure a financial asset at:
(a) amortised 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 Group measure financial liability in accordance with its classification:

The Group classify all financial liabilities as subsequently measured at amortised 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Impairment criteria's and

(ii) the amount initially recognised (financial assets except trade receivables) less, when appropriate, the cumulative amount of income recognised 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 criterias of IFRS 9 and

(ii) the amount initially recognised (financial assets except trade receivables) less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

(e) contingent consideration recognised 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 Group, 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.

Derecognition of financial assets

Group derecognise 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;

Group 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.

Group 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(a) if the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

(b) if the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group continue to recognise the financial asset.

(c) if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group determine whether it has retained control of the financial asset. In this case:

(i) if the Group has not retained control, it derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

(ii) if the Group has retained control, it continue to recognise 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 Group'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 Group 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 Group 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). An Group 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).

Often it will be obvious whether the Group 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 Group'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 Group 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 Group has not retained control. In all other cases, the Group has retained control.

Derecognition of financial liabilities

The Group remove 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 recognised in profit or loss.

If Group 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 recognised and the part that is derecognized

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 derecognised and (b) the consideration paid, including any non-cash assets transferred or liabilities assumed, for the part derecognised is recognised in profit or loss.

Impairment of financial assets

At each reporting date the Group 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, when 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.

The Group recognize 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 Group always measure 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 Group applies the practical expedient of IFRS 15); or

(ii) contain a significant financing component in accordance with IFRS 15, if the Group 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 Group performs the assessment of indicators of impairment financial assets recorded at amortised cost if individually significant or if individually insignificant, than by Groups. If the Group 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 recognised as a difference of book value and discounted expected future cash flows (without expected future credit losses not yet incurred).

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group. 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 recognised

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 recognised as decrease of finance costs in the statement of profit or loss and other comprehensive income.

Financial investments

The Group performs the annual assessment for impairment indicators for the investments.

If the investments in equity instruments, the reliable evidence of impairment would be significant and continuous decrease in fair value of the investment below its initial acquisition cost. The significance is measured in comparison to initial acquisition cost, continuous means the comparison to the period, when decrease below initial acquisition cost took place. When reliable evidence of impairment is identified the amount of comprehensive loss, calculated as difference of book value and current fair value, less an other impairment loss recognised in the statement of comprehensive income, the loss is reclassified from other comprehensive income 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 comprehensive income.

Inventories

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

Impairment of non-financial assets

The Group 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, than Group perform 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 recognised in other comprehensive income. In such cases the impairment loss is deducted from other comprehensive income to the extent the revaluation gain was recognised.

The Group performs assessment of indicators whether indicators of impairment loss still exist or decreased on each reporting dates. If such indicator exists the Group assesses the recoverable amount of the asset or cash generating component. Previously recorded impairment losses recovered only if the changes in applied estimate of the recoverability of the asset, since most recent impairment loss recorded. The

recovery is limited to the book have not exceeding its recoverable amount, as well as not exceeding book value less depreciation, which would be charged if such impairment loss would not be recorded. This recovery of loss is included in the statement of profit or loss and other comprehensive income.

Cash

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

Provisions

Provision are recorded if the Group has current liabilities (legal or constructive), as a result of the past events, with a probable outflow economic benefits required to settle liability, and such liability can be reliably measured. If the Group 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.

Pensions and another employee benefits post-employment benefits

The Group performs payments to social fund in accordance with pension scheme of the Republic of Tajikistan. The payments to social fund are fixed. The Group 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 Group performs fixed payments to the State social fund amounting to 20% of salaries of the employees and recorded in the period as incurred. The Group 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 Group 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 Group's financial statement for the year ended December 31, 2025:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" (Unexchangeability) clarify the assessment of whether a currency is exchangeable, as well as the requirements for determining the exchange rate and disclosing information when exchangeability is unavailable or

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

significantly restricted.

These amendments are intended to ensure more consistent and transparent reporting of transactions and balances denominated in foreign currencies.

New and revised IFRSs in issue but not yet effective

A number of new standards, additions to standards and interpretations have not yet entered into force as of December 31, 2025 and have not been applied in the preparation of these consolidated financial statements. Of these innovations, the following standards and amendments have the potential to have an impact on the financial and business operations of the Group. The Group plans to start applying these standards and amendments from the moment they come into force. The Group has not yet analysed the possible impact of the new standards on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

At the date of authorization of this financial information, the following new standards and interpretations were in issue, but not mandatorily yet effective, and which the Group has not early adopted:

- IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 and introduces new requirements for the structure of financial statements, the classification of income and expenses, and expanded disclosure requirements. The standard is effective for annual periods beginning on or after 1 January 2027.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures affect the reclassification of financial assets, measurement, and disclosure, particularly with respect to business models and cash flows, and primarily focus on the application of IFRS 9 and adjustments to the risk disclosure requirements of IFRS 7 to ensure consistency and reflect the true economic substance of transactions, moving companies toward higher-quality and more transparent accounting.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Non-Ferrous Electricity Supply Contracts) clarify the definition of non-ferrous electricity supply contracts, clarify the application of the owner-occupied requirement in IFRS 9, and amend the hedge accounting requirements, including allowing a variable nominal volume of expected electricity transactions that corresponds to the expected variable output of a natural resource to be designated as a hedged item. The amendments are effective for annual periods beginning on or after 1 January 2026; earlier application is permitted. • Annual Improvements to IFRS Accounting Standards, Issue 11, which includes several clarifications to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows, aimed at removing ambiguities and improving consistency in application, with application dates beginning on or after 1 January 2026.
- Introduction of IFRS 19 Subsidiaries Without Public Accountability: Disclosures. This standard allows subsidiaries that meet certain criteria to apply simplified disclosure requirements in their financial statements. The standard is effective for annual periods beginning on or after January 1, 2027.

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

5. CRITICAL ACCOUNTING ESTIMATES AND PROFESSIONAL JUDGEMENTS IN APPLYING ACCOUNTING POLICY

The Group makes estimates and assumptions that affect within the next financial period the amounts of assets and liabilities recognized in consolidated 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 consolidated 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 consolidated 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 Group's accounting policy, management has used the following judgments, which have the most significant effect on the amounts recognized in the consolidated 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 Group's source data, which it had at the time of preparation of the consolidated 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 Group. 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 Group 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.

The 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, recognised in the consolidated financial statements.

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

Allowance for doubtful debts, advances paid, investments and allowance for cost decrease to net realizable value inventories

Determining the direction of allowance for doubtful debts, advances paid, investments and allowance for cost decrease to net realizable value inventories requires management to make assumptions based on the best estimates of the Group's ability to realize these assets. As a result of the general changes in the economy or other similar circumstances after the reporting date, management may draw conclusions that may differ from the finding made in the preparation of these consolidated financial statements.

Useful lives of property, plant and equipment

The Group 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 consolidated financial statements.

Market rate of borrowings received

The Group uses valuation techniques that include inputs that are not based on observable market date to estimate the fair value of non-current borrowings.

Revaluation and impairment of property, plant and equipment

The Company's fixed assets were revalued with the assistance of an independent external appraiser. Depending on the nature and availability of market information, the depreciated replacement cost (DRC) method, the book value indexation method, and the direct market comparison method were applied to certain groups of fixed assets.

Professional judgment and valuation assumptions were used in determining the value of fixed assets, including replacement cost, the degree of physical and functional depreciation, applicable indices, market prices of comparable assets, and appropriate adjustments. Changes in these assumptions may have a material impact on the revaluation results and the book value of fixed assets.

6. CORRECTION OF PRIOR-PERIOD ERRORS

During the preparation of the Group's consolidated financial statements for the year ended 31 December 2025, errors relating to prior reporting periods were identified. In order to ensure that the financial statements appropriately reflect the underlying facts and the applicable accounting principles, the respective adjustments were recognised retrospectively through an adjustment to retained earnings as at 1 January 2025.

Correction relating to income tax advances

During the preparation of the consolidated financial statements, the Group performed a reconciliation of its corporate income tax balances with the tax authorities. As a result of the reconciliation, differences were identified between the corporate income tax prepayment balance recorded in the Group's accounting records and the information maintained by the tax authorities.

The differences arose in prior reporting periods in connection with adjustments to previously submitted corporate income tax returns.

To align the accounting records with the results of the reconciliation, the Group adjusted the carrying amount of the corporate income tax prepayment by 31,198 thousand TJS. The corresponding adjustment was recognised through retained earnings as at 1 January 2025.

Correction relating to deferred income from grants received

During the preparation of the consolidated financial statements, the Group also reviewed the accounting for transactions related to the reorganisation of the Group carried out in 2021.

As part of the reorganisation, certain property, plant and equipment previously received under government grants were transferred to newly established companies. When recording the transfer, the carrying amount of the respective property, plant and equipment and equity was reduced; however, the deferred government grant income related to these assets was not correspondingly adjusted.

As a result, deferred government grant income was overstated by TJS 200,481 thousand TJS.
To correct this error, the Group reduced deferred government grant income by 200,481 thousand TJS, with a corresponding increase in retained earnings as at 1 January 2025.

Correction relating to construction costs and capitalisation of property, plant and equipment

During the preparation of the consolidated financial statements, the Group performed an additional review of the accounting for construction costs and transactions relating to the transfer of completed works and assets between the Group's divisions.

As a result, accumulated differences arising in prior reporting periods from the recording of capitalisation of costs and internal transfers of costs between the Group's divisions were identified. In particular, negative balances had accumulated in the accounting records for certain construction-in-progress projects.

To align the accounting records with the actual composition and carrying amounts of the respective assets, the Group adjusted the relevant construction costs and amounts capitalised as property, plant and equipment. The effect of the adjustment amounting to 88,720 thousand TJS was recognised through retained earnings as at 1 January 2025.

7. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2025 and 2024 property, plant and equipment of the Group are presented as follows:

	Buildings and constructions	Machinery and equipment	Other	Construction in progress and equipment for installation	Total
Cost					
December 31, 2023	6,317,653	5,894,058	97,549	7,391,978	19,701,238
Addition	4,742	456,977	318,435	866,177	1,646,331
From inventory	22,912	170,642	2,280	11,913	207,747
Internal movement	72,100	23,389	4,821	(100,310)	-
Disposal	(150)	(3,784)	(986)	(14)	(4,934)
To inventory	(17)	-	-	(55)	(72)
Transfer to OJSC "Shabakahoi Taqsimoti Barq"	-	-	-	(185,597)	(185,597)
Transfer to OJSC "Shabakahoi Intiqoli Barq"	-	(738,141)	-	-	(738,141)
December 31, 2024	6,417,240	5,803,141	422,099	7,984,092	20,626,572
Revaluation of fixed assets	2,212,887	1,814,549	16,280	(130,374)	3,913,342
Addition	114,064	556,216	25,814	1,457,580	2,153,674
From inventory	4,091	270,489	2,771	348,246	625,597
Internal movement	1,131,736	(655,180)	(537)	(476,017)	2
Disposal	(10,167)	(21,640)	(2,806)	(26,731)	(61,344)
To inventory	-	(37)	(315,826)	(142)	(316,005)
December 31, 2025	9,869,851	7,767,538	147,795	9,156,654	26,941,838
Accumulated depreciation					
December 31, 2023	553,420	1,342,551	38,765	170,652	2,105,388
Charge for the period	154,210	410,339	9,853	-	574,402
Internal movement	29,742	(30,681)	941	(2)	-
Disposal	(58)	(1,726)	(394)	1	(2,177)
Impairment	-	-	-	(1,413)	(1,413)
Transfer to OJSC "Shabakahoi Intiqoli Barq"	-	(96,790)	-	-	(96,790)
December 31, 2024	737,314	1,623,693	49,165	169,238	2,579,410
Charge for the period	188,126	395,402		-	594,024
Internal movement	(14,565)	166,385		(151,655)	-
Disposal	(410)	(5,226)		-	(5,776)
Impairment	-	-	-	66,908	66,908
December 31, 2025	910,465	2,180,254	59,356	84,491	3,234,566
Net book value					
at December 31, 2024	5,679,926	4,179,448	372,934	7,814,854	18,047,162
at December 31, 2025	8,959,386	5,587,284	88,439	9,072,163	23,707,272

As at December 31, 2025 and 2024 fixed assets and construction in progress were not insured.

The Group monitors the use of its assets, but because the Group'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.

Fixed assets received as grant mostly consist of electrical equipment and power transmission devices transferred under the control of the Group by the Government of the Republic of Tajikistan and by electricity consumers - legal entities and individuals of the Republic of Tajikistan. These grants were recognized as deferred income in accordance with IAS 20 "Accounting for government grants and disclosure of government assistance" which is amortized over the useful life of the associated granted assets.

The Group borrows funds to acquire assets and capitalizes the interest on assets that meets certain requirements prescribed in IAS 23 "Borrowing costs". In 2025 and 2024, the Group capitalized 166,627 thousand somoni and 190,168 thousand somoni, respectively, on the cost of construction in progress.

As of December 31, 2025 and 2024 amount of fully depreciated property and equipment equaled to 277,896 thousand somoni and 148,282 thousand somoni, respectively .

As at December 31, 2025 and 2024 Group's assets were pledged as collateral on borrowings comprised of buildings and constructions, machinery and equipment, other fixed assets, construction in progress and equipment for installation of subsidiary of the Group - Baipaza hydropower station. As at December 31, 2054 and 2024 net book value of Baipaza hydropower station fixed assets equaled to 869,415 thousand somoni and 599,463 thousand somoni, respectively.

The Group applies a model of accounting for property, plant and equipment at revalued value in accordance with IAS 16 Property, Plant and Equipment. As at 31 December 2025, the Group had revalued its property, plant and equipment with the engagement of an independent professional appraiser.

To determine the fair value of buildings, structures, production and electromechanical equipment, as well as other fixed assets, the amortized replacement cost (DRC) method and the book value indexation method were used.

Office and IT equipment, furniture and vehicles were evaluated using the method of direct market comparison. The table below shows the carrying amount of property, plant and equipment immediately before and after the revaluation carried out as at December 31, 2025:

Group of fixed assets	**Book value before revaluation**	**Revaluation effect**	**Book value after revaluation**
Buildings and structures	6,746,498	2,212,888	8,959,386
Machinery and equipment	3,772,736	1,814,548	5,587,284
Other	72,159	16,280	88,439
Construction in progress and equipment to be installed	9,202,537	(130,374)	9,072,163
TOTAL	19,793,930	3,913,342	23,707,272

8. LONG-TERM ADVANCES PAID

As at December 31, 2025 and 2024 the Group's long-term advances paid are as follows:

	December 31, 2025	December 31, 2024
Non-current advances paid	492,683	839,541
Allowance for doubtful long-term advances paid	(42,332)	(408,663)
	450,351	430,878

As at December 31, 2025 and 2024 long-term advances paid include advances for the construction of production facilities and supply of equipment.

The movement in allowance for doubtful long-term advances paid for the years ended December 31, 2025 and 2024 is presented as follows:

	2025	2024
at January 1	408,663	189,353
Accrual of allowance	(366,331)	219,310
at December 31	42,332	408,663

9. LEASE

As at December 31, 2025 right-of -use assets and lease liabilities of the Group consisted of the following:

	December 31, 2025
Right of use assets	
Buildings	13,808
	13,808

	December 31, 2025
Lease liabilities	
Current	1,158
Non-current	11,939
	13,097

	For the year ended December 31, 2025
Accumulated amortization of right-of-use assets	
Buildings	1,879
	1,879

	Right-of-use assets	Lease liabilities
December 31, 2024	-	-
Additions	15,687	15,687
Amortization of Right-of-use assets	(1,879)	-
Interest expenses	-	1,709
Payments	-	(4,299)
December 31, 2025	13,808	13,097

10. LONG-TERM INVESTMENTS

As at December 31, 2025 and 2024 the Group's long-term investments are as follows:

	December 31, 2025	December 31, 2024
Shares in "Sangtuda - 2" HPP	150,796	150,796
OJSC "Rogun HPP"	7,934	7,934
	158,730	158,730

In 2006 the Group has signed agreement with OJSC "Sangob" on financing of the construction of Sangtuda-2 HPP in the amount of 40,000 thousand US dollars. In accordance with the agreement after 12 years of use the Hydropower Plant would be transferred to the Group. As at December 31, 2012 the Group has fully paid obligations under the agreement. In accordance with terms of the agreement on purchase of electricity the Group has to purchase electricity from HPP Sangtuda-2 at fixed price which should be increased by 5% annualy starting from 2015.

In 2010 the Group acquired the shares of OJSC "Rogun HPP" amounting to 23,700 thousand somoni. The obligations of OJSC "Rogun HPP" to the Group in the amount of 7,933 thousand somoni were converted into shares at the agreement of both parties and the Ministry of Finance of the Republic of Tajikistan.

On 24 December 2024, OJSC "Barqi Tojik" received shares of OJSC "Rogun HPP" in the amount of TJS 32,540,000 from OJSC "Tajik Aluminium Company" as settlement of the latter's outstanding liability to OJSC "Rogun HPP".

On the same date, 24 December 2024, OJSC "Barqi Tojik" and OJSC "Rogun HPP" entered into an agreement under which shares of OJSC "Rogun HPP" totaling TJS 56,209,000 were transferred to OJSC "Rogun HPP" as settlement of OJSC "Barqi Tojik"'s outstanding liability.

11. INVENTORIES

As at December 31, 2025 and 2024 inventories of the Group are as follows:

	December 31, 2025	December 31, 2024
Supplies and others	655,331	848,858
Spare parts	387,787	321,595
Fuel and lubricants	359,466	294,684
Low valuable items in storehouse	22,603	24,212
Construction materials	15,866	3,843
Other	19,426	19,811
Net realizable value impairment allowance	(596,869)	(393,127)
	863,610	1,119,876

The movement in allowance for cost decrease to net realizable value and obsolete inventories for the years ended December 31, 2025 and 2024 is presented as follows:

	2025	2024
at January 1	393,127	372,466
Accrual/(recovery) of allowance	203,742	20,661
at December 31	596,869	393,127

12. TRADE AND OTHER ACCOUNTS RECEIVABLE

As at December 31, 2025 and 2024 trade and other accounts receivable of the Group are as follows:

	December 31, 2025	December 31, 2024
Accounts receivable for electricity	318,300	491,127
Accounts receivable for heat	53,804	49,398
Accounts receivable for goods and services	6,285	7,788
Expected credit loss for doubtful debts	(251,967)	(226,063)
	126,422	322,250

The movement in the ECL for doubtful debts for the years ended December 31, 2025 and 2024 is presented as follows:

	2025	2024
at January 1	226,063	439,322
Accrual of ECL	25,904	(213,259)
at December 31	251,967	226,063

The most significant debtors of the Group are as follows:

	December 31, 2025	December 31, 2024
Afghanistan Kunduz	47,002	29,285
Dushanbe enterprise of thermal networks	43,290	23,270
OJSC "Uzbekenergo"	10,390	5,577
JSC "National Electric Grid of Kyrgyzstan"	1,625	1,344
National University of Tajikistan	1,118	-
OJSC "Shabakahoi Taqsimoti Barq"	-	77,032
SUE "Tajik aluminium company"	-	39,752
	103,425	176,260

13. ADVANCES PAID

As at December 31, 2025 and 2024 advances paid of the Group are as follows:

	December 31, 2025	December 31, 2024
Advances paid for goods and services	459,739	363,344
Prepaid expenses	31,397	50,959
Other advance prepayments	165	213
Allowance for doubtful advances paid	(335,620)	(82,374)
	155,681	332,142

The movement in allowance for doubtful advances paid for the years ended December 31, 2024 and 2023 is presented as follows:

	2025	2024
at January 1	82,374	262,477
Accrual of allowance	253,246	(180,103)
at December 31	335,620	82,374

14. TAXES PAID IN ADVANCE

As at December 31, 2025 and 2024 taxes paid in advance of the Group are as follows:

	December 31, 2025	December 31, 2024
Income tax	-	67,244
VAT for recoverable	37	11,954
Other	251	267
	288	79,465

In the course of preparing the consolidated financial statements for the year ended 31 December 2025, the Group performed a reconciliation of its corporate income tax balances with the tax authorities. As a result of the reconciliation, differences were identified between the corporate income tax prepayment balance recorded in the Group's accounting records and the balance reflected in the records of the tax authorities. These differences arose in prior reporting periods as a result of adjustments to previously submitted corporate income tax returns.

In order to align the Group's accounting records with the results of the reconciliation with the tax authorities, the Group adjusted the carrying amount of the corporate income tax prepayment. As the identified differences relate to prior reporting periods, the corresponding adjustment was recognised as a prior-period adjustment through retained earnings.

15. CASH AND CASH EQUIVALENTS

As at December 31, 2025 and 2024 cash and cash equivalents of the Group are as follows:

	December 31, 2025	December 31, 2024
Cash in bank account	64,687	84,949
Cash on hand	-	225
	64,687	85,174

16. SHARE CAPITAL

As at December 31, 2025, the recorded and paid-up share capital of the Group amounted to 18,294,011 thousand somoni (December 31, 2024: 17,303,296 thousand somoni and 17,303,249 thousand somoni).

In 2025, the Group's share capital was increased to 18,294,011 thousand TJS in accordance with Resolution No. 451 of the Government of the Republic of Tajikistan dated 27 August 2025. The increase in share capital was effected through the contribution of the value of the project "Construction of Phase I of Dushanbe Thermal Power Plant No. 2", as well as through the incorporation into the Group's share capital of the charter capitals of the liquidated OJSC "Dushanbe Heat and Power Centre" and OJSC "Yavan Thermal Power Plant".

In 2024 the share capital of the Group was increased by 920,762 thousand somoni as follows:

✓ In accordance with Government Resolution No. 474 of the Republic of Tajikistan dated September 28, 2024, OJSC "Barqi Tojik" has transferred the following fixed assets:

- To "Shabakahoi Taqsimoti Barq" –392,831 thousand somoni;
- To JSC "Shabakahoi Intiqoli Barq" –1,177,684 thousand somoni.

The total value of the transferred assets amounts to 1,570,515 thousand somoni. Consequently, the company has recognized a corresponding reduction in both its fixed assets and authorized capital.

✓ In accordance with Government Resolution of the Republic of Tajikistan No. 600 dated 16 November 2024, the Ministry of Finance of the Republic of Tajikistan wrote off the company's accrued penalty interest liabilities in the amount of 7,722,827 thousand TJS. This amount was used to increase the company's share capital and is recorded in the financial statements as a capital contribution from the state.

✓ In accordance with Government Resolution No. 601 dated 16 November 2024, the company's outstanding liabilities to OJSC *Sangtuda HPP-1* were reduced. The reduction, totaling 273,173 thousand somoni, was recorded as an increase in the company's share capital.

In accordance with Resolution No. 115 of the Government of the Republic of Tajikistan dated 28 February 2025, "On the Regulation of Net Profit of State-Owned Enterprises and Business Entities in Which the State Holds an Interest in the Charter Capital", state-owned enterprises and business entities in which more than 50% of the charter capital is owned by the State are required to transfer to the republican budget 10% of net profit attributable to the State's ownership interest, based on the results of financial and economic activities for 2024 and subsequent years.

In accordance with the above Resolution, based on the results of its operations for 2025, the Group declared a distribution of profit to the State in the amount of 266,458 thousand TJS, which was recognised as a distribution of profit within equity.

17. BORROWED FUNDS

As at December 31, 2025 and 2024 long-term borrowed funds of the Group are as follows:

	December 31, 2025	December 31, 2024
Loan from the Ministry of finance of Republic of Tajikistan	11,049,378	12,014,124
Loans from OJSC "Orienbank"	1,966,609	2,350,488
Loan from the European Bank for Reconstruction and Development	600,218	791,611
Unamortized portion of front-end fee	(14,817)	(15,947)
	13,601,388	15,140,276

As at December 31, 2025 and 2024 short-term borrowed funds of the Group are as follows:

	December 31, 2025	December 31, 2024
Loan from the Ministry of Finance of Republic of Tajikistan	665,124	996,205
Loan from the European Bank for Reconstruction and Development	158,221	144,041
Interest payable	459,478	298,486
Unamortized portion of front-end fee	(1,130)	(1,130)
	1,281,693	1,437,602

Current portion of non-current borrowings is allocated in accordance with the repayment schedule of principal on loans.

On 9 January 2025, OJSC "Barqi Tojik" signed two additional agreements with OJSC "Orienbank" to the previously executed loan contracts dated 31 December 2019, under the following terms:

- Additional agreement to Loan Contract No. 101DAVH193652002 — loan amount: 7,800 thousand USD;
- Additional agreement to Loan Contract No. 101DAVH193650002 — loan amount: 7,800 thousand USD.

17. BORROWED FUNDS (continued)

As at December 31, 2025 and 2024 outstanding amount on loans received from Ministry of finance of the Republic of Tajikistan and European Bank for Reconstruction and Development is presented in the following table:

Loan #	Creditor	Loan purpose	Agreement date	Maturity date	Loan amount	Interest rate	December 31, 2025	December 31, 2024
1817	Asian Development Bank	Financing of the energy system rehabilitation project	August 20, 2001	December 15, 2025	26,576 thousand SDR	2.5%	-	-
6015	Eximbank	Construction of 500 kV South-North transmission Line	December 21, 2006	June 21, 2026	267,219 thousand USD	3,00%	1,592,464	1,964,804
6016	Eximbank	Construction of 220 kV transmission line "Lolazor-Khatlon"	December 16, 2006	June 21, 2026	55,228 thousand USD	3,00%	493,896	603,776
IDB -011-029-031	Islamic Development Bank	Reliable energy supply in rural regions of Tajikistan	November 26, 2004	December 31, 2020	10,400 thousand . Islamic Dinars	3.5%	133,834	150,605
IBR -0022	Islamic Development Bank	Construction of small hydroelectric power plants	March 18, 2005	December 31, 2029	7,623 thousand Islamic Dinars	3,50%	87,175	103,004
1912-TAJ (SF)	Asian Development Bank	Financing Emergency project on Baikazin landslides Stabilization	October 20, 2003	December 1 , 2033	4,001 thousand SDR	2,50%	37,179	43,657
2303	Asian Development Bank	Construction of cross-border interconnection line	May 21, 2007.	December 1, 2031	14,475 thousand SDR	2,5%	156,010	175,560
665	The Kuwait Fund	Financing of the project of reconstruction of Dushanbe city electric networks	September 20, 2003	October 1, 2029	3,600 thousand Kuwaiti Dinars	2.5%	106,417	125,678
06015-06016	Eximbank	Additional construction of a 500/220 kV South-North high-voltage transmission line, Lolazor-Khatlon	May 29, 2007	December 21, 2028	51,000 thousand USD	3,00%	379,303	466,818
TAD 030-032 BT	Islamic Development Bank	Expansion of energy cooperation between Tajikistan and Afghanistan	June 28, 2011	November 30, 2031	14,067 thousand USD	3,5%	122,865	152,834

17. BORROWED FUNDS (continued)

Loan #	Creditor	Loan purpose	Agreement date	Maturity date	Loan amount	Interest rate	December 31, 2025	December 31, 2024
2010 (024)TOTAL 131- 029BT	Eximbank	Construction of 220 kV high-voltage power transmission line "Khujand Aini"	December 15, 2010	September 21 , 2031	35,055 thousand USD	3,00%	319,724	383,239
1141P	OFID (OPEC)	Expansion of energy cooperation between Tajikistan and Afghanistan	June 28, 2011	August 15 , 2026	8,500 thousand USD	3,00%	73,147	86,439
2011 (19) TOTAL NO. (170)-030 BT	Exim Bank	Creation of a unified electricity system in the northern region of the Republic of Tajikistan	July 20, 2011	March 21 , 2031	26,464 thousand USD	3,00%	244,825	289,315
Loan № 4093 TJ	International Development Association	Financing of the project to reduce electricity losses	December 6, 2005	September 15, 2026	11,446 thousand USD	1,75%	90,541	106,994
No.TAJ 2015-10(BT)	International Development	Financing of the project Providing electricity in winter period"	September 21, 2015	April 15 , 2035	5,000 thousand USD	2,42%	46,168	54,558
EIB Serapis No. 2009 0675 - 031BT	Eurasian Bank	Tajikistan's energy sector rehabilitation project	October 12, 2011	September 15, 2030	10,141 thousand USD	3,00%	93,823	110,873
Taj 021 BT	KfW	Replacement of the 220 kV distribution device at the Nurek HPP	February 3, 2009	November 1 , 2033	18,000 thousand EUR	1,75%	181,339	205,594
Financing the construction of small HPPs Kulob and Vose	State committee on investment and state property management of the Republic of Tajikistan	Project financing "Construction of small hydroelectric power plants "Kulob" and "Vose" for provision of electricity to rural population"	January 1, 2008	June 30, 2018	1,200 thousand Somoni	1%	1,200	1,200
266-025	Exim Bank	Reconstruction of the Regar substation	July 31, 2013	November 21 , 2033	35,043 thousand USD	3,00%	324,196	383,111
TAJ 2014-028-1	Exim Bank	Funding of the project "Construction of the second phase of the HES– 2"	December 18, 2014	June 21 , 2034	178,969 thousand USD	3,00%	1,643,630	1,956,581

17 BORROWED FUNDS (continued)

Loan #	Creditor	Loan purpose	Agreement date	Maturity date	Loan amount	Interest rate	December 31, 2025	December 31, 2024
TAJ 2014-028-2	Exim Bank	Funding of the project "Construction of the second phase of the HES– 2"	December 18, 2014	August 21 , 2039	929.977 thousand Yuan	3%	1,231,197	1,392,827
TAJ 2014-007(BT-027	Islamic Development Bank	Financing of the project "Reconstruction of the Ravshan substation"	May 5, 2015	October 15 , 2038	13,070 thousand USD	3,5%	113,966	134,677
TAJ 2016-03 (BT-037)	Islamic Development Bank	Electricity sales project between Central Asia and South Asia (CASA-1000)	August 19, 2016	June 15, 2045	70,000 thousand USD	3%	587,671	462,584
TAJ 2016-03 (BT-036)		Electricity sales project between Central Asia and South Asia (CASA-1000)	August 19, 2016	June 15, 2045	70,000 thousand EUR	2%	748,863	772,954
TAJ 2017-02 (BT-039)	Exim Bank	Rehabilitation and construction of power transmission lines of 500 kW	December 29, 2017	August 21 , 2042	546.032 thousand Yuan	3%	722,892	817,793
TAJ 2018-01 (BT-040)		Nurek HPP Rehabilitation Project, Phase 1 part A 6024-TJ	January 15, 2018	October 15, 2055	64,135 thousand USD	2%	554,530	630,924
TAJ 2018-01 (BT-040)		Nurek HPP Rehabilitation Project, Phase 1 Part B 6025-TJ	January 15, 2018	October 15, 2055	100,000 thousand USD	6%	286,142	100,290
TAJ 2018-02 (BT-041)	Asian Development Bank	Nurek HPP rehabilitation project, Phase 1	January 29, 2018	October 15, 2042	60,000 thousand USD	2,50%	523,178	571,244
Reconstruction of the Kayrokum HPP	EBRD	Kairokum HPP rehabilitation Project, 2nd Tranche	January 23, 2019	April 07 , 2058	27,000 USD	Libor +2%	249,785	248,314
TAJ 2020-04 (BT -001)	EBRD	Rehabilitation of Nurek HPP, Phase 1 (BT -001)	April 24 , 2020	October 15 , 2039	40,000 USD	1%	224,338	173,255
41553	EBRD	Kairakum HPP Rehabilitation	June 25, 2014	December 8, 2029	50,000 thousand USD	Libor +1%	183,286	278,478
41538	EBRD	Reduction of electricity losses in Sughd region	June 15, 2011	April 5 , 2026	10,150 thousand USD	Libor +1%	7,286	25,832

17. BORROWED FUNDS (continued)

Loan #	Creditor	Loan purpose	Agreement date	Maturity date	Loan amount	Interest rate	December 31, 2025	December 31, 2024
47221	EBRD	CASA 1000	August 01, 2015	July 31, 2030	110,000 thousand USD	Libor +1%	477,203	564,529
46782	EBRD	EBRD CONCESSIONAL	June 25, 2014	December 8, 2054	60,000 thousand USD	10%	90,663	66,813
47253	EBRD	Sughd region	April 13, 2018	December 8, 2029	38,000 thousand USD	Libor +2%	344,205	340,828
					TOTAL		12,472,941	13,945,982

18. DEFERRED INCOME

As at December 31, 2025 and 2024 deferred income of the Group comprises of current and non-current portions.

	December 31, 2025	December 31, 2024
Deferred income on grants received from Government of the Republic of Tajikistan	3,020,672	3,726,613
	3,020,672	**3,726,613**

Deferred income on grants received is presented in the form of targeted funding for the construction of fixed assets and granted assets from the state bodies, which include mainly electrical equipment and facilities for power transfer devices transferred to the control of the Group by the Government of the Republic of Tajikistan.

Movement of deferred income on discounting of non-current borrowed funds at the rate lower than market rate for the years ended December 31, 2025 and 2024 was as follows:

	2025	2024
at January 1	3,726,613	3,329,361
Grants directly paid to suppliers	206,449	20,572
Grants received during the year	337,914	403,202
Grant reclassified to Share capital	(839,262)	-
Write-off of assets	(209,300)	
Amortization for the year	(201,742)	(26,522)
at December 31	**3,020,672**	**3,726,613**

19. TRADE AND OTHER ACCOUNTS PAYABLE

As at December 31, 2025 and 2024 trade and other accounts payable of the Group are as follows:

	December 31, 2025	December 31, 2024
Accounts payable for electricity	7,463,597	8,228,688
Accounts payable for fixed assets	386,388	884,632
Accounts payable for goods and services	513,455	573,576
Other accounts payable	362	326
	8,363,802	9,687,222

19. TRADE AND OTHER ACCOUNTS PAYABLE (CONTINUED)

Below is information on the largest creditors:

	December 31, 2025	December 31, 2024
Sangtuda-1 OJSC	3,257,182	3,257,182
Santguda-2 Hydroelectric Power Plant	3,106,309	4,095,531
Rogun HPP OJSC	1,100,103	875,975
Harbin smart way goods wholesalers trading L.L.C. TJK-BJCG-2025-03	205,060	-
Electricity transmittion networks	102,693	29,932
Shakhtai Fon-Yagnob	78,179	120,402
ANDRITZ HYDRO GmbH	80,645	80,471
Chashma LLC	51,628	48,278
Agency of State Material Resources	49,038	45,861
TBEA OJSC	36,575	43,222
TGEM OJSC	23,734	104,085
GE HYDRO FRANCE	23,334	-
Peking Best Electric Power Lines Contracting L.L.C 2025	20,912	-
COBRA Instalaciones y Servicios, SA	16,866	107,949
Kazremenergo JSC	15,581	-
Cobra Instalaciones y servicios, S.A. (second cont	14,606	-
Harbin Management Consuitancies L.L.C - 2025-01	13,710	-
Qudrat 2010 LLC	12,436	27,340
Kalpataru Power Transmittion OJSC	-	131,198
Tojiktransgaz OJSC	-	114,291
Vaslgari Asr LLC	-	67,219
ABB AB OJSC	-	43,703
Koni Angishti Ziddi	-	23,252
Vena LLC	-	18,331
Shaanxi Coal & Chemical Central Asia Investment	-	18,098
	8,208,591	9,252,320

In 2025, within the framework of an intergovernmental agreement, the terms of a phased write-off of the debt of Barqi Tojik OJSC to Sangtuda HPP-1 OJSC for the supplied electricity were agreed. As of December 31, 2024, the debt covered by the agreement was 297,936 million USD.

In accordance with the agreement, the repayment of this debt is provided for through its phased write-off in the period from 2026 to 2034, subject to the fulfillment by the Tajik Party of its obligations under the agreement, including full and timely payment for current electricity supplies.

The agreement also stipulates that, subject to the fulfilment of the relevant conditions, the Russian Party shall ensure the write-off of debt in the total amount of USD 25 million during 2025 on account of the amount to be written off in 2026.

As of December 31, 2025, the corresponding write-off of debt was not documented by a reconciliation act between the parties and was not reflected in settlements with the counterparty. As a result, the Group continued to recognize this amount as trade and other payables.

As at the date of approval of these financial statements, the corresponding write-off has not been issued.

For the purpose of providing financial support to the Group, OJSC "Barqi Tojik" and the Sangtuda-Sangob Dam and Power Plant Project Management Company entered into Addendum No. 2 to the Power Purchase Agreement dated 17 January 2006. Addendum No. 2 was signed on 29 May 2025 and ratified by

19. TRADE AND OTHER ACCOUNTS PAYABLE (CONTINUED)

Resolution No. 173 of the Majlisi Namoyandagon of the Majlisi Oli of the Republic of Tajikistan dated 1 October 2025.
In accordance with the arrangements reached, the parties agreed to reduce the Group's outstanding liability for electricity purchased in prior reporting periods by 499,436 thousand TJS. This adjustment was reflected in the reconciliation statements of mutual settlements as at 31 December 2024.

The Group's management determined that the agreed reduction in the liability relates directly to the cost of electricity purchased and recognised in the prior reporting period and is not related to the volume of electricity purchased or to the Group's operating performance in 2025.

Based on the economic substance of the transaction and its direct relationship to expenses recognised in the prior reporting period, the Group recognised a reduction in accounts payable of 499,436 thousand TJS, together with the corresponding effect of the related deferred tax liability, in other comprehensive income for the year ended 31 December 2025.

20. ADVANCES RECEIVED

As at December 31, 2025 and 2024 advances received by the Group are as follows:

	December 31, 2024	December 31, 2023
Advances received for electricity	72,771	42,209
Advances received for heat energy	320	-
Advances received for goods and services	73	89
	73,164	42,298

21. TAXES PAYABLE

As at December 31, 2025 and 2024 taxes payable of the Group are as follows:

	December 31, 2025	December 31, 2024
Income tax	408,957	-
Dividends payable	266,457	-
Value added tax payable	38,090	65,500
Personal income tax payable	8,485	21,355
Customs duty	-	13,458
Royalty tax payable	5,091	5,984
Social tax payable	4,890	3,779
Other taxes	3	-
	731,973	110,076

22. OTHER PAYABLES AND ACCRUED EXPENSES

As at December 31, 2025 and 2024 other payables and accrued expenses of the Group are as follows:

	December 31, 2025	December 31, 2024
Other financial liabilities		
Unused vacation provision	11,860	10,518
Fines and penalties on overdue borrowed funds	234	32
	12,094	10,550
Other non-financial liabilities		
Salary payable	21,656	17,449
Fines and penalties on taxes	9,603	6,795
Other liabilities	1,118	1,371
	32,377	25,615
	44,471	36,165

The movement in provision for unused vacation for the years ended December 31, 2025 and 2024 is presented as follows:

	2025	2024
at January 1	10,518	12,066
(Recovery)/accrual of provision	1,342	(1,548)
at December 31	11,860	10,518

23. INCOME TAX

The Group 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 Group operates, which may differ from IFRS.
For the years ended December 31, 2025 and 2024 on the territory of the Republic of Tajikistan, the income tax rate for production legal entities was 13% according to the tax law of the Republic of Tajikistan.

Effective January 1, 2026, the corporate income tax rate for production legal entities is 18%. Therefore, deferred tax liabilities as of December 31, 2025, were calculated using the 18% rate expected to apply during the period of settlement of the relevant temporary differences.

The Group 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, 2025 and 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.

	Year ended December 31, 2025	Year ended December 31, 2024
Current income tax expenses	462,090	-
Changes in deferred income tax	-	-
Income tax expenses	462,090	-

23. INCOME TAX (CONTINUED)

Temporary differences as at December 31, 2025 and 2024, comprise:

	December 31, 2025	December 31, 2024
Deferred income tax assets:		
Tax loss carry forward	-	8,729
Depreciation of Property plant and equipment	33,913	-
Expected credit losses for trade and other accounts receivable	45,354	29,388
Deferred income	543,721	484,460
Net realisable value impairment allowance	107,436	51,107
Allowance for doubtful advances paid	64,105	13,376
Allowance for doubtful long term advances paid	7,620	53,126
Unused vacation provision	2,135	1,367
Total deferred income tax assets	804,284	641,553
Provision for deferred income assets	(804,284)	(641,553)
Deferred income tax liabilities:		
Revaluation of property and equipment	1,674,330	695,313
Discount on trade accounts receivable	89,898	-
Total deferred income tax liabilities	1,764,228	695,313
Net deferred income tax liabilities at statutory tax rate (18% for 2025 and 13% for 2024)	1,764,228	695,313

Temporary differences between tax accounting and current financial statement as well as tax losses lead to deferred tax liabilities as at December 31, 2025 and 2024 as a result of the following:

	December 31, 2024	Recognized in the statement of profit or loss and other comprehensive income	Recognized in equity	December 31, 2025
Temporary differences:				
Revaluation of property and equipment	695,313	747,544	231,473	1,674,330
Discount on trade accounts receivable	-	89,898	-	89,898
	695,313	837,442	231,473	1,764,228

	December 31, 2023	Recognized in the statement of profit or loss and other comprehensive income	Recognized in equity	December 31, 2024
Temporary differences:				
Revaluation of property and equipment	724,967	-	(29,654)	695,313
	724,967	-	(29,654)	695,313

24. REVENUE

The Group's revenues from sales of electricity and thermal energy for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Revenue from sale of electricity	4,348,316	3,800,334
Revenue from sale of thermal energy	36,127	27,937
Other	988	2,370
	4,385,431	3,830,641

25. COST OF SALES

The cost of electricity and thermal energy produced for the years ended December 31, 2025 and 2024 were as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Cost of electricity	2,636,219	3,325,492
Cost of thermal energy	569,679	568,998
	3,205,898	3,894,490

Cost of sales includes the following articles:

	Year ended December 31, 2025	Year ended December 31, 2024
Cost of purchased electricity	1,380,212	1,934,321
Materials	828,209	899,685
Depreciation	586,202	566,458
Salary and related taxes	180,603	157,545
Transport expenses	51,182	118,934
Taxes other than income tax	98,526	84,062
Fixed assets maintence	21,215	79,241
Professional service	35,346	29,412
Unused vacation provision	22,444	17,752
Other	1,959	7,080
	3,205,898	3,894,490

26. SELLING EXPENSES

The selling expenses of the Group for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Electricity transmission services	192,867	127,809
Accrual of allowance for doubtful advances paid	(113,146)	39,207
Accrual of expected credit losses for accounts receivable	25,904	(213,259)
	105,625	(46,243)

27. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Salary and related taxes	73,210	75,084
Taxes other than income tax	42,564	1,950
Fines and penalties on taxes	19,035	-
Professional services	11,988	5,635
Depreciation of fixed assets and amortization of intangible assets	7,970	8,101
Bank services	7,629	449
Fuel	2,904	2,970
Unused vacation provision	2,580	1,243
Depreciation of right of use assets	1,879	-
Utility	1,839	1,713
Charity	1,788	2,956
Representation	1,550	637
Business trip	1,075	842
Stationery	1,035	575
Communication	467	392
Fixed assets maintenance	164	165
Rent expenses	67	1,512
Other	3,561	4,455
	181,305	108,679

Annually as a result of tax audit carried out by tax authorities the Group accrues fines and penalties for different taxes.

28. FINANCIAL EXPENSES

Financial expenses for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Interest expenses on borrowed funds	576,198	716,072
Penalties on borrowed funds	14,352	1,205,908
Interest expenses on lease liabilities	1,709	-
	592,259	1,921,980

29. OTHER NON-OPERATING LOSS, NET

Other non-operating gain/(loss), net for the years ended December 31, 2025 and 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Income from grant	201,741	26,521
Net Inventory Sold	10,079	3,292
Loss from revaluation of fixed assets	(239,679)	-
Inventory net realisable value allowance recovery/(expenses)	(203,742)	(20,661)
Loss from disposal assets	(73,460)	(2,785)
Other	(11,609)	54,795
	(316,670)	61,162

30. 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 As no readily available market exists for large part of the Group's financial instruments, judgment is necessary in arriving at fair value, based on current economic conditions and specific risks attributable to the instrument.

As at December 31, 2025 and 2024 the following methods and assumptions were used by the Group to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents - The carrying amount represents their fair value.

Trade and other receivables - The carrying amount is considered a reasonable estimate of their fair value as the allowance for estimated doubtful amounts is considered a reasonable estimate of the discount required to reflect the impact of credit risk.

Trade and other payables - The carrying amount is a reasonable estimate of their fair value due to their current nature.

Non-current borrowing - The carrying amount is considered a reasonable estimate of their fair value as applied interest rate on non-current borrowings is considered to be a reasonable approximation of the market rate with reference to loans with similar credit risk level and maturity period at the reporting date.

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. The Group classifies the fair values of its financial instruments into a three level hierarchy

based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date; or

Level 2 Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or

Level 3 Unobservable inputs for the assets or liabilities, requiring the Group to make market based assumptions.

Level 1 classifications primarily include financial assets and financial liabilities that are exchange traded, whereas

Level 2 classifications primarily include financial assets and financial liabilities which derive their fair value primarily from exchange quotes and readily observable quotes.

Level 3 classifications primarily include financial assets and financial liabilities which derive their fair value predominately from models that use applicable market based estimates surrounding location, quality and credit differentials. In circumstances where the Group cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is the Group's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.
The following tables show the fair values of financial assets and financial liabilities as at December 31, 2025 and 2024. Other assets and liabilities which are measured at fair value on a recurring basis are cash and cash equivalents. There are no nonrecurring fair value measurements.

	Level 1	Level 2	Level 3	December 31, 2025 Total
FINANCIAL ASSETS:				
Cash and cash equivalents	64,687	-	-	64,687
Trade and other accounts receivable	-	-	126,422	126,422
Non-current investments	-	-	158,730	158,730
TOTAL FINANCIAL ASSETS	64,687	-	285,152	349,839
FINANCIAL LIABILITIES:				
Current trade and other accounts payable	-	-	8,363,802	8,363,802
Short-term borrowed funds	-	1,281,693	-	1,281,693
Long-term borrowed funds	-	13,601,388	-	13,601,388
Other short-term payables and accrued expenses	-	-	12,094	12,094
TOTAL FINANCIAL LIABILITIES	-	14,883,081	8,375,896	23,258,977

30. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	December 31, 2024 Total
FINANCIAL ASSETS:				
Cash and cash equivalents	85,174	-	-	85,174
Trade and other accounts receivable	-	-	322,250	322,250
Non-current investments	-	-	158,730	158,730
TOTAL FINANCIAL ASSETS	85,174	-	480,980	566,154
FINANCIAL LIABILITIES:				
Current trade and other accounts payable	-	-	9,687,222	9,687,222
Short-term borrowed funds	-	1,437,602	-	1,437,602
Long-term borrowed funds	-	15,140,276	-	15,140,276
Other short-term payables and accrued expenses	-	-	10,550	10,550
TOTAL FINANCIAL LIABILITIES	-	16,577,878	9,697,772	26,275,650

31. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Social commitments and pensions and retirement plans

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

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

As at December 31, 2025 and 2024 the Group 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, 2025 and 2024 the Group 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 consolidated 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 acceded to the Kyoto Protocol and ratified it on November 22, 2008. Environmental protection legislation in Tajikistan is at the stage of development, and the State authorities are constantly reviewing the rules for the application of such legislation. The Group periodically assesses

its obligations related to environmental pollution. As liabilities are identified, they are immediately reflected in the consolidated financial statements.
Potential liabilities that may arise as a result of changing existing provisions, civil litigation or legislation cannot be assessed with sufficient accuracy, although they may prove to be significant. With the current system of control and penalties for non-compliance with existing environmental legislation, management considers that there are currently no significant obligations related to environmental damage. In management's opinion, there are currently no pending litigation or other claims that could have a material adverse effect on the Group's financial results and financial position, or that have not been accrued or disclosed in these consolidated financial statements.

(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 Group. 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.

32. TRANSACTIONS WITH RELATED PARTIES

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not only their legal form. In the statement of financial position as at December 31, 2025 and 2024 the following amounts were represented which arose due to transactions with related parties:

	December 31, 2025		December 31, 2024	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
Cash and cash equivalents	12,175	64,687	74,254	85,174
Advances paid	10,636	155,681	33	332,142
Trade and other accounts receivable	278,583	126,422	251,342	322,250
Trade and other accounts payable	4,360,281	8,363,802	5,126,144	9,687,222
Long-term borrowed funds	11,049,378	13,601,388	12,014,125	15,140,276
Short-term borrowed funds	1,106,169	1,281,693	1,100,230	1,437,602

In the statement of profit or loss and other comprehensive income for the years ended December 31, 2025 and 2024 the following amounts were represented which arose due to transactions with related parties:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Related party transactions	Total category as per the financial statements caption	Related party transactions	Total category as per the financial statements caption
Revenue	3,270,372	4,385,431	2,699,058	3,830,641
Cost of sales	1,125,891	3,205,898	1,735,113	3,894,490
Financial expenses	253,754	592,259	282,574	1,921,980
Selling expenses	192,493	105,625	127,295	127,809
General and administrative expenses	1,449	181,305	554	108,679
- compensation to key management personnel	548	73,211	221	75,084

Transactions with state companies

The Group 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 Group 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.

Nature of operation	Related party
Cash and cash equivalents	SUE SB RT Amonatbonk
Advances paid	Shabakahoi taqsimoti barq, OJSC
Trade and other accounts receivable	Shabakahoi taqsimoti barq, OJSC
Trade and other accounts receivable	State Unitary Enterprise City heating Networks of Dushanbe
Trade and other accounts receivable	Shabakahoi intiqoli barq, OJSC
Trade and other accounts receivable	Rogun HPP, OJSC
Trade accounts payable	Sangtuda-2 HPP
Trade accounts payable	Sangtuda-1 HPP, OJSC
Trade accounts payable	Shabakahoi taqsimoti barq, OJSC

b) The consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2025 and 2024 reflected the following transactions arising from transactions with related parties:

Nature of operation	Related party
Cost of sales	Sangtuda-1 HPP, OJSC
Cost of sales	Shabakahoi taqsimoti barq, OJSC
Cost of sales	Rogun HPP, OJSC
Cost of sales	Shabakahoi taqsimoti barq, OJSC
Revenue	Shabakahoi taqsimoti barq, OJSC
Revenue	Shabakahoi intiqoli barq, OJSC
Financial loss	Ministry of Finance of the Republic of Tajikistan
Selling expenses	Shabakahoi intiqoli barq, OJSC

33. FINANCIAL RISKS MANAGEMENT

Main financial liabilities of the Group include loans, trade and other payables and agreements of financial guarantee. Main purpose of these financial liabilities is financing Group's operations and support of its activity.

Group has trade and other receivables, cash and cash equivalents and current deposits, which directly arise in the course of Group's operational activity. The Group also keeps investment held for sale.

The Group is subject to market risk, credit risk and liquidity risk.

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

Prior to placement of Group's shares, duties of Superior Body are performed by the Government of the Republic of Tajikistan. Exclusive powers of Superior Body are:

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

Geographical concentration

The geographical concentration of assets and liabilities are disclosed below:

	Republic of Tajikistan	OECD countries	Other	2025 Total
FINANCIAL ASSETS:				
Cash and cash equivalents	64,687	-	-	64,687
Trade and other accounts receivable	67,404	-	59,018	126,422
Non-current investments	158,730	-	-	158,730
TOTAL FINANCIAL ASSETS	290,821	-	59,018	349,839
FINANCIAL LIABILITIES:				
Current trade and other accounts payable	7,878,115	171,494	314,193	8,363,802
Current borrowed funds	1,106,489	175,204	-	1,281,693
Non-current borrowed funds	13,015,988	585,400	-	13,601,388
Other current payables and accrued expenses	12,094	-	-	12,094
TOTAL FINANCIAL LIABILITIES	22,012,686	932,098	314,193	23,258,977

	Republic of Tajikistan	OECD countries	Other	2024 Total
FINANCIAL ASSETS:				
Cash and cash equivalents	85,174	-	-	85,174
Trade and other accounts receivable	261,055	-	61,195	322,250
Non-current investments	158,730	-	-	158,730
TOTAL FINANCIAL ASSETS	504,959	-	61,195	566,154
FINANCIAL LIABILITIES:				
Current trade and other accounts payable	9,016,301	248,283	422,638	9,687,222
Current borrowed funds	1,271,702	165,900	-	1,437,602
Non-current borrowed funds	14,364,613	775,663	-	15,140,276
Other current payables and accrued expenses	10,550	-	-	10,550
TOTAL FINANCIAL LIABILITIES	24,663,166	1,189,846	422,638	26,275,650

Market risk

Market risk is a risk of possible fluctuations of the fair value of future cash flows as a result of changes in market prices. Market prices include four types of risks: interest rate risk, currency risk, risk of price change and other price risks. Financial instruments, which are subject to market risk, include loans, deposits, investments held for sale.

Sensitivity analysis As at December 31, 2025 and 2024 is presented below.

Sensitivity analysis was prepared on the basis of assumption that amount of net debt and part of financial instruments in foreign currency is constant.

Analysis does not include effect of changes of market variables on book value of pensions and other liabilities on employee's termination, provisions and also nonfinancial assets and liabilities of subdivisions.

In preparing sensitivity analysis the following assumptions were made:

Sensitivity of statement of financial position is associated with debt instruments held for sale.

Sensitivity of relevant account of statement of profit or loss and other comprehensive income is the effect of proposed changes of relevant market risks.

The analysis was made on the basis of financial assets and financial liabilities existing as at December 31, 2025 and 2024.

Risk of price changes

Risk of price changes is the risk or uncertainty arising from possible changes in market prices and their impact on future performance and results of operational activity of the Group.

Price decrease can lead to decrease of net income and cash flows. Maintaining low prices for an extended period of time can lead to a reduction in activity and may ultimately have an impact on the Group's ability to fulfill its obligations under the contracts. Management estimates the decline as hardly probable and Group does not use derivative instruments to reduce its exposure to this risk.

The Group enters into non-current contracts for products supply on standard commercial terms; thereby the Group is not exposed to the risk of loss of revenue due to price increase on the market.

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 Group's exposure to foreign currency exchange rates is stipulated primarily due to Group's operating activity (when sales or expenses are denominated in currencies, other than the functional currency of the Group), as well as the Group's net investment in foreign subsidiaries.

33. FINANCIAL RISKS MANAGEMENT (continued)

The Group exports its production to Afghanistan and countries of Central Asia, acquires equipment and materials from overseas suppliers and attracts a substantial amount of non-current loans in foreign currency. Significant concentration of currency risk lies in loans denominated in various foreign currencies (mainly in US dollars). In accordance with the Group's accounting policy, these loans were translated to somoni using exchange rates prevailed at the reporting date. However, future changes in exchange rate of somoni to US dollar are unpredictable. Future changes in exchange rates may affect the carrying value of liabilities denominated in foreign currencies.

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.

	TJS	USD	EUR	XDR	KWD	CNY	Other	2025 Total
FINANCIAL ASSETS:								
Cash and cash equivalents	5,312	58,999	74	-	-	-	302	64,687
Trade and other accounts receivable	67,405	59,017	-	-	-	-	-	126,422
Long-term investments	158,730	-	-	-	-	-	-	158,730
TOTAL FINANCIAL ASSETS	231,447	118,016	74	-	-	-	302	349,839
FINANCIAL LIABILITIES:								
Current trade and other accounts payable	4,749,863	3,521,357	86,492	-	-	-	6,090	8,363,802
Short-term borrowed funds	120	1,002,292	78,557	22,359	9,078	169,287	-	1,281,693
Long-term borrowed funds	1,200	10,367,150	883,676	401,932	100,665	1,846,765	-	13,601,388
Other current payables and accrued expenses	11,884	160	18	6	3	23	-	12,094
TOTAL FINANCIAL LIABILITIES	4,763,067	14,890,959	1,048,743	424,297	109,746	2,016,075	6,090	23,258,977
Open currency position	(4,531,620)	(14,772,943)	(1,048,669)	(424,297)	(109,746)	(2,016,075)	(5,788)	(22,909,138)

33. FINANCIAL RISKS MANAGEMENT (continued)

	TJS	USD	EUR	XDR	KWD	CNY	Other	2024 Total
FINANCIAL ASSETS:								
Cash and cash equivalents	26,291	58,059	82	-	-	-	742	85,174
Trade and other accounts receivable	261,055	61,195	-	-	-	-	-	322,250
Long-term investments	158,730	-	-	-	-	-	-	158,730
TOTAL FINANCIAL ASSETS	446,076	119,254	82	-	-	-	742	566,154
FINANCIAL LIABILITIES:								
Current trade and other accounts payable	4,682,605	4,866,542	138,002	-	-	-	73	9,687,222
Short-term borrowed funds	120	1,259,278	61,207	23,078	10,211	83,708	-	1,437,602
Long-term borrowed funds	1,200	11,504,397	925,423	452,025	116,253	2,140,978	-	15,140,276
Other current payables and accrued expenses	10,542	7	1	-	-	-	-	10,550
TOTAL FINANCIAL LIABILITIES	4,694,467	17,630,224	1,124,633	475,103	126,464	2,224,686	73	26,275,650
Open currency position	(4,248,391)	(17,510,970)	(1,124,551)	(475,103)	(126,464)	(2,224,686)	669	(25,709,496)

33. FINANCIAL RISKS MANAGEMENT (continued)

Currency risk sensitivity

The following table details the Group's sensitivity to a 10% increase and decrease in the USD,XDR, EUR, CNY and KWD against the TJS for 2025 and 2024, respectively. These rates are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the period for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

	2025		2024	
	Official USD exchange rate, +10%	**Official USD exchange rate, -10%**	**Official USD exchange rate, +10%**	**Official USD exchange rate, -10%**
Impact on profit and loss	(1,477,294)	1,477,294	(1,751,097)	1,751,097

	2025		2024	
	Official XDR exchange rate, +10%	**Official XDR exchange rate, -10%**	**Official XDR exchange rate, +10%**	**Official XDR exchange rate, -10%**
Impact on profit and loss	(42,430)	42,430	(47,510)	47,510

	2025		2024	
	Official EUR exchange rate, +10%	**Official EUR exchange rate, -10%**	**Official EUR exchange rate, +10%**	**Official EUR exchange rate, -10%**
Impact on profit and loss	(104,867)	104,867	(112,455)	112,455

	2025		2024	
	Official CNY exchange rate, +10%	**Official CNY exchange rate, -10%**	**Official CNY exchange rate, +10%**	**Official CNY exchange rate, -10%**
Impact on profit and loss	(201,608)	201,608	(222,469)	222,469

	2025		2024	
	Official KWD exchange rate, +10%	**Official KWD exchange rate, -10%**	**Official KWD exchange rate, +10%**	**Official KWD exchange rate, -10%**
Impact on profit and loss	(10,975)	10,975	(12,646)	12,646

The Group is not exposed to interest rate risk as the amount of the Group's borrowings raised with floating rate is insignificant.

Credit risk

Credit risk is a risk that the Group will incur financial loss because the counterparties fail to meet their obligations under financial instrument or client contract. The Group is exposed to credit risk related to its operating activity (primarily, trade receivables).
The carrying value of accounts receivable, net of allowance for doubtful debt, represents the maximum amount exposed to credit risk.

Need for impairment recognition is reviewed at each reporting date, individually for each large entity. In addition, the amounts due from a large number of individuals are Grouped into homogeneous Groups and

assessed for impairment on a collective basis. The calculations are based on the information on actual losses incurred in the past. The maximum exposure to credit risk at the reporting date is presented by the book value of each class of financial assets. The Group does not have the property received as security for the debt owed to it.

Although collection of receivables could be influenced by economic factors, Management believes that there is no substantial risk of loss beyond the provision for impairment of receivables.

Liquidity risk

Group exercises control over the risk of shortage of funds using a recurring liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and payment by installments contracts.

The Group has access to financing in sufficient amounts and terms of loans to be paid within 12 months may be postponed to a later date by agreement with current creditors.

The following table summarizes the contractual undiscounted payments on financial liabilities of the Group by maturity.

33. FINANCIAL RISKS MANAGEMENT (continued)

	Less than 1 month	1 – 3 months	3 months - 1 year	1-5 years	More than 5 years	Undefined	2025 Total
FINANCIAL ASSETS:							
Cash and cash equivalents	64,687	-	-	-	-	-	64,687
Trade and other accounts receivable	104,725	-	21,697	-	-	-	126,422
Non-current investments	-	-	-	-	-	158,730	158,730
TOTAL FINANCIAL ASSETS	169,412	-	21,697	-	-	158,730	349,839
FINANCIAL LIABILITIES:							
Trade and other accounts payable	7,662,123	701,679	-	-	-	-	8,363,802
Short-term borrowed funds	459,478	133,112	689,103	-	-	-	1,281,693
Long-term borrowed funds	-	-	-	5,609,176	7,992,212	-	13,601,388
Other current payables and accrued expenses	12,094	-	-	-	-	-	12,094
TOTAL FINANCIAL LIABILITIES	8,133,695	834,791	689,103	5,609,176	7,992,212	-	23,258,977
Difference between financial assets and liabilities	(7,964,283)	(834,791)	(667,406)	(5,609,176)	(7,992,212)	158,730	(22,909,138)

33. FINANCIAL RISKS MANAGEMENT (continued)

	Less than 1 month	1 – 3 months	3 months - 1 year	1-5 years	More than 5 years	Undefined	2024 Total
FINANCIAL ASSETS:							
Cash and cash equivalents	85,174	-	-	-	-	-	85,174
Trade and other accounts receivable	232,914	98	89,238	-	-	-	322,250
Non-current investments	-	-	-	-	-	158,730	158,730
TOTAL FINANCIAL ASSETS	318,088	98	89,238	-	-	158,730	566,154
FINANCIAL LIABILITIES:							
Trade and other accounts payable	9,687,222	-	-	-	-	-	9,687,222
Short-term borrowed funds	297,357	116,834	1,023,411	-	-	-	1,437,602
Long-term borrowed funds	-	-	-	5,249,382	9,890,894	-	15,140,276
Other current payables and accrued expenses	10,550	-	-	-	-	-	10,550
TOTAL FINANCIAL LIABILITIES	9,995,129	116,834	1,023,411	5,249,382	9,890,894	-	26,275,650
Difference between financial assets and liabilities	(9,677,041)	(116,736)	(934,173)	(5,249,382)	(9,890,894)	158,730	(25,709,496)

33. FINANCIAL RISKS MANAGEMENT (continued)

Analysis of undiscounted financial liabilities

The table below shows the distribution of the Group's obligations As at December 31, 2025 and 2024 based on contractual undiscounted cash flows.

FINANCIAL LIABILITIES:	Less than 1 month	1 – 3 months	3 months – 1 year	1-5 years	More than 5 years	Undefined	2025 Total
Current trade and other accounts payable	7,663,015	692,741	-	-	-	-	8,355,756
Current borrowed funds	918,958	147,800	972,585	-	-	-	2,039,343
Non-current borrowed Funds	-	-	-	7,108,604	9,463,272	-	16,571,876
Other current payables and accrued expenses	-	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	8,581,973	840,541	972,585	7,108,604	9,463,272	-	26,966,975

FINANCIAL LIABILITIES:	Less than 1 month	1 – 3 months	3 months - 1 year	1-5 years	More than 5 years	Undefined	2024 Total
Current trade and other accounts payable	7,662,123	701,679	-	-	-	-	8,363,802
Short-term borrowed funds	298,486	132,079	6,893,244	-	-	-	7,323,809
Long-term borrowed Funds	-	-	-	11,955,051	6,465,438	-	18,420,489
Other current payables and accrued expenses	12,094	-	-	-	-	-	12,094
TOTAL FINANCIAL LIABILITIES	7,972,703	833,758	6,893,244	11,955,051	6,465,438	-	34,120,194

33. FINANCIAL RISKS MANAGEMENT (continued)

Capital management

Capital includes capital owned by the Government of the Republic of Tajikistan.

The main objective of the Group's capital management is to ensure strong credit worthiness and an adequate level of capital to conduct its operations and maximize shareholder value.

The Group manages its capital structure and its changes in response to changes of economic conditions.

For the year ended December 31, 2025 and 2024 no changes were made in the objectives, policies and processes for managing capital.

34. SUBSEQUENT EVENTS

On December 29, 2025, the Government of the Republic of Tajikistan adopted Resolution No 709 "On Tariffs for Electricity and Heat", according to which, from February 1, 2026, the tariff for electricity supplied by Barqi Tojik OJSC to Shabakahoi Taqsimoti Barq OJSC will increase from 16.37 dirams per 1 kWh to 24.77 dirams per 1 kWh.

In accordance with the Decree of the Government of the Republic of Tajikistan No 265 dated May 15, 2026, the obligations of OJSC "Tajik Aluminum Company" to the Group in the amount of 228,300 thousand TJS were repaid by offsetting with the Group's financial obligations to the state budget of the Republic of Tajikistan.

As at the date of issue of these consolidated financial statements of the Group, there have been no material events or transactions, other than those described above, that are required to be disclosed in accordance with IAS 10 Events Following the Reporting Period.