

**STATE UNITARY ENTERPRISE
“TAJIKAIRNAVIGATION”**

Financial statements
for the year ended December 31, 2021

and independent auditors' report



STATE UNITARY ENTERPRISE "TAJKAIRNAVIGATION"

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Ashurov L.S.
Executive Director

April 28, 2022
Dushanbe, the Republic of Tajikistan


Ashurov L.S.
Executive Director

April 28, 2022
Dushanbe, the Republic of Tajikistan

SUE "TAJIKAIRNAVIGATION"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FOR THE YEAR ENDED DECEMBER 31, 2021

The following statement, which should be read in conjunction with the independent auditors' responsibilities with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the State Unitary Enterprise "Tajikairnavigation" (the "Company").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2021, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with the International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

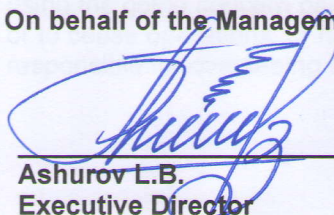
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- preparing the financial statements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

Management is also responsible for:

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

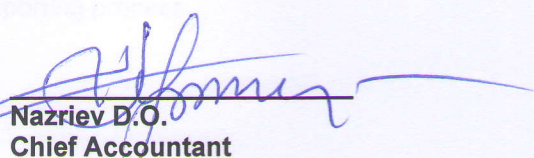
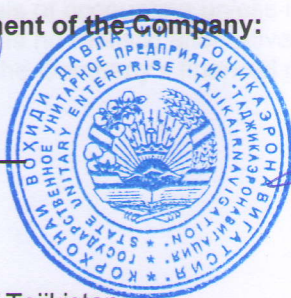
The financial statements for the for the year ended December 31, 2021 were approved and authorized for issue on April 29, 2022 by the Management of the Company.

On behalf of the Management of the Company:



Ashurov L.B.
Executive Director

April 29, 2022
Dushanbe, the Republic of Tajikistan



Nazriev D.O.
Chief Accountant

April 29, 2022
Dushanbe, the Republic of Tajikistan

INDEPENDENT AUDITORS' REPORT

To the Shareholder and the Management of the SUE "Tajikairnavigation":

Qualified opinion

We have audited the accompanying financial statements of the State Unitary Enterprise "Tajikairnavigation" (the "Company"), which comprise the statements of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of the matters described in the paragraph Basis for qualified opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (the "IFRS").

Basis for qualified opinion

In 2010, the Company performed a revaluation of its property, plant and equipment. The revaluation was performed in accordance with the coefficients established by the Ministry of Finance of the Republic of Tajikistan and the Decree of the Government of the Republic of Tajikistan No. 698 dated December 30, 2009. The reserve arising from the revaluation of property, plant and equipment was subsequently transferred to retained earnings in 2010. In our opinion, the Company was unable to provide sufficient evidence to confirm this assessment in accordance with the requirements of IFRS. We were unable to verify the compliance and accuracy of the calculation of the fair value of property, plant and equipment. It was not feasible to apply additional audit procedures sufficient to determine the extent of the impact of this deviation from IFRS. Therefore, we were unable to quantify the effect of this deviation on property, plant and equipment and retained earnings. As a result of these circumstances, we were unable to determine the adjustments that might be necessary for the accounted and unrecorded elements of these financial statements.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Khayrulloev Firdavs
Director, Baker Tilly Tajikistan LLC
License No. 0000152, issued by
Ministry of Fincance of the Republic of Tajikistan

April 29, 2022
Dushanbe, The Republic of Tajikistan

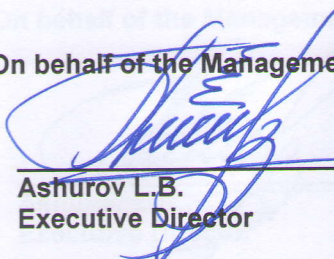


STATE UNITARY ENTERPRISE "TAJIKAIRNAVIGATION"

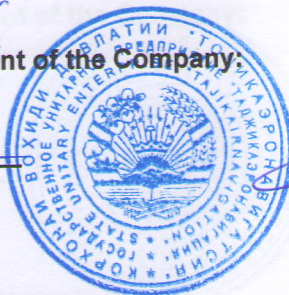
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021 (in thousands of Tajik somoni)

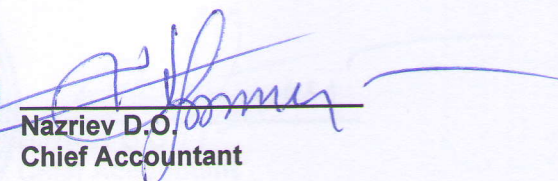
	Notes	December 31, 2021	December 31, 2020
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	5	124,639	67,782
Intangible assets	6	6,564	8,519
Deferred tax assets	22	4,458	4,515
Investments	7	1,000	1,000
		<u>136,661</u>	<u>81,816</u>
CURRENT ASSETS:			
Inventories	8	2,097	1,177
Advances paid	9	19,431	1,837
Taxes paid in advance		-	2,522
Trade and other receivables	10	20,313	2,505
Cash and cash equivalents	11	9,354	6,607
		<u>51,195</u>	<u>14,648</u>
TOTAL ASSETS		<u>187,856</u>	<u>96,464</u>
EQUITY AND LIABILITIES:			
EQUITY:			
Ordinary capital	12	27,028	27,028
Retained earnings		82,892	57,066
		<u>109,920</u>	<u>84,094</u>
LONG-TERM LIABILITIES:			
Deferred income	13	56,734	1,515
		<u>56,734</u>	<u>1,515</u>
SHORT-TERM LIABILITIES:			
Deferred income	13	4,748	246
Advances received	15	4,704	5,047
Trade payables	14	450	4,330
Other liabilities	16	11,300	1,232
		<u>21,202</u>	<u>10,855</u>
TOTAL EQUITY AND LIABILITIES		<u>187,856</u>	<u>96,464</u>

On behalf of the Management of the Company:


Ashurov L.B.
Executive Director

April 29, 2022
Dushanbe, the Republic of Tajikistan




Nazriev D.O.
Chief Accountant

April 29, 2022
Dushanbe, the Republic of Tajikistan

The notes on pages 10-30 form an integral part of the financial statements.
The independent auditors' report is on pages 3-4.

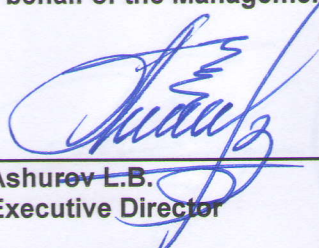
STATE UNITARY ENTERPRISE "TAJKAIRNAVIGATION"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOR THE YEAR ENDED DECEMBER 31, 2021

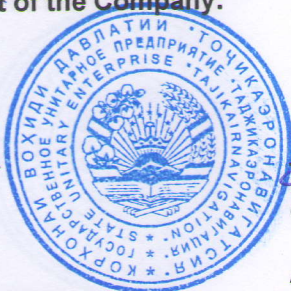
(in thousands of Tajik somoni)

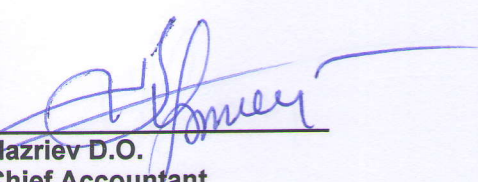
	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenue	17	151,070	41,272
Cost of sales	18	<u>(61,823)</u>	<u>(20,897)</u>
GROSS PROFIT		<u>89,247</u>	<u>20,375</u>
General and administrative expenses	19	(53,611)	(33,020)
Net (loss)/gain on foreign exchange operations	20	(649)	276
Other non-operating (loss), net	21	<u>2,295</u>	<u>(3,896)</u>
(LOSS) / PROFIT BEFORE INCOME TAX		<u>37,282</u>	<u>(16,265)</u>
Income tax expenses	22	<u>(9,844)</u>	<u>(89)</u>
NET (LOSS) / PROFIT		<u>27,438</u>	<u>7,671</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME		<u><u>27,438</u></u>	<u><u>(16,354)</u></u>

On behalf of the Management of the Company:


Ashurev L.B.
Executive Director

April 29, 2022
Dushanbe, the Republic of Tajikistan




Nazriev D.O.
Chief Accountant

April 29, 2022
Dushanbe, the Republic of Tajikistan

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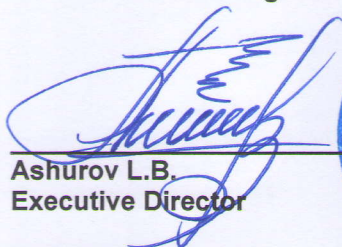
STATE UNITARY ENTERPRISE "TAJIKAIRNAVIGATION"

STATEMENT OF CHANGES IN EQUITY FOR THE FOR THE YEAR ENDED DECEMBER 31, 2021

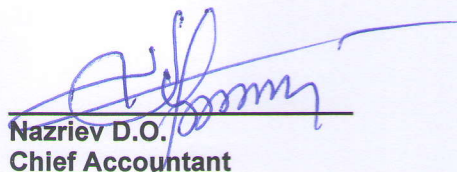
(in thousands of Tajik somoni)

	Notes	Ordinary capital	Retained earnings	Total equity
Balance at December 31, 2019		27,028	74,133	101,161
Loss for the year		-	(16,354)	(16,354)
Dividends declared	12	-	(713)	(713)
Balance at December 31, 2020		27,028	57,066	84,094
Profit for the year		-	27,438	27,438
Dividends declared	12	-	(1,612)	(1,612)
Balance at December 31, 2021		27,028	82,892	109,920

On behalf of the Management of the Company:


Ashurov L.B.
 Executive Director




Nazriev D.O.
 Chief Accountant

April 29, 2022
 Dushanbe, the Republic of Tajikistan

April 29, 2022
 Dushanbe, the Republic of Tajikistan

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STATE UNITARY ENTERPRISE "TAJIKAIRNAVIGATION"

STATEMENT OF CASH FLOWS
FOR THE FOR THE YEAR ENDED DECEMBER 31, 2021
(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before income tax expenses		37,282	(16,265)
Adjustments for:			
Depreciation of property, plant and equipment and amortization of intangible assets	18, 19	32,178	13,651
Change in allowance for expected credit loss on cash and cash equivalents	19	85	21
Change in allowance for expected credit loss on trade and other receivables	19	(91)	8,728
Change in allowance for obsolete inventories	19	315	787
Change in provision for unused vacation	18,19	590	(418)
Losses from disposal of property, plant and equipment	21	1,357	4,512
Foreign exchange differences	20	511	(276)
Amortization of deferred income	21	(3,647)	(377)
Cash flows from operating activities before changes in working capital		68,580	10,363
(Increase) / decrease working assets			
Inventories		(1,387)	(23)
Advances paid		(17,929)	(1,308)
Trade and other receivables		(17,840)	2,795
Taxes paid in advance		839	(1,851)
Increase / (decrease) working assets			
Trade payables		(3,885)	(2,589)
Other liabilities and prepaid expenses		5,044	(2,266)
Advances received		(446)	(595)
Cash flows from operating activities before income tax		32,976	4,526
Income tax paid		(4,835)	(2,100)
Net cash inflow generated by operating activities:		28,141	2,426

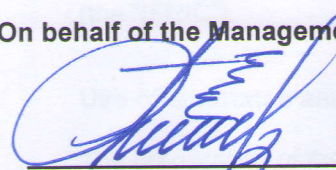
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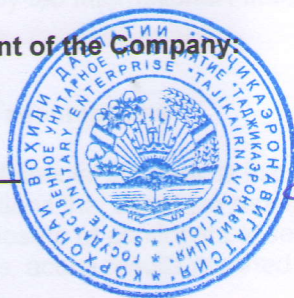
**STATEMENT OF CASH FLOWS
FOR THE FOR THE YEAR ENDED DECEMBER 31, 2021 (CONTINUED)**
(in thousands of Tajik somoni)

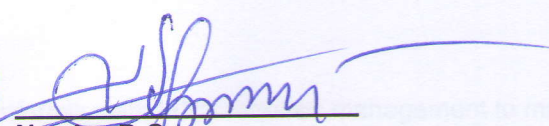
	Notes	For the year ended December 31, 2021	For the year ended December 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	5	(24,799)*	(402)
Purchase of intangible assets	6	(118)	(878)
Net cash outflow from investing activities:		(24,917)	(1,280)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	12	(447)	-
Net cash outflow from financing activities:		(447)	-
Effect of changes in exchange rates on cash and cash equivalents		(30)	475
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		2,747	1,621
CASH AND CASH EQUIVALENTS, at the beginning of the year	11	6,607	4,986
CASH AND CASH EQUIVALENTS, at the end of the year	11	9,354	6,607

*During the reporting period, the total inflow of fixed assets amounted to 88,167 thousand somoni, including fixed assets received in the form of a grant in the amount of 63,368 thousand somoni (see Note No. 5).

On behalf of the Management of the Company:


Ashurov L.B.
 Executive Director




Nazriev D.O.
 Chief Accountant

April 29, 2022
 Dushanbe, the Republic of Tajikistan

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