

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

The following statement is made in order to delineate the responsibilities of independent auditors and the Management in relation to the consolidated financial statements of the Open Joint Stock Company "Tajik Aluminum Company" (hereinafter referred to as the "Group").

The Group's Management is responsible for maintaining the accounting records and preparing consolidated financial statements that present fairly the consolidated financial position of the Group as at 31 December 2021, as well as the consolidated results of operations, consolidated cash flows and consolidated changes in equity for the year then ended in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS").

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and necessarily include amounts based on judgment and estimates.

In preparing the consolidated financial statements, Management is responsible for:

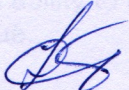
- properly selecting and applying accounting policies;
- applying reasonable estimates and assumptions;
- presenting information, including accounting policies, in a manner that provides relevant, reliable comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:


- designing, implementing and maintaining an effective and sound system of internal control, throughout the Group.
- maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time in the statement, and which enable them to ensure that the financial statement comply with IFRS;
- maintaining accounting records in compliance with the legislation of Republic of Tajikistan and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

The consolidated financial statements of the Group for the year ended December 31, 2021 were approved by Management of the Group on 07 September 2022.

On behalf of the Management:



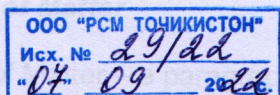
Homidzoda A
General Director



Khonov N.
Chief Accountant

RSM Tajikistan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Open Joint Stock Company "Tajik Aluminum Company"

Opinion

We have audited the accompanying consolidated financial statements of the Open Joint Stock Company Tajik Aluminum Company (the "Company"), and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in Owner's equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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 Consolidated Financial Statements section of our auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with those 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 your attention to Note 2, Going concern section of the consolidated financial statements, which describes that as of December 31, 2021, the Group's current liabilities exceeded current assets by USD 56,106 thousand (2020: USD 60,153 thousand). These events or conditions, together with other matters set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. We do not express a modified opinion regarding this issue.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Emphasis of Matter

Emphasis of Matter – a paragraph included in the auditor's report that refers to a matter appropriately presented or disclosed in the consolidated financial statements that, in the auditor's judgment, is of such importance that it is fundamental to users' understanding of the consolidated financial statements.

We draw your attention to Note 24 to the consolidated financial statements, which discloses the Group's exposure to foreign exchange risk. As at 31 December 2021, the Group has a negative foreign exchange position denominated in USD in an amount of USD 79,215 thousand (2020: USD 83,572 thousand).

We do not express a modified opinion in connection with these issues.

Responsibilities of Management of the Group and Those Charged with Governance for the Consolidated Financial Statements

Management of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management of the Group determines is necessary to enable the preparation of a consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management of the Group is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Management of the Group 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 responsibility for the audit of consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, 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 this 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 prepared by Management of the Group;
- 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 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 financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence relating to the financial information of entities or activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, control and audit of the Group. We remain fully responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

The engagement partner on the audit resulting in this independent auditor's report is Maftunzhon Baratov.

Bahrullo Mulloev
Managing Partner
RSM Tajikistan LLC
License on auditing in the
Republic of Tajikistan
BMN0000132
dated 3 May 2020, issued
by the Ministry of Finance
of the Republic of Tajikistan

Maftunzhon Baratov
Qualified auditor
of the Republic of Tajikistan
Qualification certificate
№0000338
dated 11 April 2020
Engagement Partner
RSM Tajikistan LLC

7 September 2022
Dushanbe, Tajikistan



TOTAL NON-CURRENT ASSETS		379,086	387,478
CURRENT ASSETS		12,221	10,396
		14,131	13,915
		98,918	100,966
		1,778	1,373
TOTAL CURRENT ASSETS		506,134	514,368
TOTAL ASSETS		885,220	901,846
EQUITY AND LIABILITIES			
EQUITY:			
Charter capital	12	604,875	604,875
Revaluation reserve for property plant and equipment	13	490,502	176,124
Revaluation reserve for investments in joint ventures	8	98,918	100,966
Accumulated deficit	14	(486,914)	(486,914)
TOTAL EQUITY		608,381	295,051
NON-CURRENT LIABILITIES:			
Deferred tax liability	23	5,527	7,501
Long term trade payables	15	45,528	51,663
TOTAL NON-CURRENT LIABILITIES		51,055	59,164
CURRENT LIABILITIES:			
Trade and other payables	16	100,036	136,125
Loans and overdrafts received	17	26,215	22,677
Reserves		193	131
TOTAL CURRENT LIABILITIES		126,444	158,933
TOTAL LIABILITIES		177,500	218,097
TOTAL EQUITY AND LIABILITIES		785,881	513,148

These consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the Management of the Group on 07 September 2022.

On behalf of the Management of the Group:

Homidoda A.
General Director

Khanov N.
Chief Accountant

The notes on pages 13-30 form an integral part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021
(In thousand US Dollars)

	Notes	31 December 2021	31 December 2020
ASSETS:			
NON-CURRENT ASSETS:			
Property, plant and equipment	6	379,086	387,628
Equipment to be installed and assets under construction	6	12,221	10,596
Investments	7	14,131	13,945
Investment in a joint venture	8	98,918	100,966
Other assets		1,778	1,233
TOTAL NON-CURRENT ASSETS		506,134	514,368
CURRENT ASSETS:			
Inventory	9	15,945	21,809
Trade and other receivables	10	52,986	76,852
Cash and cash equivalents	11	1,407	65
TOTAL CURRENT ASSETS		70,338	98,726
TOTAL ASSETS		576,472	613,094
EQUITY AND LIABILITIES:			
EQUITY:			
Charter capital	12	604,875	604,875
Revaluation reserve for property plant and equipment	13	190,502	176,124
Revaluation reserve for investments in joint ventures	8	98,918	100,966
Accumulated deficit	14	(495,322)	(486,914)
TOTAL EQUITY		398,973	395,051
NON-CURRENT LIABILITIES:			
Deferred tax liability	23	5,527	7,501
Long term trade payables	15	45,528	51,663
TOTAL NON-CURRENT LIABILITIES		51,055	59,164
CURRENT LIABILITIES:			
Trade and other payables	16	100,036	136,125
Loans and overdrafts received	17	26,215	22,623
Reserves		193	131
TOTAL CURRENT LIABILITIES		126,444	158,879
TOTAL LIABILITIES		177,499	218,043
TOTAL EQUITY AND LIABILITIES		576,472	613,094

These consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the Management of the Group on 07 September 2022.

On behalf of the Management of the Group:

Homidzoda A.
General Director

Khonov N.
Chief Accountant

The Notes on pages 13-50 form an integral part of these consolidated financial statements

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

(In thousand US Dollars)

	Notes	For the year ended 31 December 2021	For the year ended 31 December 2020
REVENUE	18	37,311	39,270
COST OF SALES	19	(65,467)	(73,697)
GROSS LOSS		(28,156)	(34,427)
Distribution expenses	20	(1,709)	(1,538)
Administrative expenses	21	(6,357)	(6,801)
OPERATING LOSS		(36,222)	(42,766)
Effect of discounting long-term debt	15	6,135	5,201
Other income and (expenses), net	22	3,832	(356)
Interest expense and finance charge		(1,968)	(1,353)
Foreign exchange differences		1,432	1,717
INCOME/ (LOSS) BEFORE TAX		(26,791)	(37,557)
Income tax expense	23	(93)	(178)
INCOME/ (LOSS) FOR THE YEAR		(26,884)	(37,735)
Other comprehensive income		28,832	208,119
TOTAL COMPREHENSIVE INCOME		1,948	170,384

These consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the Management of the Group on 07 September 2022.

On behalf of the Management of the Group:

Homidzoda A.
General Director

Khonov N.
Chief Accountant

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

(In thousand US Dollars)

	Charter capital	Revaluation reserve on Property, Plant and Equipment	Revaluation reserve for investments in joint ventures	Accumulated deficit	Total equity
Balance at 1 January 2020	569,929	209,142	103,460	(659,792)	222,739
Increase in charter capital	34,946	-	-	-	34,946
Annual write-off of property, plant and equipment revaluation reserve	-	(210,613)	-	210,613	-
Deferred tax	-	1,471	-	-	1,471
Recognition of revaluation of property, plant and equipment	-	176,124	-	-	176,124
Other comprehensive income	-	-	(2,494)	-	(2,494)
Profit for the year	-	-	-	(37,735)	(37,735)
Balance at 31 December 2020	604,875	176,124	100,966	(486,914)	395,051
Increase in charter capital	-	-	-	-	-
Annual write-off of property, plant and equipment revaluation reserve	-	(8,402)	-	8,402	-
Deferred tax	-	1,974	-	-	1,974
Recognition of revaluation of property, plant and equipment	-	20,806	(2,048)	10,074	28,832
Other comprehensive income	-	-	-	(26,884)	(26,884)
Balance at 31 December 2021	604,875	190,502	98,918	(495,322)	398,973

These consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the Management of the Group on 07 September 2022.

On behalf of the Management of the Group:

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General Director

Khonov N.
Chief Accountant

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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31
DECEMBER 2021**
(In thousand US Dollars)

	For the year ended 31 December 2021	For the year ended 31 December 2020
Profit / (Loss) before tax	(26,791)	(37,557)
Adjustments for:		
Depreciation and amortisation	31,822	31,739
Income from foreign currency revaluation, net	(1,432)	(1,717)
Income from changes in the present value of restructured debt	(6,135)	(5,201)
Financial expenses	1,968	1,353
Reserve recovery	(4,065)	-
Disposal of property, plant and equipment	2,919	1,132
Cash flows from operating activities before movement in working capital	(1,714)	(10,251)
Decrease/(increase) in trade and other receivables	23,866	(7,940)
Decrease/(increase) in other assets	(545)	(957)
Decrease/(Increase) in inventories	5,864	1,254
Increase/(decrease) in trade and other payables	(18,933)	10,595
Net cash provided by operations	8,538	(7,299)
Income tax paid	(372)	(504)
Interest paid	(762)	(283)
Net cash generated from operating activities	7,404	(8,086)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(56)	(1,141)
Changes in Investments	(1,862)	4,097
Net cash used in investing activities:	(1,918)	2,956
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans received	422	6,205
Loans paid	(5,614)	(2,411)
Net cash flow used in financing activities:	(5,192)	3,794

These consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the Management of the Group on 07 September 2022.

On behalf of the Management of the Group:

Homidzoda A.
General Director

Khonov N.
Chief Accountant

The Notes on pages 13-50 form an integral part of these consolidated financial statements.

Effect of changes in foreign exchange rates on cash and cash equivalents	1,048	1,255
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	1,342	(81)
CASH AND CASH EQUIVALENTS, at the beginning of the year	65	146
CASH AND CASH EQUIVALENTS, at the end of the year	1,407	65

was formed and registered with the Tax Committee under the Government of the Republic of Tajikistan as a legal entity on January 15, 2008. According to the Law of the Republic of Tajikistan "On State Registration of Legal Entities and Individual Entrepreneurs", The company passed state re-registration on April 16, 2019, as evidenced by an extract from the unified state register of legal entities. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") operate in the Republic of Tajikistan.

The Group is engaged in the production of aluminum using the tolling system, mainly for the foreign market. In addition, the Group is engaged in the production of consumer goods through the processing of its own alumina. Primary aluminum production and processing in the Group in 2021 was approximately 60,125 tonnes (2020: 11,300 tonnes).

The Group's administrative office is located in the city of Tursunzade, Republic of Tajikistan. As of December 31, 2021, and 2020, the sole shareholder of the Group was the Government of the Republic of Tajikistan. The final control of the Group's activities is also carried out by the Government of the Republic of Tajikistan.

On October 31, 2008, the Company registered its subsidiary SSUE «Aluminsohtmon» (hereinafter referred to as "Aluminsohtmon") with 100 (one hundred) percent interest in its authorized capital. The authorized capital of "Aluminsohtmon" was replenished by the transfer of fixed and circulating assets by the Company in the amount of USD 21 thousand (73 thousand Somoni). The main purpose of creating "Aluminsohtmon" was to specialize the production of consumer goods from the main activity of the Company - the provision of tolling services.

According to the Decree of the Government of the Republic of Tajikistan dated January 22, 2010, the Company registered a subsidiary of the State Institution Scientific Research Institute of Metallurgy (hereinafter referred to as the Research Institute of Metallurgy). The Company owns 100 (one hundred) percent of the share in the authorized capital of the Research Institute "Metallurgy". This enterprise was established with the aim of increasing the efficiency of the use of raw materials, improving the quality of products and the competitiveness of the Company in the world market.

According to the Decree of the Government of the Republic of Tajikistan dated August 27, 2010, the Company registered a subsidiary, Joint Tajik - Russian Limited Liability Company "Nuron" (hereinafter - "Nuron" LLC). The company owns 60 (sixty) percent of the share in the authorized capital of Nuron LLC and the remaining 40 percent belongs to the Russian company OJSC Proton.

These consolidated financial statements of the Group for the year ended 31 December 2020 were approved by the Management of the Group on 07 September 2022.

On behalf of the Management of the Group:

Homidzoda A.
General Director

Khonov N.
Chief Accountant

The Notes on pages 13-50 form an integral part of these consolidated financial statements