LIMITED LIABILITY COMPANY "ASR LEASING"

Financial statements
for the year ended December 31, 2023

and independent auditors' report

LIMITED LIABILITY COMPANY “ASR LEASING”

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LIMITED LIABILITY COMPANY "ASR LEASING"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

The following statement, which should be read in conjunction with the independent auditors' responsibilities is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of the Limited Liability Company "ASR Leasing" (the "Company").

Management of the Company is responsible for the preparation of the financial statements that present fairly the financial position of the Company as at December 31, 2023, the results of its operations, cash flows and changes in equity for the year ended December 31, 2023, in accordance with International Financial Reporting Standards (the "IFRS").

In preparing the financial statements, management is responsible for:

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

Management is also responsible for:

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

The financial statements for the year ended December 31, 2023 were approved and authorized for issue on February 16, 2024 by the Management of the Company.

On behalf of the Management of the Company:

Boboev Sunatullo
General director

February 16, 2024
Dushanbe, Republic of Tajikistan

Jumaalieva Firuza
Financial director

February 16, 2024
Dushanbe, Republic of Tajikistan

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INDEPENDENT AUDITORS' REPORT

To the Owners and Management of the Limited Liability Company "ASR Leasing":

Opinion

We have audited the financial statements of the Limited Liability Company "ASR Leasing" (the "Company"), which comprise the statement of financial position as at December 31, 2023 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards (the "IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (the "ISA"). 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 (the "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 opinion.

Emphasis of matter

We draw your attention to note 16 to the Company's financial statements, which states that as of the date of approval of the Company's financial statements for 2023, the tax authorities did not approve the Company's income tax return for the 2022 financial year, which reflected a pre-tax loss in the amount of 997 thousand somoni . Tax authorities may take a more assertive stance when interpreting legislation and reviewing tax calculations. If the tax authorities' interpretation of the requirements of the Tax Code of the Republic of Tajikistan differs from the interpretation of the Company's management, changes may be made to the income tax return, which may lead to adjustments to the income tax and retained earnings of the Company.

Other matter

This report, including the opinion, has been prepared and is intended solely for the information and use of the Company'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 auditors' 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 financial statements

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

Auditor's responsibilities for the audit of the financial statements

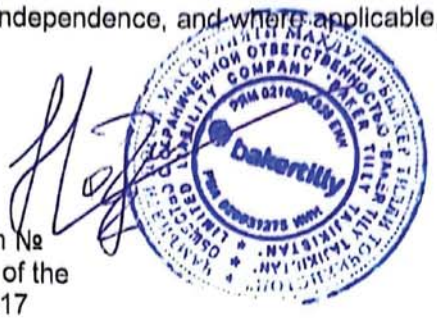
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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.



Shavkat Nazirov

Director

Auditor License of the Republic of Tajikistan № 0000250, issued by the Ministry of Finance of the Republic of Tajikistan from December 7, 2017

Baker Tilly Tajikistan LLC

License # 0000152 issued by the Ministry of Finance of the Republic of Tajikistan from September 15, 2020.

February 16, 2024
Dushanbe, Republic of Tajikistan

LIMITED LIABILITY COMPANY "ASR LEASING"

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Income from leasing operations	4	3,019	2,110
Mark up expenses		(60)	(105)
Total operating income		2,959	2,005
Recovery of allowance for impairment losses on finance leases	9	189	376
Net Gain/(loss) on foreign exchange operations	5	1,131	(1,211)
Net profit from operating activity		4,279	1,170
Financial expenses related to lease	11	(35)	(30)
Operating expenses	6	(2,399)	(1,932)
Other non-operating expenses		-	-
PROFIT/(LOSS) BEFORE INCOME TAX		1,845	(792)
Income tax expenses	7	(366)	(52)
NET INCOME		1,479	(844)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		1,479	(844)

On behalf of the Management of the Company:

Boboev Sunatullo
General director

February 16, 2024
Dushanbe, Republic of Tajikistan

Jumaalieva Firuza
Financial director

February 16, 2024
Dushanbe, Republic of Tajikistan

The notes on pages 12-37 form an integral part of the financial statements. The independent auditors' report is on pages 4-6.

LIMITED LIABILITY COMPANY "ASR LEASING"

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023
(in thousands of Tajik somoni)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Cash and cash equivalents	8	7,754	4,145
Net investment in finance leases	9	17,225	11,056
Property and equipment	10	199	265
Intangible assets		54	66
Right-of-use assets	11	187	131
Deferred tax asset	7	167	189
Other assets	12	1,005	1,533
TOTAL ASSETS		26,591	17,385
LIABILITIES AND EQUITY			
LIABILITIES:			
Borrowing	13	8,096	370
Lease liabilities	11	182	148
Taxes payable		23	-
Other liabilities	14	81	137
		8,382	655
EQUITY			
Ordinary capital	15	14,271	14,271
Revaluation reserve on property and equipment		241	241
Retained earnings		3,697	2,218
		18,209	16,730
TOTAL LIABILITIES AND EQUITY		26,591	17,385

On behalf of the Management of the Company:

Boboev Sunatullo
General director

February 16, 2024
Dushanbe, Republic of Tajikistan

Jumaalieva Firuza
Financial director

February 16, 2024
Dushanbe, Republic of Tajikistan

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LIMITED LIABILITY COMPANY "ASR LEASING"

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(in thousands of Tajik somoni)

	Notes	Ordinary capital	Retained earnings	Revaluation reserve on property and equipment	Total equity
Balance as at December 31, 2021	15	14,271	3,062	241	17,574
Loss Profit for the year		-	(844)	-	(844)
Balance as at December 31, 2022	15	14,271	2,218	241	16,730
Profit for the year			1,479		1,479
Balance as at December 31, 2023	15	14,271	3,697	241	18,209

On behalf of the Management of the Company:

Boboev Sunatullo
General director

February 16, 2024
Dushanbe, Republic of Tajikistan

Jumaalieva Firuza
Financial director

February 16, 2024
Dushanbe, Republic of Tajikistan

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LIMITED LIABILITY COMPANY "ASR LEASING"

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit(loss) before income tax expenses		1,845	(792)
Adjustments for:			
Depreciation of property and equipment	7,11	66	66
Amortization of intangible assets		12	11
Depreciation of right-of-use assets	12	94	120
Finance lease mark-up accrued	10	2,876	(1,987)
Mark up expenses		-	105
Change in allowance for expected credit losses for net investment in financial lease	10	(189)	(376)
Financial expenses for lease liabilities	8,12	35	30
Change in unused vacation provision	7	146	71
Change in allowance for expected credit losses for cash in bank accounts	7	88	(35)
Foreign exchange differences	6	(1,131)	1,292
Cash inflow/(outflow) before changes in working capital:		3,842	(1,495)
Changes in operating assets and liabilities:			
(Decrease)/Increase in operating assets:			
Net investment in finance leases		(7,883)	(259)
Other assets		309	1,022
Increase / (decrease) in operating liabilities:			
Taxes payable		23	-
Other liabilities		(248)	(109)
Cash (outflow)/inflow from operating activities before income tax and mark-up:		(3,957)	(841)
Income tax paid		-	(310)
Paid financial expenses for lease		(35)	(30)
Financial lease mark-up paid		(58)	(105)
Finance lease mark-up received		-	1,705
Net cash used in operating activities		(4,050)	419
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, equipment and intangible assets	11	-	(1)
Net cash used in investing activities		-	(1)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023 (CONTINUED)
(in thousands of Tajik somoni)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of principal amount of lease liabilities		(136)	(130)
Proceeds from/(principal payments on) short-term borrowings, net		8,092	-
Payments of principal amount of borrowings		(368)	(2,213)
Net cash outflow by financing activities		7,588	(2,343)
Effect of changes in exchange rates on cash and cash equivalents	6	71	(519)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,538	(1,925)
CASH AND CASH EQUIVALENTS, at the beginning of the year	8	4,145	6,589
CASH AND CASH EQUIVALENTS, at the end of the year	8	7,754	4,145

On behalf of the Management of the Company:

Boboev Sunatullo
General director

February 16, 2024
Dushanbe, Republic of Tajikistan

Jumaalieva Firuza
Financial director

February 16, 2024
Dushanbe, Republic of Tajikistan

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