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No.22
On 30.03.2022

AUDIT REPORT
with a positive opinion on financial statements of
JSC "KARBONAT"
for 2021

To Shareholders and Management of
JSC "KARBONAT"

Opinion

We have audited the financial statements of JSC «KARBONAT», as of December 31, 2021, consisting of:

Balance Sheet (Form No. 1) for the year ended December 31, 2021, the Statement of Financial Performance for the year ended December 31, 2021 (Form No. 2), and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the attached financial statements give a true and fair view of the financial position of JSC «KARBONAT» as of December 31, 2021, as well as the Balance Sheet, Statement of Financial Performance for the year ended on the indicated date, are prepared in accordance with National Standards Accounting (NAS). Financial operations correspond to the statutory activities of the Company and do not contradict the current legislation.

Basis for expressing opinion

We conducted our audit in accordance with International Standards on Auditing (MCA). Our responsibilities under those standards are further discussed in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Declaration of Independence

We are independent of JSC «KARBONAT» in accordance with the ethical requirements established by the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) applicable to our audit of financial statements in the Republic of Uzbekistan, as well as in accordance with the requirements of the Law " On

Auditing” in terms of compliance with the principle of independence, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our approach towards audit

Principal activity of JSC «KARBONAT» is - production of lime and building gypsum.

We have drawn a special attention to issues related to specifics of operating activities of JSC «KARBONAT» in their field of activity.

When planning the audit, we determined materiality and assessed the risks of material misstatement of the financial statements. As with all of our audits, we have considered the risk of management override of internal controls, including, but not limited to, an assessment of whether management has bias that creates the risk of material misstatement due to fraud.

Our work as a whole has included audit procedures for the entire audited period from 01.01.2021 to 31.12.2021. We discussed various issues with the management on the specifics of their activities.

Materiality

We used our professional judgment to determine materiality at financial statement level. We have determined a level of materiality in the amount of 1.9% of the amount of assets of Balance Sheet (Form 1) of JSC «KARBONAT».

Reliability of financial statements in all material respects is understood as such a degree of accuracy of financial statements, in which a qualified user of these statements is able to draw the right conclusions and make the right decisions based on them. Materiality of information is its property, which makes it capable of influencing the decisions of a reasonable user of such information.

A level of materiality is understood as the limiting value of the distortion of financial statements, starting from which a qualified user of these statements will no longer be able to draw correct conclusions and make correct decisions based on them.

Procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of estimates made by the entity's management, as well as assessing the overall presentation of the financial statements. An audit includes the performance of procedures to identify non-compliance with the requirements of regulatory legal acts by the management and personnel of an economic entity, which have a significant impact on the financial results of operations and have led to material misstatements of the financial statements.

Scope of audit

We carried out audit work in the office of JSC «KARBONAT» located in Tashkent. This work consisted of a full audit of all significant amounts of transactions, and a full audit of individual control points. As a result, after carrying out the above scope of work, we have achieved the

following coverage of financial reporting items: 90% of revenue, 85% of assets, 81% of profit before tax, and on average for all financial reporting items - 85%.

Key issues of Audit

1. Revenue recognition - accuracy and availability of revenue accrual; 2. Reliable reflection of receivables and payables; 3. Execution of contracts.

Compliance with the requirements of regulatory legal acts regulating the financial and economic activities of JSC «KARBONAT».

Key audit matters are matters that, according to our professional judgment, were the most significant for our audit of the financial statements of JSC «KARBONAT» for the current period. We have communicated key audit matters to Management, but these are not all of the issues that were identified during our audit and brought to the attention of Management. Key matters were considered in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not express a separate opinion on these matters.

Responsibilities of management and those charged with governance and financial reporting

Management is responsible for the preparation and fair presentation of these financial statements, 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 ability of JSC «KARBONAT» to continue as a going concern, for disclosing information related to going concern, as appropriate, and for reporting on a going concern basis, unless management intends to liquidate JSC «KARBONAT», terminate its activities or when it has no other viable alternative than liquidation or termination of activities. Those charged with corporate governance are responsible for supervising the preparation of the financial statements of JSC «KARBONAT».

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 degree 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 IAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

In addition, we do the following:

■ identify and assess the risks of material misstatement of financial statements due to fraud or error; design and perform audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to

error, as fraud may include collusion, forgery, omission, misrepresentation, or circumvention of internal controls;

- obtain an understanding of the internal control system relevant to the audit for the purpose of developing audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of JSC «KARBONAT»;
- evaluate appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures prepared by management;
- conclude on appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on JSC «KARBONAT»'s ability to continue as a going concern. activity. 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 inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause JSC «KARBONAT» to cease to be able or able to continue as a going concern;
- evaluate the presentation of the financial statements as a whole, their structure and content, including disclosures, as well as whether the financial statements present underlying transactions and events in such a way that their fair presentation is ensured;
- obtain sufficient appropriate audit evidence relating to the financial information of third parties or activities within JSC «KARBONAT» to express an opinion on the financial statements. We are responsible for the management, control and audit of JSC «KARBONAT». We remain fully responsible for our audit opinion.

We communicate with those charged with governance, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the results of the audit, including significant deficiencies in the internal control system, which we identified during the audit.

We also provide those charged with governance with a statement that we have complied with all relevant ethical requirements regarding independence and have kept those individuals informed of all relationships and other matters that could reasonably be considered to have an impact on the auditor's independence, and where necessary cases, about appropriate precautions.

Of the matters that we have brought to the attention of those charged with governance, we identify the matters that were most significant to the audit of the financial statements for the current period and, therefore, are key audit matters. We describe these issues in our auditor's report because it can reasonably be assumed that the negative consequences of reporting such information will outweigh the socially significant benefits of reporting it.

Information about the audited entity

Auditor's report is provided to JSC «KARBONAT». Republic of Uzbekistan, Djizakh region, Farish district, rural area "Bagdon", "Egizbulok", Account: 20210004004913509001 in Oper.Dep. PJSCB "Orient-Finans", bank code 01071, Tax ID No. 200340624, OKED - 23520; VAT payer code - 326080001721, Phone: (90) 909-80-08.

Information about the audit organization "MARIKON AUDIT"

Legal address: Republic of Uzbekistan, Tashkent city, st. M. Yusuf, 46/2, Account: 2020 8000 2040 5017 9001 in M.Ulugbek branch of JSCB "DAVR-BANK", bank code 01072, OKED 69202, license AF No. 00763 on 02.04.2019 issued by the Ministry of Finance of the Republic Uzbekistan. Audit organization liability insurance policy No. 0105/1308/21/002-1 on 07.04.202, from INSON Insurance Company, Tax ID No. 203248237, phone: 71 208-49-50, fax: 71 208-09-76. Director of the audit organization: Makhmudova G.G., Auditor Qualification Certificate No. 04404 issued by the Ministry of Finance of the Republic of Uzbekistan on September 12, 2012, certified accountant of the CAP.

A head of the task, as a result of which this auditor's report was issued, is Makhmudova G.G. (Auditor certificate No. 04404 dated September 12, 2012, issued by the Ministry of Finance of the Republic of Uzbekistan. The audit of attached financial statements of JSC «KARBONAT» for 2021 was carried out by an independent auditor of LLC "MARIKON-AUDIT" - Makhmudova G.G. (Certificate No. 04404 dated September 12, 2012).

Audit was carried out on the basis of contract No. AO-2706 on 27.06.2021.

Director/Auditor of
LLC "MARIKON-AUDIT"

signed

Makhmudova G.G.

Tashkent city, Republic of Uzbekistan

Round seal of LLC "MARIKON-AUDIT"