

Statement of financial position as at 31 December 2020

| ASSETS | | | | |
|---|------|-------------|----|------------|
| <i>Non-current assets</i> | Note | 31.12.20120 | | 31.12.2019 |
| Main assets | 5 | 12.605.762 | 5 | 10.289.136 |
| Financial assets | | 19.193 | | 19.173 |
| Total non-current assets | | 12.624.935 | | 10.308.309 |
| <i>Current assets</i> | | | | |
| Inventories: other | 7 | 4.130.076 | 7 | 876.560 |
| Advances to suppliers and contract assets | 8 | 16.505.909 | 8 | 16.496.823 |
| Prepayments for taxes and mandatory payments | 10 | 1.142.965 | 10 | |
| Current tax assets | 10 | | 10 | 35.585 |
| Trade and other receivables, | 11 | 10.012.856 | 11 | 5.955.448 |
| Cash and cash equivalents | 12 | 147.182 | 12 | 85 |
| Short-term loans issued | 13 | 67.645 | 13 | 72.119 |
| Other current assets | 14 | | 14 | 581.137 |
| <i>Total current assets</i> | | 32.006.633 | | 24.017.757 |
| Total assets | | 44.631.567 | | 34.326.066 |
| EQUITY AND LIABILITIES | | | | |
| Share capital | 12 | 6.279.424 | 12 | 6.279.424 |
| Retained earnings | 12 | 16.218.540 | 12 | 16.218.540 |
| Non distributed profit | 12 | 11.587.601 | 12 | 8.352.212 |
| Amounts owed to shareholders | | - | | |
| Total equity of participants | | 34.085.565 | | 30.850.176 |
| <i>Long-term liabilities</i> | | | | |
| Long-term bank loans | | 2.629.707 | | |
| Deferred tax liabilities | 20 | | 20 | 70.139 |
| <i>Total long-term liabilities</i> | | 2.629.707 | | 70.139 |
| <i>Short-term liabilities</i> | | | | |
| Current part of long-term liabilities | 18 | 87.149 | 18 | 363.333 |
| Short-term loans | 21 | 37.648 | 21 | 106.073 |
| Trade and other payables | 22 | 4.157.399 | 22 | 1.693.568 |
| Advances received and contract liabilities | 23 | 1.287.955 | 23 | 71.548 |
| Current income tax liabilities | 20 | 41.759 | 20 | 9.921 |
| Current tax liabilities other than income tax | 24 | 843.994 | 24 | 764.411 |
| Payroll arrears | 25 | 487.059 | 25 | |
| Other liabilities | 25 | - | 25 | 396.897 |
| Reserves | 22 | 973.333 | 22 | |
| <i>Total current liabilities</i> | | 7.916.296 | | 3.405.751 |
| Total equity and liabilities | | 44.631.567 | | 34.326.066 |

General Director of
 JSC "KARBONAT"

signed

F.R.Sadykkhodjaev

Chief accountant of
 JSC "KARBONAT"

signed

D.M.Astanova

Round seal

Information in the statement of financial position should be read in conjunction with the notes to the financial statements, which are an integral part of these financial statements.

Statement of comprehensive income for 2020

Year ended to December 31

| | Note | 2020 | | 2019 |
|---------------------------------------|------|------------|---|-----------|
| Revenue from contracts with customers | 1 | 25.367.107 | 1 | 6.306.596 |
| Cost of sales | 2 | 11.595.084 | 2 | 3.802.173 |
| Gross profit | | 13.772.023 | | 2.501.423 |
| Business expenses | | 4.836.157 | | |
| Administrative expenses | 3 | 1.662.312 | 3 | 382.526 |
| Other income | 4 | 916.604 | 4 | 372.436 |
| Other expenses | 3 | 4.444.953 | 3 | 2.350.885 |
| Operating income | | 3.745.204 | | 140.448 |
| | | | | |
| Finance income | 5 | 299.296 | 5 | 1.263 |
| Financial expenses | 5 | 505.196 | 5 | 123.594 |
| Profit before tax | | 3.539.305 | | 18.117 |
| Income tax expense | 6 | 303.916 | 6 | 37.665 |
| Profit for the year | | 3.235.389 | | 19.548 |

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Cash flow statement for 2020

CASH FLOW FROM THE OPERATING ACTIVITIES

Year, ended with

| | | 31.12.2020 | | 31.12.2019 |
|--|----|------------|----|------------|
| Net income before income tax | | 3.539.305 | | 19.548 |
| Amendments to: | | | | |
| Depreciation expense adjustments for main assets | 5 | 44.312 | 5 | 158.452 |
| Profit from disposal of assets | 11 | 78.431 | 11 | 751 |
| Finance expenses reflected in losses | 18 | 505.196 | 18 | 123.594 |
| Finance income reflected in profit | 6 | 299.296 | 6 | 1.263 |
| Impairment loss on trade receivables | 11 | - | 11 | 3.000 |
| <i>Operating income</i> | | 3.711.086 | | 263.484 |
| Decrease (increase) of stocks | 7 | 3.253.516 | 7 | 343.231 |
| Decrease (increase) in trade and other receivables | 11 | 4.057.408 | 11 | 3.824.295 |
| Decrease (increase) in accounts receivable on advances paid | 8 | 9.086 | 8 | 10.383.361 |
| Short-term loans issued | | 4.474 | | 589 |
| Financial assets | | - | | 24.080 |
| Increase (decrease) in advances on taxes and payments | | 1.142.965 | | |
| Other current assets | 14 | 616.722 | 14 | 43.495 |
| Increase (decrease) in trade and other payables | 22 | 2.463.831 | 22 | 296.846 |
| Increase (decrease) in operating payables on advances received ' | 23 | 1.216.407 | 23 | 665.326 |
| Increase (decrease) in tax liabilities | 24 | 41.282 | 24 | 512.346 |
| Other liabilities | 25 | 1.063.495 | 25 | 195.390 |
| <i>Operating income before changes in working capital</i> | | 654.322 | | 7.438.051 |
| Changes in working capital | | | | |
| Payment of income tax | 20 | 303.916 | 20 | 37.665 |
| Net cash inflows from operating activities | | 350.405 | | 7.475.716 |
| CASH FLOWS FROM THE INVESTMENT ACTIVITIES | | | | |
| Purchase of fixed assets | 5 | 2.801.441 | 5 | 9.236.491 |
| Sale of fixed assets | 11 | 518.935 | 11 | 751 |
| Receiving dividends | | 1.134 | | |
| Net cash used in investment activities | | 2.281.372 | | 9.235.740 |
| CASH FLOWS FROM FINANCIAL ACTIVITIES | | | | |
| Other finance income | 15 | 298.162 | | |
| Receiving borrowed funds | 21 | 2.629.707 | 21 | 484.244 |
| Repayment of borrowed funds | 18 | 344.609 | | |
| Interest payment | 18 | 175.875 | | |

| | | | | |
|--|----|-----------|--|-----------|
| Other finance costs | 18 | 329.320 | | |
| Net cash inflows from financial activities | | 2.078.064 | | 484.244 |
| NET CHANGE OF MONETARY AND RELATED COSTS OF FUNDS | | 147.097 | | 2.405.333 |
| at the beginning of the year | | 85 | | 2.405.418 |
| at the end of the year | | 147.182 | | 85 |

General Director of
JSC "KARBONAT"

signed

F.R.Sadykkhodjaev

Chief accountant of
JSC "KARBONAT"

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D.M.Astanova

Round seal

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Statement of changes in equity for 2020

Year ended with December 31, 31.12.2020

| | Authorized capital | Share premium | Undistributed profits | Total equity |
|---|---|---------------|-----------------------|--------------|
| Balance at the beginning of the year | 6.279.424 | 16.218.540 | 8.352.212 | 30.850.176 |
| Retained profit (loss) of the current year | | | 3.235.389 | 3.235.389 |
| Balance at the end of the year | 6.279.424 | 16.218.540 | 11.587.601 | 34.085.565 |
| Increase (+) or decrease (-) equity | - | - | 3.235.389 | 3.235.389 |
| | | | | |
| | Year ended with December 31, 31.12.2019 | | | |
| | Authorized capital | Share premium | Undistributed profits | Total equity |
| Balance at the beginning of the year | 6.279.424 | 16.218.540 | 8.371.760 | 30.869.724 |
| Retained profit (loss) of the current year | | - | 19.548 0 | 19.548 |
| Balance at the end of the year | 6.279.424 | 16.218.540 | 8.352.212 | 30.850.176 |
| Increase (+) or decrease (-) equity | - | - | 19.548 - | 19.548 |

General Director of
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Chief accountant of
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D.M.Astanova

Round seal

Information in the statement of financial position should be read in conjunction with the notes to the financial statements, which are an integral part of these financial statements.

MARIKON AUDIT

The Republic of Uzbekistan, Tashkent city, St. Yusuf, h. 46/2, Ph. 71 208-49-50, f. 71 267-62-07. A/n 20208000204050179001 in Mirzo Ulugbek branch of NBU, Bank Code 00895, TIN 203248237 E-mail: marikonaudit@mail.ru

No.52/MSA
On May 14, 2021

Audit report an independent auditor expressing a positive opinion

To the Management of JSC "KARBONAT"

Opinion

We have audited the financial statements of Joint Stock Company "KARBONAT" prepared in accordance with IFRS as of December 31, 2020, consisting of:

Statement of financial position for the year ended 31 December 2020,
Statement of comprehensive income for the year ended 31 December 2020,
Statement of changes in equity for the year ended 31.12.2020,
Cash flow statement for the year ended December 31, 2020,
as well as notes to the financial statements, including a summary of the main accounting politicians.

In our opinion, the accompanying financial statements provide a true and fair view of the financial position of JSC KARBONAT as at 31 December 2020, as well as financial performance, cash flows and changes in equity for the year ended as of that date, in accordance with International Financial Reporting Standards (IFRS).

Basis for Expression of Opinion

We conducted our audit in accordance with International Standards on Auditing (MCA). Our responsibilities under those standards are further disclosed 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 in relation to JSC «KARBONAT» in accordance with the ethical requirements established by the Code of Ethics of Professional Accountants of the Council for International Ethics Standards for Accountants (IMSEB 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 audit activity" in terms of compliance with the principle of independence, and we have fulfilled our other ethical obligations in accordance with the submitted requirements.

Our approach to audit

A main activity of JSC «KARBONAT» is the extraction and sale of limestone, as well as the production and sale of fractionated limestone.
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We paid special attention to issues related to the specifics of the operating activities of JSC "KARBONAT" in the field of foreign trade.

In planning the audit, we have determined materiality and assessed the risks of material misstatement of the financial statements. As in all of our audits, we considered the risk of management circumvention of internal controls, including, but not limited to, assessing management bias that creates the risk of material misstatement due to fraud.

Our work as a whole included audit procedures for the entire audited period at the end of and at the end of 2020. We discussed various issues with the management of JSC «KARBONAT» during the audit.

We ensured that a certified specialist in securities and corporate governance, as well as an economist, was included in the audit team to analyze the implementation of economic indicators established by the Business Plan for 2020.

Materiality

We have used our professional judgment to determine materiality at the level of financial statements of JSC KARBONAT. We have determined the level of materiality in the amount of 770,000 thousand UZS, as 1.7% of the assets of the Statement of Financial Position of JSC "KARBONAT". We considered and determined the indicator of the amount of assets as sufficiently representative, since most of the assets are the amounts of long-term assets in the form of fixed assets and receivables, including debts in foreign currency, and taking into account the fact that a reliable estimate of the amounts of receivables significantly affects the financial condition.

Reliability of financial statements in all material respects is understood to be such a degree of accuracy of financial statements, at which a qualified user of these statements is able to draw the correct conclusions and make the right decisions on its basis. The materiality of information is its property that makes it capable of influencing the decisions of a reasonable user of such information.

Materiality level is understood as the limit value of misstatement 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 the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

An audit includes performing procedures to identify non-compliance with the requirements of regulatory legal acts by the management and personnel of an economic entity that have a material effect on the financial results of operations and have led to material misstatements in the financial statements.

A scope of audit

We carried out the 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 selected milestones. As a result, having carried out the above-described scope of work, we achieved the following coverage of financial statements: 99% of revenue, 98% of assets, 89% of profit before tax, and on average for all items of financial statements - 91%.

| Key audit question | How the relevant key matter was addressed in our audit |
|---|---|
| <p>Recognition and measurement of revenue from product sales</p> <p>Recognition and assessment of proceeds from the sale of finished products were one of the most significant issues of our audit in connection with a certain specificity of the market functioning mechanisms, which determines the presence of dumping competition from other suppliers in relation to the volume and cost of sales of finished products. The amount of proceeds from the sale of finished products in the total proceeds is significant for the financial statements of the Company.</p> <p>Revenue is recognized when the Company is confident in its receipt.</p> | <p>We reviewed the applied accounting policy in relation to the recognition of revenue from sales of products, studied the system of internal control over the recording of this revenue, reviewed the determination of the corresponding amounts of revenue based on concluded product supply agreements, received confirmation of balances of receivables from counterparties on a sample basis, analyzed the results of litigation proceedings in respect of the disputed amounts of arrears, and an assessment of the current procedures for confirming customer arrears.</p> |

Impairment of assets, credit and financial risks

| | |
|---|--|
| <p>Due to the presence of signs of impairment of non-current and current assets as of December 31, 2020, the Company performed an impairment test. The value in use of assets in the form of property, plant and equipment and current financial assets, which represent a significant portion of the Company's assets, as at 31 December 2020 was determined using the projected cash flow method. The issue of testing fixed assets and financial assets for impairment was one of the most significant for our audit, since the balance of fixed assets and current financial assets constitute a significant part of all assets of the Company at the reporting date, and also because the process of assessing the value in use by management is complex, largely subjective and based on assumptions, in particular, on the forecast of sales proceeds, product prices, income in the form of interest and dividends, as well as operating costs, which depend on</p> | <p>As part of our audit procedures, we, among other things, assessed the assumptions and methodologies used by the Company, in particular those related to projected revenue from product sales, tariff decisions, operating and capital expenditures, long-term price growth rates and discount rates.</p> <p>We have tested the inputs to the model and tested the arithmetic accuracy of the model used to determine the recoverable amount in the impairment test for property, plant and equipment and right-of-use assets.</p> <p>We engaged internal valuers to review the model used to determine the recoverable amount in the impairment test for property, plant and equipment.</p> <p>We also analyzed the model's sensitivity to changes in key valuation indicators and the information disclosed by the Company about the assumptions on which the impairment testing results are most dependent.</p> |
|---|--|

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|--|--|
| the expected future market or economic conditions in the Republic of Uzbekistan. | |
|--|--|

Impact of COVID -19 epidemic on the Company's activities

| | |
|---|--|
| Company has analyzed the negative impact of COVID -19 epidemic on activities of the company | We analyzed the objectivity of the assessment of the results of the impact of the COVID epidemic on the activities of the Company in 2020 carried out by the Company |
|---|--|

Other information included in the annual report

Other information includes the information contained in the annual report, but does not include the financial statements and our auditor's report thereon.

Management is responsible for other information. The annual report is expected to be provided to us after the date of this auditor's report.

Our opinion on the financial statements does not extend to other information and we will not present an assurance conclusion in any form with respect to that information.

In connection with our audit of the financial statements, our responsibility is to review the above other information when it is provided to us, and to consider whether there is a material inconsistency between the other information and the financial statements or our knowledge obtained during the audit. and whether the other information contains other material misstatements.

Responsibilities of Management and Charged with Corporate Management and Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for the internal control that management considers necessary to prepare 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 going concern information, 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 real alternative than liquidation or termination of activities.

Those charged with corporate governance are responsible for overseeing the preparation of the financial statements of JSC «KARBONAT».

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing 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 material misstatements, if any.

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 conducted in accordance with MCA, 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 the financial statements as a result of fraud or error; develop and conduct 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 non-detection of material misstatement as a result of fraud is higher than the risk of non-detection as a result of an error, since fraud may include collusion, forgery, deliberate omission, misrepresentation of information or actions bypassing the internal control system;
- gain an understanding of the internal control system that is relevant to the audit in order to develop audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of JSC «KARBONAT»;
- evaluating 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 assumption, and, based on the audit evidence obtained, conclude whether there is a material uncertainty in connection with events or conditions that may result in significant doubts about ability of JSC «KARBONAT» to continue as a going concern. activity. If we conclude that there is a material uncertainty, we should 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 prior to the date of our auditor's report. However, future events or conditions may cause JSC KARBONAT to lose the ability or ability to continue as a going concern;
- assess the presentation of the financial statements as a whole, their structure and content, including disclosures, and whether the financial statements present underlying transactions and events in a manner that ensures their fair presentation;
- 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 material comments on audit results, including significant deficiencies in the internal control system that we identify during the audit.

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

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

Information about the audited entity

Audit report is provided by JSC "KARBONAT". Legal address: 708012, Republic of Uzbekistan, Jizzakh region, Farish district, agricultural "Bagdon", "Egizbulok". Current account: 20210004004913509001 in PJSCB "Orient-Finans", bank code 01071, TIN 200340624, OKONKh-1621, tel. 71-295-19-08, fax- 295-51-08.

Information about the auditing organization "MARIKON AUDIT"

Legal address: Republic of Uzbekistan, Tashkent, st. M. Yusuf building 46/2, current account: 2020 8000 2040 5017 9001 in M. Ulugbek branch 43 of JSCB "DAVR-BANK", bank code 01072, OKED 69202. Liability insurance policy of the auditing organization No. 0105/1308/21 / 002- 1 dated 04/07/2021, from the Insurance company "INSON", INN 203248237, tel. 71 208-49-50, f. 71 208-09-76. Director of the auditing organization: Makhmudova G.G., Auditor qualification certificate No. 04404 issued by the Ministry of Finance of the Republic of Uzbekistan on 12.09.2012, certified accountant of the CAP.

Chief of the task, based on the results of which this auditor's report has been issued, is Makhmudova G.G. (Auditor's certificate No. 04404 dated 12.09.2012 issued by the Ministry of Finance of the Republic of Uzbekistan). The auditor / director of the audit organization "MARIKON-AUDIT" carried out a mandatory audit of the reliability of the financial statements of the economic entity JSC "KARBONAT" from 01.01.2020 to 31.12.2020, as of 31.12.2020 on the basis of agreement No. AO-0608 dated 06.08 .2020

Director / auditor of
MARIKON-AUDIT LLC

signed Makhmudova G.G.

Round seal

Tashkent, Republic of Uzbekistan