

Independent Auditors' Report

To the founders and Management of the Limited Liability Company "HEXAGON NUTRITION":

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Limited Liability Company "HEXAGON NUTRITION" (the "Company") as at 31 December 2023 and 2022, and the Company's financial performance for the years then ended in accordance with National Accounting Standards ("NAS").

What we have audited

The Company's financial statements comprise:

- Balance sheet (Form 1) as at 31 December 2022;
- Statement on financial results (Form 2) as for year ended 31 December 2022;
- Balance sheet (Form 1) as at 31 December 2023;
- Statement on financial results (Form 2) as for year ended 31 December 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in Auditors' 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.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan and auditor's independence requirements that are relevant to our audit of the financial statements in the Republic of Uzbekistan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Professional Ethics for Auditors of Uzbekistan.

Our audit approach

Overview

Materiality

Overall Company materiality: 736 926,00 thousand Uzbek Soums («UZS»), which represents 5% of combination of balance sheet value, equity, net revenue and profit before tax, from the financial statements for 2022 and 2023.

Key audit matters

Composition of the cost of manufactured finished products

As part of designing of our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

Calculation of the level of materiality for financial statements for 2022:

thousand UZS

Rationale	Value at the beginning of reporting period	Value at the end of the year	Baseline average	Share of the benchmark used for calculation	Value used to calculate the materiality level
Balance sheet value	10 238 523	16 706 382	13 472 453	5%	673 623
Equity	(2 325 925)	(149 006)	(1 237 466)	5%	(61 873)
Net revenue	0	29 435 462	14 717 731	5%	735 887
Cost of sales	0	22 324 703	11 162 351	5%	558 118
Profit before tax	(1 834 934)	2 353 560	259 313	5%	12 966
The value of the overall level of materiality (average value)					383 744
Rounded value of the overall materiality level					383 744

The calculation shows that the overall level of materiality for the Company's reporting is 383 744 thousand UZS or 2.3% of the balance sheet currency at the end of the audited period.

Calculation of the level of materiality for financial statements for 2023:

thousand UZS

Rationale	Value at the beginning of reporting period	Value at the end of the year	Baseline average	Share of the benchmark used for calculation	Value used to calculate the materiality level
Balance sheet value	16 706 382	14 840 042	15 773 212	5%	788 661
Equity	(149 006)	(8 342 027)	(4 245 517)	5%	(212 276)
Net revenue	29 435 462	644 058	15 039 760	5%	751 988
Cost of sales	22 324 703	1 016 185	11 670 444	5%	583 522
Profit before tax	2 353 560	(8 193 021)	(2 919 731)	5%	(145 987)
The value of the overall level of materiality (average value)					353 182
Rounded value of the overall materiality level					353 182

The calculation shows that the overall level of materiality for the Company's reporting is 353 182 thousand UZS or 2.38% of the balance sheet currency at the end of the audited period.

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out in the table above. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually or in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Composition of the cost of manufactured finished products.

The main product of production is a vitamin-mineral mixture (VMM) for fortifying wheat or other flour. This product is called Micronutrient Premix.

The main objectives of the production of premixes are accurate (in accordance with the recipe) dosing, high-quality mixing and uniform distribution of minimal doses of biologically active components in each portion of the mixture, as well as maintaining the activity of the introduced additives during the production, transportation and storage of both the premix itself and the final products with his participation. In addition, the attribution of expenses when determining the cost of finished products.

The Company's products are manufactured in accordance with O'zDSt3221:2017.

How our audit addressed the key audit matter

We conducted an audit of the production - a check of the financial and production schemes of the Company, during which various documents are reconciled: from technical data sheets of products to contracts and loan justifications. The main task of such an examination is to identify production costs, which can be optimized with proper analysis of its key points.

We conducted an audit according to the following scheme:

- We have drawn up an action plan and preparatory work;
- We assessed the condition of the Company and the correctness of its documentation;
- Conducted an audit of costs both for the whole population and for individual items;
- We conducted an audit of the system of accounting and control of commercial and business transactions;
- We have calculated the cost of the goods;
- Conducted a review of the Company's settlements with key participants in the production chain;
- Assessed the profitability of the links in the production chain and planned steps to improve production.

The result of the audit is a full analysis of production activities, which will show the main costs and what technical aspects affect this.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the NAS, 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.

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 the ISAs, we exercise professional judgement 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 the persons responsible for internal control 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 the persons responsible for internal control 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the persons responsible for internal control, we determine those matters that were of most significance in the audit of the 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.



Safaeva Zulfiya
Head of audit team/Auditor

Certificate of auditor
№04593 dated 30 July 2013

LLC Audit Organization «PRIMA AUDIT»
15 March 2024
Tashkent, Uzbekistan