

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Unitsky String Technologies Inc.

To the Members of the Board of Directors of Unitsky String Technologies Inc.

To the Director General Nadezhda Kosareva

To the Chief Accountant Elena Bardier

Ref. number: 04-05/43/2

Date: 24 May 2024

Qualified Auditor's Opinion

We have audited the financial statements of Unitsky String Technologies Inc. (hereinafter – “auditee”) (location: Republic of Belarus, 222838, Minsk region, Pukhovichi district, Novoselkovsky village council, 35, district Zorny Shlyakh str., Maryina Gorka, date of state registration: 12.05.2015, registration number in the Unified State Register of Legal Entities and Individual Entrepreneurs: 192425076), which comprise:

- ▶ The statement of financial position as at 31 December 2023;
- ▶ The statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2023; and
- ▶ Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects, the financial position of the auditee as at 31 December 2023, its financial performance and the changes in its financial position, cash flows for the year then ended in accordance with International Financial Reporting Standards and their Explanations (hereinafter - “IFRSs”).

Basis for Qualified Opinion

Impairment of “Development costs”

In accordance with IAS 36 “Impairment of Assets”, irrespective of whether there is any indication of impairment, an entity shall test an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount.

Management of the Company did not test “Development costs” for impairment.

The carrying amount of “Development costs” as at 31 December 2023 is 28,821 thousand US dollars (as at 31 December 2022: 30,840 thousand US dollars).

Due to the aforementioned circumstances, we have not been able to reliably estimate the amount of impairment of “Development costs”, and therefore determine whether the financial results for 2023, as well as “Development costs” and retained loss as at 31 December 2023, as recorded in the auditee’s financial statements, may need to be adjusted.

The notes to the financial statements do not disclose information on intangible assets in the form of development costs in accordance with IAS 38 “Intangible Assets”.

Basis for Qualified Opinion (ending)

We conducted our audit in accordance with the requirements of the Law of the Republic of Belarus "On Auditing Activities", the national rules of auditing activity in force in the Republic of Belarus and International Standards on Auditing (hereinafter - "ISAs"). Our responsibilities under those requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We observed the principle of independence in relation to the auditee in accordance with the requirements of the Law of the Republic of Belarus "On Auditing Activities", the National Standards of Auditing Activities and the International Code of Ethics for Professional Accountants adopted by the International Ethics Standards Board for Accountants, and we observed other principles of professional ethics in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Auditee for the Preparation of 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 auditee's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements are free from material misstatement, whether due to fraud and (or) error, and to issue an auditor's report that includes our opinion expressed in the prescribed form. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the National Standards of Auditing Activities approved by the Ministry of Finance of the Republic of Belarus and 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 the users of these financial statements taken on its basis.

As part of an audit in accordance with the Law of the Republic of Belarus "On Auditing Activities", the National Standards of Auditing Activities approved by the Ministry of Finance of the Republic of Belarus and ISAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud and (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 sophisticated and carefully organized schemes designed to conceal it.

Auditor's Responsibilities for the Audit of the Financial Statements (ending)

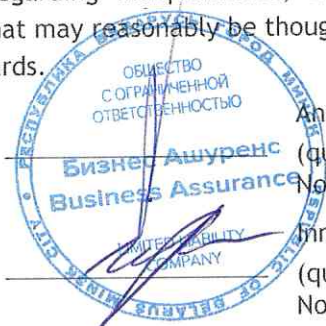
- ▶ Obtain an understanding of the internal control system relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system.
- ▶ Evaluate 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 auditee 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.

Engagement Partner
(Power of Attorney No. 15-07-22
dated 04.07.2022)

Engagement Manager



Andrey Misuk

(qualification certificate of the auditor
No. 0002095)

Inna Mandrik

(qualification certificate of the auditor
No. 0002371)

Auditor's report date: 24 May 2024

Place of issue: Minsk, Republic of Belarus

Date of receipt by the auditee: 24 May 2024

Chief Accountant of Unitsky String Technologies Inc.,

Bardier E.

Signature

INFORMATION ABOUT THE AUDITOR:

Name:

Business Assurance LLC

Location:

103 Pobediteley ave., floor 8, office 7, Minsk, 220020, Republic of Belarus

Date of state registration:

Certificate on the state registration issued by Minsk City Executive Committee dated 04.07.2022

Registration number in the Unified State Register of
Legal Entities and Individual Entrepreneurs

190241132

Registration number in the register of audit entities

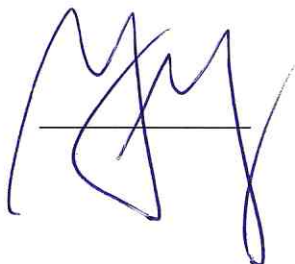
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Statement of comprehensive income

	Note	For the year ended 31 December 2023 USD'000	For the year ended 31 December 2022 USD'000
Revenue	6	9,164	17,229
Cost of sales	7	(4,707)	(7,238)
GROSS PROFIT		4,457	9,991
Administrative expenses	8	(5,186)	(5,578)
Commercial expenses	9	(1,053)	(1,181)
Other operating income	10	1,670	861
Other operating expenses	11	(2,933)	(2,719)
Profit (Loss) from operating activities		(3,045)	1,374
Investment income and finance income	12	158	209
Finance expenses	13	(250)	(142)
Profit (loss) from investment and financing activities		(92)	67
Foreign exchange differences, net		1,232	(243)
Share of profit (loss) of equity accounted associates	18	218	(103)
PROFIT (LOSS) BEFORE TAX		(1,687)	1,095
Income tax benefit / (expenses)	14	-	-
NET PROFIT (LOSS) FOR THE YEAR		(1,687)	1,095
Other comprehensive income/(expenses):			
<i>Other comprehensive income / (expenses) that may be subsequently reclassified to profit or loss:</i>			
Foreign currency translation differences		(7,884)	(4,203)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(9,571)	(3,108)

The accompanying notes on pages 13 to 52 form an integral part of these financial statements.

N. Kosareva
Director General



E. Bardier
Chief Accountant



24 May 2024

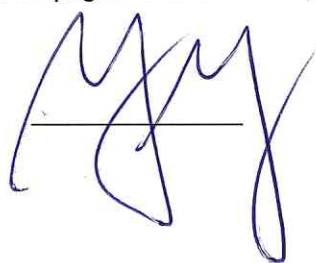
Statement of financial position

	Note	31 December 2023 USD'000	31 December 2022 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	2,917	3,623
Development costs	16	28,821	30,840
Intangible assets	16	4,508	4,975
Right-of-use assets	17	1,655	1,135
Investments in associates	18	4,012	4,419
Other financial assets	21	487	536
Total non-current assets		42,400	45,528
Current assets			
Inventories	19	3,474	5,551
Trade and other receivables	20	5,359	7,818
Current income tax advances		15	257
Other financial assets	21	-	351
Other non-financial assets	22	1,258	2,441
Cash and cash equivalents	23	271	491
Total current assets		10,377	16,909
TOTAL ASSETS		52,777	62,437
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized capital	24	82,516	82,516
Foreign currency translation reserve		(23,837)	(15,953)
Retained loss		(10,839)	(9,152)
Total equity and reserves		47,840	57,411

	Note	31 December 2023 USD'000	31 December 2022 USD'000
LIABILITIES			
Long-term liabilities			
Loans and borrowings	25	693	581
Lease liabilities	28	1,098	779
Total long-term liabilities		1,791	1,360
Short-term liabilities			
Loans and borrowings	25	455	869
Lease liabilities	28	625	765
Trade and other payables	26	413	72
Contract liabilities	6	352	883
Other non-financial liabilities	27	1,301	1,077
Total short-term liabilities		3,146	3,666
TOTAL LIABILITIES		4,937	5,026
TOTAL EQUITY AND LIABILITIES		52,777	62,437

The accompanying notes on pages 13 to 52 form an integral part of these financial statements.

N. Kosareva
Director General



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Chief Accountant



24 May 2024

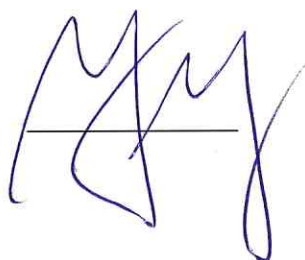
Statement of changes in equity

	Note	Authorized capital USD'000	Foreign currency translation reserve USD'000	Retained earnings USD'000	Total equity USD'000
1 January 2022		82,516	(11,750)	(10,247)	60,519
Net loss for the year		-	-	1,095	1,095
Other comprehensive income (loss)		-	(4,203)	-	(4,203)
31 December 2022	24	82,516	(15,953)	(9,152)	57,411
Net profit for the year		-	-	(1,687)	(1,687)
Other comprehensive income (loss)		-	(7,884)	-	(7,884)
31 December 2023	24	82,516	(23,837)	(10,839)	47,840

The accompanying notes on pages 13 to 52 form an integral part of these financial statements.

N. Kosareva
Director General

24 May 2024



E. Bardier
Chief Accountant



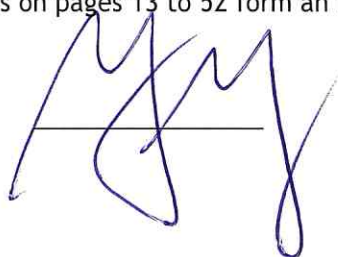
Statement of cash flows

	Note	For the year ended 31 December 2023 USD'000	For the year ended 31 December 2022 USD'000
Net profit (loss) for the period		(1,687)	1,095
<i>Adjustments for reconciliation of net profit with cash flows from operating activities:</i>			
Depreciation of property, plant and equipment and amortization of intangible assets		1,141	1,279
Depreciation of right-of-use asset	17	(526)	635
Interest income	12	(37)	(86)
Finance expenses	13	250	142
(Profit) loss from disposal of property, plant and equipment and inventories		(2)	(131)
Change in allowances for impairment of trade and other receivables and advances	11	2,615	1,128
Effect of an initial recognition of a loan received and granted on non-market terms		(121)	(123)
Share of profit (loss) of equity accounted associates		(218)	103
Foreign exchange differences		(1,232)	243
Operating cash flows before changes in operating assets and liabilities and before interest and tax payments		183	4,285
<i>Changes in operating assets and liabilities</i>			
Inventories		1,379	307
Trade and other receivables		(863)	(5,720)
Trade and other payables		1,733	(924)
Contract liabilities		(432)	(1,783)
Lease liabilities	28	629	(694)
Other non-financial assets		890	413
Other non-financial liabilities		394	99
Cash flows before interest and tax payments		3,913	(4,017)
Interest paid		(177)	(129)
Income tax paid		-	(257)
Net cash flows used in operating activities		3,736	(4,403)
Investment operations			
Acquisition of property, plant and equipment and intangible assets		(420)	(437)
Development costs		(3,236)	1,490
Proceeds from disposal of property, plant and equipment		131	638

	Note	For the year ended 31 December 2023 USD'000	For the year ended 31 December 2022 USD'000
Issue of loans		(37)	(563)
Loans repaid		334	839
Interest received		-	75
Net cash used in investing activities		(3,228)	2,042
Financial operations			
Repayment of loans		(896)	-
Loans received		743	901
Net cash flows generated from financing activities		(153)	901
Effect of exchange rate changes on cash and cash equivalents		(575)	(68)
Net change in cash and cash equivalents		(220)	(1,528)
Cash and cash equivalents at the beginning of the year		491	2,019
Cash and cash equivalents at the end of the year		271	491

The accompanying notes on pages 13 to 52 form an integral part of these financial statements.

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Director General



E. Bardier
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24 May 2024