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| **Justification of the proposed distribution of net profit, assessing  their correspondence to the dividend policy accepted in the company,  EXPLANATIONS AND ECONOMIC EXPLANATIONS.** |

Non-distributed profit of BIOKIMYO JSC for 2017-2021 amounted   
to **10,826,930,122.50 UZS.**

At the meeting of the Supervisory Board of the Company No. 7 of December   
21, 2022 on the agenda of the meeting discussed about "Increasing the Authorized Fund of the Company by additional shares" and approved the relevant solutions.

The following information was discussed:

- the authorized capital of the company was increased for the last time   
by the decision of the Supervisory Board on June 2, 2018 by issuing additional shares and the size of the authorized capital is **9,569,744,000** **UZS**, which consists   
of **2,856,640** shares with a nominal value of **3,350** **UZS**;

- аccording to the decisions of the general meetings of shareholders held   
at the end of 2018-2022, part of the net profit was aimed to the development   
of manufacturing of the company with a further increase (capitalization) of the statutory fund of the company;

- non-distributed profit of the previous years 2017-2021 amounted   
to **10,826,930,122.50** **UZS**;

- part of undistributed profits of previous years in the amount of **10,073,414,736.84 UZS** is allocated to increase the authorized capital, including:

- **9,569,744,000** **UZS** will be used to increase the authorized capital of the company by placing additional **2,856,640** shares at a par value of **3,350** UZS among the existing shareholders;

**- part** for payment of tax payments of legal entities in the amount of   
**5 (five) percent**;

- **part** of the formed in connection with the privilege for individual income tax are directed to the payment to shareholders - individuals in cash form;

- вccording to Article 18 of the Law of the Republic of Uzbekistan "On Joint Stock companies and protection of shareholders’ rights" and the Charter of the Company, Article 4.6 - making decisions to increase the authorized capital of the Company and making the appropriate changes to the Charter of the Company is within the competence of the supervisory board;

- increasing the authorized capital by **9,569,744,000** **UZS** by issuing additional shares - the authorized capital of the company will amount to **19,139,488,000** **UZS** from 5,713,280 shares with a nominal value of **3,350** **UZS**;

- the reserve fund in the amount of 15% of the authorized capital will be formed by obligatory annual deductions in the amount of five percent of net profit until it reaches the amount established by the charter of the company;

- аccording to paragraph 5.1.2 of the new version of the charter, approved   
by the general meeting of shareholders on June 29, 2022, the number of additionally authorized shares of the company is **4,642,040**;

- аn additional 2,856,640 shares with a par value of **3,350 UZS** will be allocated in proportion of one share for each previously issued share;

The supervisory board recommended the following proposals for approval   
by the general meeting:

The non-distributed profit of BIOKIMYO JSC in the amount of   
**10,826,930,122.50 UZS** to be distributed as follows:

- **10,073,414,736.84 UZS** or 93.04 percent, to be allocated to increase the charter fund of the company by means of placement of additional shares, including:

- **9,569,744,000 UZS** will be used to increase the authorized capital of   
the company by issuing an additional 2,856,640 shares at a par value of **3,350 UZS**;

**- part** on tax payments in the amount of 5 (five) percent of the respective shares   
of legal entities in the register formed on the 5 work day from the date of registration   
of the issue of additional shares;

- **part** formed at the expense of the benefit of individuals from the income tax of shareholders - individuals, are directed to the payment to shareholders - individuals on plastic cards in proportion to the number of relevant shares in the register, formed on the 5 work day from the date of registration of the issue of additional shares;

After this distribution of net profit, the accumulated profit of previous years will be **753,515,385.64 UZS**.