

Annual operational report /form 1/	
General obligations of a securities issuer was established by article 20 of Securities Market Law, and the securities issuer is obligated to submit an annual activity report to the Financial Regulatory Commission and the trading authority in accordance with the following form and shall provide information to the public through its website.	
Reporting period	From January 1 st 2025 to December 31 st 2025
Issuer name, state registration number, title of securities, and contact information	MIK Holding JSC, 9010001134, MSE:MIK, 11-328267
Name of Registered stock exchange	Mongolian Stock Exchange
Business sector	Other financial services
Name of the audit company registered with the Financial Regulatory Commission (FRC) that issued the audit opinion on the year-end financial statements, and the date of registration.	Ernst & Young
Total number of shares issued	20,709,320
Name of specialist and reviewer who prepared the annual operational report	Reviewed by: Chief Executive Officer B. Gantulga
1.	Financial statements for the reporting year /Complete the summary report indicators and attach the full financial statements/
	Financial Statement Attached
	Comprehensive Income Statement Attached
	Changes in Equity Statement Attached
	Cash Flow Statement Attached
1.1.	Audit opinion on the annual financial statements
	It has been presented fairly, in all material respects, in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").
1.2.	Audit confirmation letter /the confirmation letter must be prepared in accordance with the content specified in this guideline/
	N/A

2.	Management's recommendation of external and internal factors affecting the issuer's financial performance, analysis of financial statements, income, expenses, and profit indicators for the reporting period.																											
2.1.	Operational results / financial ratio indicators / Liquidity and financial resources, and affordability	<table border="1"> <tr> <td colspan="2">Financial indicators</td> </tr> <tr> <td colspan="2">Profitability ratio</td> </tr> <tr> <td>Net Interest Margin (NIM) *</td> <td>0.16%</td> </tr> <tr> <td>Return on Assets (ROA) *</td> <td>-0.46%</td> </tr> <tr> <td>Return on Equity (ROE) *</td> <td>-0.46%</td> </tr> <tr> <td colspan="2">Changes in percentage (from the beginning of the year)</td> </tr> <tr> <td>Changes in total assets</td> <td>-0.34%</td> </tr> <tr> <td>Changes in the loan portfolio</td> <td></td> </tr> <tr> <td colspan="2">Share in assets</td> </tr> <tr> <td>Equity / Total assets</td> <td>98.63%</td> </tr> <tr> <td>Liabilities / Total assets</td> <td>1.37%</td> </tr> <tr> <td colspan="2">Liquidity ratio</td> </tr> <tr> <td>Liquid assets / Deposited assets</td> <td>133.51%</td> </tr> </table>	Financial indicators		Profitability ratio		Net Interest Margin (NIM) *	0.16%	Return on Assets (ROA) *	-0.46%	Return on Equity (ROE) *	-0.46%	Changes in percentage (from the beginning of the year)		Changes in total assets	-0.34%	Changes in the loan portfolio		Share in assets		Equity / Total assets	98.63%	Liabilities / Total assets	1.37%	Liquidity ratio		Liquid assets / Deposited assets	133.51%
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2.3.	Measures taken due to external and internal factors affecting the issuer's activities, changes in the type of products and services.	<p>Mongolia's economy grew by 6.84 percent in 2025, indicating that the overall economy is steadily increasing. The inflation rate has decreased to 7.5 percent per year, the average monthly household income has increased by 15.5 percent, and the national average nominal wage has increased by 7.7 percent, which has a positive impact on the financial situation of households and is expected to improve the ability to repay mortgage loans and the opportunity to purchase housing. In the financial sector, growth continues, with the total assets of operating banks increasing by 19.9 percent and the assets of non-bank financial institutions increasing by 27.4 percent, respectively, which has a positive impact on the stability of the sector and reducing the risk of the company's counterparties. As of December 2025, the housing price index was 1.38 compared to December 2022, an increase of 12.2 percent year-on-year, indicating that the growth of the housing price index (HPI) has been steadily increasing in recent years. The demand for housing is high due to the high proportion of young people in Mongolia's population structure and the high need for redevelopment of ger districts and housing in the rural areas.</p> <p>In 2025, 25,817 residential units were commissioned, which was a historic high. This figure is also an increase of 30.45 percent from the previous year and</p>																										

an increase of 82.2% in the last 5 years. Construction sector production increased by 28% in 2025.

As of the end of 2025, the total outstanding amount of mortgage loans issued under the Government's Affordable Housing Finance Program amounted to MNT 6.85 trillion, and the number of borrowers reached 94.3 thousand. "MIK HFC" LLC purchased and securitized 77.8% of these loans. In 2025, a total of MNT 3,304.4 billion of mortgage loans were issued, of which 37.3 percent or MNT 1,231.9 billion were issued under the AHFP, and 62.7 percent or MNT 2,072.5 billion were market-rate mortgages issued from banks and other sources. Compared to 2024, the volume of new loans issued under the AHFP decreased by 10.3 percent. Within the framework of the loan deferral program, "MIK HFC" LLC deferred loan payments of MNT 10.1 trillion from 190.5 thousand borrowers in duplicate. The increase in mortgage loans at market interest rates by 33.0% indicates an increase in the supply of mortgage loans and a high demand, which is positively affecting the growth of the mortgage loan market.

In order to reduce air, soil, and water pollution in Ulaanbaatar, redevelopment of ger areas and housing in the rural area have become urgent issues. In addition, due to the increase in sustainable development financing within the framework of global sustainable development, environmental, and social governance trends, "MIK HFC" LLC has adopted a "Sustainable Development Policy" and is working to set goals such as securitizing green housing assets and facilities, housing ger areas, diversifying loan products that meet citizens' incomes, and increasing gender equality.

Mongolia ranks third in the world in terms of land area per capita, but about 50 percent of the population is concentrated in the capital city of Ulaanbaatar, which occupies 0.3% of the total territory. Therefore, in order to distribute the AHFP loans equally between the capital and countryside, the program is working to increase the financing of AHFP loans to countryside from 2024. Within the framework of the program, an

average of 17% of the total loan amount and an average of 24% of the number of borrowers were provided to rural areas in 2018-2022. In 2023, out of the 8.9 thousand households that received program loans, 32% or MNT 302.6 billion were provided to 3.7 thousand households purchasing housing in the countryside. However, in 2025, MNT 419.1 billion were provided to rural areas, which constitutes 34% of the total loans.

The main direction of the government's monetary policy in 2025 includes the transfer of the AHFP from the Bank of Mongolia to the Government, and "MIK HFC" LLC will work with the Government to ensure the continuation of the AHFP in a stable and efficient manner.

In order to ensure the continuity of the AHFP until the government takes over the program and finance it from loan repayments, the "Temporary Procedure for Providing Mortgage Financing Sources to Banks" was approved by the Order of the President of the Bank of Mongolia No. A-246 of 2023. Within the framework of the procedure, the "General Agreement on Housing Finance" was renewed on February 18, 2025 with the participants in the program, MIK HFC LLC and commercial banks, and the Bank of Mongolia continues to finance the program through the repayment of its residential mortgage-backed securities (RMBS).

The "Agreement to Amend the General Agreement on Investment in the Housing Mortgage Program by the Provident Fund" was concluded, and the government purchased preferential RMBSs equal to 80 percent of the total issued RMBS I, with a coupon rate of 2.25%, to pay for the housing financing source.

At a time when Mongolia has a young population, is active in social media, has a high smartphone usage, and is increasingly using government and other e-services, the Company has begun to facilitate the operations of consumers and borrowers by releasing collateral electronically and resolving some borrower requests electronically. The company has also begun

		<p>to introduce electronic tools and innovations into its internal operations, and within this framework, it is working to modernize the financial system, digitize the purchase of loan portfolios, and introduce “business intelligence tools”.</p> <p>“MIK HFC” LLC plans to purchase and securitize mortgage loans worth up to 900 billion tugriks in 2026.</p> <p>In 2026, the following measures will be taken to target the rural community in the context of the loan products of the AHFP purchased and securitized by “MIK HFC” LLC. These include:</p> <ul style="list-style-type: none"> • The maximum loan amount for rural areas increased to MNT 150 million. • Local insurers can issue guarantees for loan down payments <p>Measures implemented since 2023, such as issuing down payment guarantees and providing a 3 percent interest subsidy for citizens purchasing housing in remote districts and countrysides, will continue to be implemented.</p>
2.4.	Detailed information on transactions recorded outside the balance sheet and accounting policies /off-balance/	Attached
2.5.	Information on loan repayments, loan collateral, and guarantees obtained during the reporting period;	<p>During the reporting period, 15,620 mortgage loans were purchased through three special-purpose companies, totaling MNT 1,681.3 billion.</p> <p>Per the Government Resolution No. 68 of 2023 “On Some Measures to be Taken for Urban and Rural Revitalization”, the Bank of Mongolia, the Ministry of Construction and Urban Development, the Credit Guarantee Fund, and Commercial Banks concluded a general agreement on rural housing financing under the “Mortgage Loan” scheme. Under this agreement, banks began issuing mortgage loans with downpayment guarantees in local and remote districts (Nalaikh, Baganuur, Bagakhangai). “MIK HFC” LLC issued RMBS worth MNT 1,681.3 billion in 2025 under the AHFP, of which 1105 loans worth MNT 116.5 billion are down payment guaranteed loans.</p>

3.	Information on conflicts of interest and large-scale transactions carried out by the issuer during the reporting period, the significance of the transaction, and information on the parties with conflicts of interest /including information on all conflicts of interest transactions carried out during the reporting period/
	<ol style="list-style-type: none"> 1. 1/20/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit placement 2. 2/7/2025 – Leasing agreement – MIK HFC LLC – Office leasing 3. 3/12/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit Placement 4. 4/17/2025 - Legal entity deposit agreement - Trade Development Bank – Deposit Placement 5. 5/12/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit placement 6. 6/11/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit Placement 7. 7/24/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit placement 8. 9/8/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit placement 9. 10/15/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit Placement 10. 11/14/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit placement 11. 12/17/2025 - Legal entity deposit agreement - Trade Development Bank - Deposit placement
4.	Salary and bonus information
	By Resolution No. 25/02 of the Annual Shareholders’ Meeting of “MIK Holding” JSC held on April 30, 2025, the budget for the remuneration of the Board of Directors was approved. Additionally, the salaries and bonuses for executive management are determined by the Board of Directors. For details regarding the salaries and bonuses granted during the financial year to regular and independent members of the Board, as well as to executive management, please refer to the “Corporate Governance Report” included in the annex.
5.	Corporate governance information
	Please refer to the “Corporate Governance Report” in the annex for information related to corporate governance for the financial year.
6.	Market risk information
	<p>The market risk of MIK Holding JSC is closely linked to both external and domestic economic conditions affecting its subsidiary companies. Mongolia’s economy recorded a growth rate of 6.8% in 2025, and the Bank of Mongolia maintained its policy rate at 12%, citing that the impact of U.S. tariffs has been relatively lower than analysts’ expectations. Additionally, stronger global and Chinese economic growth, along with higher-than-expected prices of gold and copper in international markets, supported this decision.</p> <p>However, in 2026, the expansion of consumer lending is projected to increase demand-driven inflation and imports, which may put pressure on the exchange rate and the balance of payments. This could negatively affect the repayment capacity of borrowers within securitized loan portfolios.</p>

	As of 2025, the Mongolian tugrik depreciated by 4% since the beginning of the year, reaching an exchange rate of MNT 3,556.81 per U.S. dollar. This depreciation may adversely impact the company's ability to service its U.S. dollar-denominated funding sources.																												
7.	Shareholder ownership information /names and ownership percentages of shareholders holding 5% or more, and the total number of shareholders/																												
	<p>As of the end of the financial year, "MIK Holding" JSC had a total of 240 shareholders. The name and ownership percentages of significant shareholders, those holding five percent or more, are shown in the table below.</p> <table border="1"> <thead> <tr> <th>№</th> <th>Shareholder Name</th> <th>Number of Shares</th> <th>Ownership Percentage</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Development Bank of Mongolia</td> <td>3,081,955</td> <td>14.88%</td> </tr> <tr> <td>2</td> <td>CNB Consulting LLC</td> <td>2,608,480</td> <td>12.60%</td> </tr> <tr> <td>3</td> <td>Asia Diversified Real Estate Fund One Private Investment LLC</td> <td>2,312,500</td> <td>11.17%</td> </tr> <tr> <td>4</td> <td>Trade and Development Bank JSC</td> <td>2,070,932</td> <td>10.00%</td> </tr> <tr> <td>5</td> <td>TDB Capital LLC</td> <td>1,232,785</td> <td>5.95%</td> </tr> <tr> <td>6</td> <td>TDB Securities SC LLC</td> <td>1,097,953</td> <td>5.30%</td> </tr> </tbody> </table>	№	Shareholder Name	Number of Shares	Ownership Percentage	1	Development Bank of Mongolia	3,081,955	14.88%	2	CNB Consulting LLC	2,608,480	12.60%	3	Asia Diversified Real Estate Fund One Private Investment LLC	2,312,500	11.17%	4	Trade and Development Bank JSC	2,070,932	10.00%	5	TDB Capital LLC	1,232,785	5.95%	6	TDB Securities SC LLC	1,097,953	5.30%
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8.	If the issuer offered shares to the public for the purpose of implementing a project, a report on the progress of the project and the utilization of the raised funds must be provided from the start of the project until its completion.																												
	"MIK Holding" JSC did not issue any additional shares to the public during the reporting period.																												
9.	Dividend information																												
	<p>By Resolution No. 25/04 dated February 10, 2025, the Board of Directors of "MIK Holding" JSC resolved not to distribute dividends to shareholders in 2025.</p> <p>The Board of Directors of "MIK Holding" JSC approved the company's "Dividend Policy" under Resolution No. 15/03 in 2015, and this document is available in full on the company's official website.</p> <p>In accordance with this policy and under the terms of the "Indenture" related to international bond issuance, it was decided not to distribute dividends. The rationale for this decision was presented to shareholders during the 2025 Annual Shareholders' Meeting as part of the meeting agenda.</p>																												
10.	Report on activities related to corporate social responsibility carried out by the securities issuer during the reporting period.																												
	<ol style="list-style-type: none"> In 2025, at the request of the Center for Hematology and Bone Marrow Transplantation, a monetary donation was provided for the procurement of a fully automated electrocardiogram (ECG) machine, single-use bone marrow biopsy and aspiration needles, and the renovation of a staff rest area. As a result, the quality of diagnostic services for patients undergoing treatment for blood cancers and bone From August 8 to September 8, 2025, sponsorship was provided for the organization of the exhibition titled "Sacred Relic: Genghis Khan" at the Chinggis Khaan National Museum. 																												
Signature and date of the individual submitting the report and the individual confirming its accuracy:																													

Name: Gantulga Badamkhatan



Position: Chief Executive Officer, MIK Holding JSC

Signature:

Signature and date of the individual who prepared and submitted the report:

Name: Saruul Ganbat

Position: Secretary of the Board of Directors

Signature: *Saruul Ganbat*



MIK HOLDING JSC
(Incorporated in Mongolia)

Audited financial statements

31 December 2025

STATEMENT OF FINANCIAL POSITION

MIK Holding JSC

/Company Name/

/MNT/

№	Indicators	31-Dec-24	31-Dec-25
1	ASSET		
1.1	Current asset		
1.1.1	Cash and cash equivalents	1,751,979,658.0	1,369,240,772.2
1.1.2	Account receivable		
1.1.3	Tax and Social insurance receivables	50,743,925.7	50,743,925.7
1.1.4	Other receivables	91,404,828.8	220,704,384.9
1.1.5	Other financial assets /loan portfolio/		
1.1.6	Inventory	4,034,120.0	4,034,120.0
1.1.7	Prepayment expense/settlement	2,478,163.4	-
1.1.8	Other current asset		
1.1.9	Non-current asset held for trading (Disposal group)		
1.1.11	Total current asset	1,900,640,695.8	1,644,723,202.7
1.2	Non-current asset		
1.2.1	Fixed assets	21,826,050.8	23,825,014.0
1.2.2	Intangible asset	-	-
1.2.3	Biological asset		
1.2.4	Long term investment	73,075,104,539.6	73,075,104,539.6
1.2.5	Exploration and evaluation assets		
1.2.6	Deferred tax assets		
1.2.7	Investment property		
1.2.8	Other non-current asset		
1.2.10	Total non-current asset	73,096,930,590.4	73,098,929,553.7
1.3	TOTAL ASSETS	74,997,571,286.2	74,743,652,756.4
2	LIABILITIES AND EQUITY		
2.1	Liabilities		
2.1.1	Short term liabilities		
2.1.1.1	Accounts payable	4,421,483.6	14,888,731.0
2.1.1.2	Salaries payable		
2.1.1.3	Tax payable	86,044,595.8	38,982,160.9
2.1.1.4	Social health insurance payable	916,602.6	916,602.6
2.1.1.5	Short term loan		
2.1.1.6	Interest payable		
2.1.1.7	Dividends payable		
2.1.1.8	Unearned revenue	844,886,950.6	970,799,121.6
2.1.1.9	Reserve /liabilities/		
2.1.1.10	Other short-term liability	-	
2.1.1.11	Liabilities associated with non-current assets (a group of assets for sale) held for sale		
2.1.1.13	Total short term liabilities	936,269,632.6	1,025,586,616.1
2.1.2	Long term liabilities		
2.1.2.1	Long term loan		
2.1.2.2	Provision /liabilities/		
2.1.2.3	Deferred tax liability		
2.1.2.4	Other long term liabilities		
2.1.2.6	Total long-term liabilities		
2.2	Total liabilities	936,269,632.6	1,025,586,616.1
2.3	Equity		
2.3.1	Equity : - state owned		
2.3.2	- private		
2.3.3	- joint stock	20,709,320,000.0	20,709,320,000.0
2.3.4	Treasury shares		
2.3.5	Share premium	52,225,114,830.0	52,225,114,830.0
2.3.6	Asset revaluation surplus		
2.3.7	Foreign currency translation reserve		
2.3.8	Other equity		
2.3.9	Retained earnings	1,453,134,500.7	1,126,866,823.6
2.3.10	Profit for the year	(326,267,677.1)	(343,235,513.3)
2.3.11	Total equity amount	74,061,301,653.6	73,718,066,140.3
2.4	LIABILITY AND EQUITY	74,997,571,286.2	74,743,652,756.4

Chief Executive Officer : /B. Gantulga/

Chief Financial Officer /M. Zoljargal/

Head of Reporting and Controlling Division /Ts. Enkhzul/



STATEMENT OF COMPREHENSIVE INCOME

MIK Holding JSC

/Company Name/

/MNT/

No	Indicators	31-Dec-24	31-Dec-25
1	Sales revenue (net)		
2	Cost of sales		
3	Net income		
4	Rental income		
5	Interest income	154,690,435.2	118,337,872.5
6	Dividend income		
7	Commissions and fees income		
8	Other income	1,576,368,158.2	759,152,146.1
9	Sales and marketing expenses	(4,465,454.6)	(4,909,090.9)
10	General and administrative expenses	(1,184,688,887.9)	(1,055,593,904.8)
11	Financial expenses /interest/		
12	Other expenses	(852,702,884.6)	(148,388,749.0)
13	Foreign exchange gain (loss)		
14	Gain (loss) on write-off of fixed assets		
15	Gain (loss) on write-off of intangible assets		
16	Gain (loss) on sales of investment		
17	Other profit (loss)		
18	Profit (loss) before tax	(310,798,633.6)	(331,401,726.0)
19	Income tax expense	(15,469,043.5)	(11,833,787.3)
20	Profit (loss) after tax	(326,267,677.1)	(343,235,513.3)
21	Profit (loss) after tax from discontinued operations		
22	Current year profit (loss)	(326,267,677.1)	(343,235,513.3)
23	Other comprehensive income		
	Revaluation reserves differences		
	Foreign exchange differences		
	Other gain (losses)		
24	Total income	(326,267,677.1)	(343,235,513.3)
25	Basis earnings per share (loss)		

Chief Executive Officer : /B. Gantulga/

Chief Financial Officer /M. Zoljargal/

Head of Reporting and Controlling Division /Ts. Enkhzul/



(Handwritten signatures in blue and black ink over the stamp)

STATEMENT OF CHANGES IN EQUITY

MIK Holding JSC

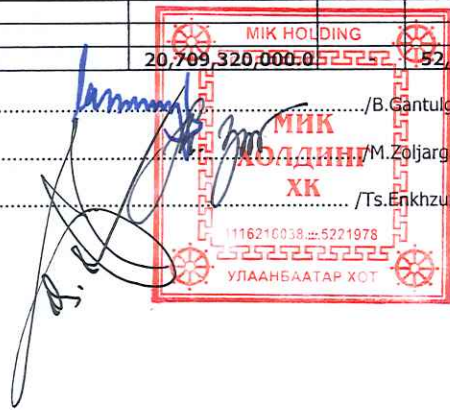
(Company name)

№	Indicators	Ordinary shares	Treasury shares	Share premium	Revaluation surplus	Foreign currency translation reserve	Equity other parts	Retained earnings	Total amount
1	Closing balance (31 December 2023)	20,709,320,000.0	-	52,225,114,830.0	-	-	-	1,453,134,500.0	74,387,569,330.0
2	Changes in accounting policies and disclosures								
3	Adjusted balance	20,709,320,000.0	-	52,225,114,830.0	-	-	-	1,453,134,500.7	74,387,569,330.8
4	Reported period net gains (losses)							(326,267,677.1)	(326,267,677.1)
5	Other comprehensive income								0.0
6	Changes in equity								0.0
7	Dividend declared							-	0.0
8	Adjusted amount of revaluation reserve								0.0
9	Closing balance (31 December 2024)	20,709,320,000.0	-	52,225,114,830.0	-	-	-	1,126,866,823.6	74,061,301,653.6
10	Changes in accounting policies and disclosures	0.0							0.0
11	Adjusted balance	20,709,320,000.0	-	52,225,114,830.0	-	-	-	1,126,866,823.6	74,061,301,653.6
12	Reported period net gains (losses)							(343,235,513.3)	(343,235,513.3)
13	Other comprehensive income								0.0
14	Changes in equity								0.0
15	Dividend declared							-	0.0
16	Adjusted amount of revaluation reserve								0.0
17	Closing balance (31 December 2025)	20,709,320,000.0	-	52,225,114,830.0	-	-	-	783,631,310.3	73,718,066,140.3

Chief Executive Officer :...../B. Gantulga/

Chief Financial Officer/M. Zoljargal/

Head of Reporting and Controlling Division/Ts. Enkhzul/



STATEMENT OF CASH FLOW

MIK Holding JSC
(Company name)

/MNT/

№	Indicators	31-Dec-24	31-Dec-25
1	Cash flows from operating activities		
1.1	Cash receipts (+)	1,124,312,816.2	824,953,577.2
	Cash received from the sales of goods and rendering of services /interest income/	1,124,312,816.2	824,953,577.2
	Cash receipts from royalties, fees and commissions		
	Cash receipts from insurance coverage		
	Cash received from tax refund		
	Cash received from grants or subsidies		
	Other cash receipts		
1.2	Cash payments (-)	1,364,285,769.5	1,207,692,463.0
	Cash paid to employees	794,178,443.8	732,197,619.3
	Cash paid to social insurance administration	193,405,739.5	178,029,469.4
	Purchase of inventory		
	Payment for utilities expense		
	Payment for fuel, transportation fee and spare parts		
	Interest paid		
	Tax paid	287,024,163.6	207,717,466.0
	Insurance paid		
	Other cash payments	89,677,422.6	89,747,908.3
1.3	Net cash flows from operating activities	(239,972,953.3)	(382,738,885.8)
2	Cash flows from investing activities		
2.1	Cash receipts (+)	-	-
	Proceeds from sales of property, plant and equipment		
	Proceeds from sales of intangible assets		
	Proceeds from sales of investments		
	Proceeds from sales of other long-term assets		
	Cash received from the repayment of advances and loans made to other parties		
	Cash received for interest		
	Cash received for dividend income		
2.2	Cash payments (-)	0.0	0.0
	Purchase of property, plant and equipment		
	Purchase of intangible assets		
	Cash paid to acquire investments		
	Cash paid to acquire other long-term assets	-	-
	Cash advances and loans made to other parties		
2.3	Net cash flows from investing activities	0.0	0.0
3	Cash flows from financing activities		
3.1	Cash receipts (+)	-	-
	Proceeds from obtaining loans and issuing debt securities		
	Proceeds from issuing shares and other equity instruments		
	Proceeds from donations		
3.2	Cash payments (-)	-	-
	Repayments of loans and debt securities		
	Reduction of finance lease		
	Purchase of treasury share	-	-
	Dividends paid		
3.3	Net cash flows from financing activities	-	-
4	Total net cash flows	(239,972,953.3)	(382,738,885.8)
5	Cash and cash equivalents beginning balance	1,991,952,611.3	1,751,979,658.0
6	Cash and cash equivalents closing balance	1,751,979,658.0	1,369,240,772.2

Chief Executive Officer /B. Gantulga/
 Chief Financial Officer /M. Zoljargal/
 Head of Reporting and Controlling Division /Ts. Enkhzul/



Off-balance sheet

№	Account number	Account name	Share holders	Share holder's name	Date of opening	Date of closing	Amount
Branch		190	MIK Holding				
	Product:	6004000000	DECLARED COMMON STOCKS				
	Currency	MNT					9,290,680.00
1	1900000002	DECLARED COMMON STOCKS	9000026759	MIK Holding	2015-12-02		9,290,680.00
	Product:	6005000000	SOLD COMMON STOCKS				
	Currency	MNT					20,709,320.00
2	1900000004	State Bank JSC	9020006126	State Bank JSC	2015-12-02		486,951.00
3	1900000076	TDB Securities SC	9900000004	TDB Securities SC /formerly TDB Capital LLC/	2022-12-31		1,097,953.00
4	1900000062	MIK Asset Two SPC LLC	9020017663	MIK Asset Two SPC LLC	2018-12-31		432,712.00
5	1900000006	Golomt JSC	9020006118	Golomt JSC	2015-12-02		1,023,033.00
6	1900000060	Nexus Finance Investment NBFILLC	9900000002	Nexus Finance Investment NBFILLC	2018-12-31		117,379.00
7	1900000010	XacBank JSC	9020006119	XacBank JSC	2015-12-02		210,621.00
8	1900000064	CEC Group	9000033144	CEC Group	2020-12-31		488,750.00
9	1900000058	Others	9000026758	Mongolian Mortgage Corporation HFC LLC	2016-04-30		32,661.00
10	1900000008	Capitron Bank LLC	9020006122	Capitron Bank LLC	2015-12-02		210,631.00
11	1900000013	Chinggis Khaan Bank LLC	9020006124	Chinggis Khaan Bank LLC	2015-12-02		61,639.00
12	1900000009	Khan Bank JSC	9020006116	Khan Bank JSC	2015-12-02		210,621.00
13	1900000061	MIK Asset One SPC LLC	9010007659	MIK Asset One SPC LLC	2018-12-31		892,927.00
14	1900000011	TDB	9020006117	TDB	2015-12-02		6,452,412.00
15	1900000065	CNB Consulting LLC	9000033145	CNB Consulting LLC	2020-12-31		539,500.00
16	1900000055	TDB Capital LLC	9000026776	TDB Capital LLC /formerly United Banking Corporation LLC/	2015-12-24		1,232,785.00
17	1900000005	Development Bank of Mongolia	1000026756	Development Bank of Mongolia	2015-12-02		3,081,955.00
18	1900000015	Mongolian Mortgage Corporation HFC LLC	9000026758	Mongolian Mortgage Corporation HFC LLC	2015-12-02		4,136,790.00
	Product:	6007000000	STAMPS AND MARKS IN USE				
	Currency	MNT					1.00
19	1900000059	MIK HOLDING JSC-Stamps, Marks	9000026759	MIK HOLDING JSC	2017-02-01		1.00
TOTAL				MNT	65		30,000,001.00

RECORDING OF THE OFF-BALANCE SHEET

15.1. Valuable items in safekeeping: Items that are not reported in the Company's balance sheet, or are reported but must to be controlled and double recorded with non-monetary unit such as securities, specific registraded forms, property ownership rights, other valuable documents and the Company's rights shall be recorded and monitored in off-balance sheet.

15.2. The following are the classifications of the valuable items:

15.2.1. *Collateral received*: The borrower's collateral and ownership rights shall be recorded in off-balance sheet in current value for each borrowers.

The valuable items shall be recorded in account #62100004 by its quantity and the collaterals in account #63100006 by the amount of collateral for each borrowers. If the borrower pays off the loan or debt, the collateral shall be written-off from the off-balance sheet.

15.2.2. *Valuable items in safekeeping*: Office building scheme, specific registraded forms and the other required items of the Company shall be recorded in quantity and value. The accounts for valuables in safekeeping shall be opened and recorded by its category such as owner or customer's name.

15.2.3. *Securities sold*: Securities issued and sold by the Company shall be classified and recorded in quantity.

Senior and Junior bonds – In order to purchase mortgage loans, as its payment the Company issues mortgage-backed securities which are Senior and Junior bonds.

When the Company issues bonds, the Senior bonds shall be recorded in account #62100002 and Junior bonds in account #62100003 by their quantity.

15.3. *Stamps and marks in use of the Company*: Stamps, marks and seals used in the company's operations shall be classified by their types and recorded in quantity.

15.4. *Recording of other premises certificate*: In order to reduce non-performing loans, based on the premises certificate transferred to the Company's name, it shall be recorded in quantity.

15.5. *Off-balance sheet consolidated account plan, account structure*: The off-balance sheet account plan has the form of a group account, a personal account and a sub-account.

15.6. Off-balance sheet sub-account:

- 61 – Potential obligations;
- 62 – Valuable items;
- 63 – Loans and other assets;
- 64 – Others.

15.7 The off-balance sheet account has 10 digits. The first 2 digits indicate the account group, the 3rd and 4th digits indicate the balance (general ledger) account, the 5th, 6th, 7th and 8th digits indicate the detailed account classification (product), and the 9th and 10th digits indicate the costumer segment code. For example:

- 62 - Valuable items;
- 6210 - General ledger account of valuable items;
- 6210 0002 - Valuable items-Senior bonds;
- 6210 0002 11 - Valuable items-Senior bonds held by banks and other financial institutions.

COMPANY GOVERNANCE REPORT

Report by:	Board Secretariat
Reporting period:	2025.01.01-2025.12.31
Report date:	2026.03.01

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1. BOARD OF DIRECTORS' REPORT
2. BOARD SECRETARIAT'S REPORT (Secretary General of the BoD)

**2025 ANNUAL OPERATIONAL REPORT OF THE
BOARD OF DIRECTORS**

1. COMPOSITION OF THE BOARD OF DIRECTORS

At the Annual General Meeting of Shareholders of “MIK Holding” JSC on April 29, 2024, a total of 9 members were elected for a term of 3 years, including 6 regular and 3 independent members. The members of the Board of Directors have an average of 18 years of work experience in their professional field, of which 13 years are at the management level. Most of the members have degrees in banking, finance, and economics, and some have associate professor and master's degrees, which indicates a high level of education and professional skills, increasing the decision-making and monitoring capabilities of the Board of Directors.

№	BOARD	NAME	TITLE
1	Independent Member, Chairman of the Board	Khashchuluun Chuluundorj	Associate professor at the National University of Mongolia
2	Regular Member	Enkhjin Atarbaatar	Associate professor at the National University of Mongolia
3	Regular Member	Sainzaya Bat-Ulzii	Director of Project financing department of the Development Bank of Mongolia
4	Regular Member	Munkhbaatar Myagmar	Advisor at “Asia Diversified Real Estate Fund One” LLC
5	Regular Member	Davaajav Tovuudorj	Director of Asset Management department of Trade and Development Bank
6	Regular Member	Sergelen Nyamdorj	Deputy CEO of Trade and Development Bank
7	Regular Member	Uurtsaikhbaatar Battsengel	Chief Executive Officer of Capitron Bank
8	Independent Member	Shijir Enkhbayar	Project leader for the construction of a mining and metallurgical complex
9	Independent Member	Anar Amarjargal	CEO of "Synergy Fund" LLC

2. BOARD OF DIRECTORS' REPORT FOR 2025

№	BOARD MEETINGS	MEETING NUMBER	AVG ATTENDANCE
1	MIK Holding JSC	10	79.2 %
2	Shareholders’ meeting of MIK HFC LLC	1	88.8 %
3	MIK HFC LLC’s BoD meeting	11	79.2 %
4	Shareholders’ meeting of MIK Real Estate LLC	1	88.8 %
5	Shareholder’s meeting of Special Purpose Companies (SPCs)	39	88.8 %

The Board of Directors of “MIK Holding” JSC exercises the powers of the Shareholders’ Meetings and Board of Directors of its subsidiaries “MIK HFC” LLC and “Protego First” LLC, the powers of the Shareholders’ Meetings of “MIK Real Estate” LLC, and the Board of Directors of “MIK HFC” LLC exercises the powers of the Shareholders’ Meetings of the JSC in accordance with the Charter.

The following issues were discussed and resolved at the meeting of the Board of Directors of “MIK Holding” JSC. These included: Financial statements, hiring of an audit service agreement, convening a regular meeting of shareholders, approval of the company's business plan, evaluation of the Board of Directors, and issuance of guarantees related to the issuance of securities on the international market.

"The Board of Directors of MIK HFC LLC discussed and resolved issues such as establishing a SPC, setting the terms of the securitization transaction, convening a regular meeting of shareholders, and issuing securities on international and domestic markets.

The regular shareholders' meeting of "MIK HFC" LLC was convened and discussed and approved the Board of Directors' conclusions on the Company's annual operating and financial reports, as well as the budget for the salary expenses of the Board of Directors members.

The regular shareholders' meeting of "MIK Real Estate" LLC was convened and discussed and approved the Board of Directors' conclusions on the Company's annual operating and financial reports and the election of Board members.

The shareholders' meeting of the SPC discussed and resolved issues such as approving the Board of Directors' conclusions on the SPC’s annual operating and financial reports, revising the Company's charter for electing Board members, and making large-scale and conflict-of-interest transactions.

3. REPORT FROM THE COMMITTEES UNDER THE BOARD OF DIRECTORS

	COMPOSITION	MEETING NUMBER	ATTENDANCE
FINANCE AND AUDIT COMMITTEE	Chairman: E. Shijir Members: T. Davaajav, Ch. Khashchuluun, A. Anar	5	90%
NOMINATION AND REMUNERATION COMMITTEE	Chairman: Ch. Khashchuluun Members: M. Munkhbaatar, Ch. Khashchuluun, A. Anar	5	80%
RISK MANAGEMENT COMMITTEE	Chairman: A. Enkhjin Members: B. Sainzaya, B. Uurtsaikhbaatar, N. Sergelen	3	83%
SUSTAINABLE DEVELOPMENT COMMITTEE	Chairman: N. Sergelen Members: A. Enkhjin, E. Shijir	3	88%

The Board of Directors has four (4) standing committees. The members of the committees are appointed and dismissed by the Board of Directors by a majority vote of the Board, and the chairperson of the committee is appointed and dismissed by the Board by a majority vote of the Board. The majority of the members and chairpersons of the Finance and Audit Committee and the Nomination and Remuneration Committee are independent members.

Finance and Audit Committee

Responsible for assisting the Board in effectively and constructively carrying out its management, direction, and oversight responsibilities, overseeing the company's financial budget and reporting, interacting with the external auditor, and ensuring internal audit policies and procedures are in place.

Topics of the meeting:

- Company's financial budget, planning,
- Internal audit work outline and plan
- Quarterly financial performance news and reports
- Choosing an external audit company

Risk Management Committee

The Risk Management Committee under the Board of Directors is responsible for overseeing risk policies, risk tolerance limits, and monitoring and evaluating potential risks in business operations..

Topics of the meeting:

- Risk Management report
- Compliance's operational report and plan.

Nomination and Remuneration Committee

Responsible for overseeing policies, regulations, and their amendments, updates, and implementation—excluding documents related to the corporate governance framework and its associated financial and internal control matters; organizing and managing the selection, setting qualification requirements, nomination, and contract terms for members of the Board of Directors, executive management, and officials who report directly to the Board; arranging the evaluation of the performance of the Board of Directors and executive management; overseeing the remuneration policy for Board members, executive management, and officials who report directly to the Board, including monitoring its implementation, establishing compensation ceilings, and ensuring remuneration is granted within those limits; and defining the company's human resources policy and incentive system, as well as evaluating their effectiveness.

Topics of the meeting:

- Structure of the Board, changes in composition,
- Executive management's report, salary, and compensation,
- Implementation of the HR policy,
- Board secretariat's report
- Implementation of the HR policy,
- Board members' salary and compensation

Sustainable Development Committee

The Sustainable Development Committee under the Board of Directors is responsible for defining the company's sustainable development policy, strategy and objectives, continuously improving their performance, and monitoring metrics and reporting.

The Sustainable Development Committee reviewed the implementation of the Sustainable Development Policy at its meeting.

4. BOARD OF DIRECTORS' SALARY

The salaries of the members of the Board of Directors consist of fixed and additional salaries. The basic salary is a fixed salary paid monthly as the members of the Board of Directors are appointed, while the additional salary is calculated for each meeting attended and is paid once a quarter. The methodology for calculating the additional salary has been developed and approved by the Board of Directors.

2025 Board of Directors Salary Expenses Budget:

Expense type	Monthly Salary		Frequency	Number	From this:			
	Base	Additional			2025/05/01-2025/12/31		2026/01/01-2026/04/30	
					Base	Additional	Base	Additional
Salary	700,000	500,000	12	9	50,400,000	36,000,000	25,200,000	18,000,000
Board member	700,000	500,000	12	9	50,400,000	36,000,000	25,200,000	18,000,000
Social insurance	86,100	61,500	12	9	6,199,200	4,428,000	3,099,600	2,214,000
Total expense	786,100	561,500	12	9	56,599,200	40,428,000	28,299,600	20,214,000

5. OTHER OPERATIONS OF THE BOARD OF DIRECTORS

Board of Directors Discussion

On 2026.03.02, a discussion was organized on the current situation of the Company, market trends, and future measures. The company's executives and members of the Board of Directors participated in the discussion and exchanged views.

Board of Directors' Evaluation

In accordance with the Board of Directors' evaluation procedures, it was decided to organize an evaluation of the Board of Directors' activities in 2025 by resolution number 26/08/, and the evaluation was conducted between 2026.4.03-06. The evaluation was collected and organized electronically through detailed questionnaires, and the evaluation was given on a scale of 1 to 5.

Summary of the results

№	Board operation evaluation	Rating
1	General assessment and implementation of mandate	4.51
2	Structure and composition	4.56
3	Operation	4.24
4	Roles and responsibilities	4.16
	Total average	4.36

According to the 2025 performance results, the Board of Directors' activities received high scores in terms of reporting to the Annual General Meeting of Shareholders and the Board of Directors' regular disclosure of conflicts of interest, which demonstrates the Board's good governance, mature management, and responsible approach.

6. INFORMATION TRANSPARENCY:

Ensured corporate transparency by disclosing periodic company reports, ad hoc disclosures, and governance-related documents to the public through the Financial Regulatory Commission

(FRC), the Mongolian Stock Exchange (MSE), and the company's website within the timelines specified in relevant regulations.

Additionally, prepared and submitted relevant reporting information for foreign investors to the appropriate internal units.

In line with the revised "Corporate Governance Code" approved by the FRC, the implementation report of the Code is updated and submitted semi-annually to the FRC and the MSE for review and validation, and the company's governance rating is obtained accordingly..

BOARD OF DIRECTORS' SECRETARIAT REPORT

(Report of the secretary general of the BoD)

The Board Secretariat carries out, in its day-to-day operations, the following functions of the Corporate Secretary to support the Board of Directors in enhancing, implementing, monitoring, and improving the company's governance policies, as well as facilitating coordination between the Board and executive management. These include:

- Participate in developing policies regarding corporate governance in the company;
- Lead the process of ensuring that all levels of employees adhere to the company's governance policies;
- Organize the Shareholders' meeting;
- Organizing the activities of the board of directors (including committees under the board of directors) and maintaining records;
- Ensure effective communication between the Board of Directors, shareholders and Executive Management;
- Disseminate information about the company to shareholders, investors, the public, and other stakeholders in accordance with procedures approved by the Board of Directors;
- Advise the Board of Directors and Executive Management on corporate governance issues;
- Ensure the implementation of relevant laws and regulations applicable to joint-stock companies on matters related to the unit's functions.

Main results of the operation

The Secretariat, while performing its duties in accordance with its main functions, focused on implementing good corporate governance practices of international and domestic companies in its operations.

Within the framework of the newly approved "Corporate Governance Code" by the Financial Regulatory Commission (hereinafter referred to as the Commission), the implementation report of the code is submitted to the FRC and the MSE every six months for review and approval, and the governance level is determined.

Within the framework of organizing meetings:

Status of resolution of meeting requests:

A total of 62 meeting requests have been resolved. Of these, 9 requests related to the Board of Directors meetings of "MIK Holding" JSC, 28 requests related to the meetings of "MIK HFC" LLC, 11 requests related to the meetings of the Nomination and Remuneration Committee, 5 requests related to the meetings of the Finance and Audit Committee, 6 requests related to the Risk Management Committee, and 3 requests related to the Sustainable Development Committee have been resolved.

Shareholders' meeting

- "MIK Holding" JSC Shareholders' Meeting; (the FRC reviewed the meeting documents and officially announced that the meeting was held in accordance with the law and regulations)
- "MIK HFC" LLC Annual General Meeting of Shareholders;
- "MIK Real Estate" LLC Annual General Meeting of Shareholders;
- Regular and extraordinary meetings of shareholders of special purpose companies. (A total of 39 meetings according to the decision of the Board of Directors)

Board of Directors Meeting

- MIK Holding JSC Board of Directors 10 meetings
- MIK HFC LLC Board of Directors 11 meetings

"Meeting of committees under the Board of Directors"

A total of 16 meetings of the Nomination and Remuneration Committee, Finance and Audit Committee, Risk Management Committee, and Sustainable Development Committee.

Implementation of the decision:

The implementation of the decisions of the Board of Directors and committees under the Board of Directors was presented to the Board of Directors by obtaining explanations from the relevant units..

Other matters of the Board of Directors

On March 2, 2026, a joint open discussion was organized between the Board of Directors and the management team to exchange information on the company's current situation.

Additionally, the evaluation of the Board of Directors' performance for 2025 was organized and conducted.