

Semi-annual activity report /Template 2/ /This section was amended by Resolution No. 378 of 2022 of the Financial Regulatory Commission/	
Article 20 of the Law on the Securities Market sets out the general obligations of securities issuers. Under this provision, issuers are required to submit their annual activity report—using the prescribed format—to the Financial Regulatory Commission and the relevant trading organization, and to disclose this information to the public via their official website.	
Reporting period /For instance: from January 1, 2020, to March 31, 2020/	From January 1, 2025 to June 30, 2025
Issuer's name, state registration certificate number, security code, phone number	Name: "LendMN NBFI" JSC UBGD: 000166216 Securities code: MN0LEND05453 Phone number: 77222949, 77070101
Name of registered trading entity	"Mongolian Stock Exchange" JSC
Sector of business activity	Financial sector – non-banking financial sector
Total number of shares issued by the issuer	800,000,000 common shares
Name of the specialist who prepared and reviewed the half-year report /This section was amended by Resolution No. 378 of 2022 of the Financial Regulatory Commission/	Half-year report prepared by: Legal specialist, Maralmaa.M Half-year report reviewed by: Secretary of the Board of Directors, Oyunbold.B
1.	Half-year financial report /fill in the summary report indicators and attach the financial report/ /This section was amended by Resolution No. 378 of 2022 of the Financial Regulatory Commission/

	Indicator of financial condition	Attached is the financial report for the Semi-annual of 2025.					
	Income Statement						
	A statement of change in equity	A statement of change in equity /billion MNT/	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Total equity
		As of June 30, 2024	5.7	2.8	0.1	50.8	59.3
		Net profit for the reporting period				19.2	
		Dividends				(5.9)	
		Treasury stock					
		As of December 31, 2024	5.7	2.8	0.1	64.2	72.6
		Net profit for the reporting period				20.2	
		Dividends				(11.1)	
		Treasury stock					
		As of June 30, 2025	5.7	2.8	0.1	73.3	81.8
	Cash Flow Statement						
		Cash Flow Statement /billion MNT/	2023H1	2024H1	2025H1		

		Net cash flows from operationing activities	(3.8)	1.4	12.3	
		Net cash flows from investing activities	(0.2)	(0.3)	6.0	
		Net cash flows from financing activities	5.6	9.2	-18.3	
		Net (decrease)/increase in cash and cash equivalents	1.6	10.3	1.4	
		Initial balance of cash and cash equivalents	5.9	8.6	12.4	
		Closing balance of cash and cash equivalents	7.5	18.9	12.5	
2.	<p><i>Statement of the Audit Committee of the Board of Directors, which discussed and approved the semi-annual financial statements</i></p> <p><i>/This section was amended by Resolution No. 378 of 2022 of the Financial Regulatory Commission/</i></p>					
	Attached is the Statement of the Audit Committee of the Board of Directors.					
3.	<p><i>Management report and conclusions analyzing the internal and external factors that affected the issuer's financial performance during the reporting period, including a review of financial statements and key indicators such as income, expenses, and profit</i></p>					
3.1	Operating results /financial ratio indicators/	Comparison of key performance for the semi-annual of 2025 with those of corresponding period in the previous years:				



In the semi-annual of 2025, 998.5 million loans worth 589.3 billion MNT were granted to the customers through the LendMN application.



In addition, the key indicators of loans in the first half of 2025 compared to the first half of 2024, the number of contracted customers increased by 11.7 % and the loan portfolio increased by 55.1%.

		<div><div><div>Нийт орлого /Тэрбум төгрөг/</div><div><div><div></div><div></div><div></div></div><div><div>20.7</div><div>39.7</div><div>62.1</div></div><div><div>2023H1</div><div>2024H1</div><div>2025H1</div></div></div><div>+56.4%</div></div><div><div>Цэвэр ашиг /Тэрбум төгрөг/</div><div><div><div></div><div></div><div></div></div><div><div>8.3</div><div>17.1</div><div>20.3</div></div><div><div>2023H1</div><div>2024H1</div><div>2025H1</div></div></div><div>+18.7%</div></div><div><div>Нийт актив, пассив /Тэрбум төгрөг/</div><div><div><div>■ Эздийн өмч</div><div>■ Өр төлбөр</div></div><div><div><div></div><div></div><div></div></div><div><div>93.8</div><div>201.2</div><div>291.4</div></div><div><div>31.2</div><div>53.9</div><div>82.1</div></div><div><div>2023H1</div><div>2024H1</div><div>2025H1</div></div></div><div>+44.8%</div></div><div><div>Эздийн өмчийн өгөөж /ROE/</div><div><div><div></div><div></div><div></div></div><div><div>49.2%</div><div>67.1%</div><div>54.4%</div></div><div><div>2023H1</div><div>2024H1</div><div>2025H1</div></div></div></div><div><div>Loan portfolio quality</div><div>As of the first half of 2025, the proportion of non-performing loans in the loan portfolio increased by 2.2 percentage points compared to the same period last year, reaching 5.8%. The loan loss reserve amounted to MNT 20.6 billion, achieving a coverage ratio of 128.1% for the loan loss reserve.</div></div></div></div>
3.2	Liquidity and financial resources and affordability indicators	<div><div>Capital Adequacy Ratios</div><div>"LendMN NBFI" JSC employs a comprehensive approach to assess credit risk and determine credit impairment, following the guidelines set out by the International Financial Reporting Standard-9 (IFRS-9). In line with the "Procedures for classifying NBFI's assets, establishing and allocating asset risk funds" endorsed by the Financial Regulatory Commission, the stipulated loan loss provision was initially expected to be 7.0 billion MNT for the first half of 2025. However, in compliance with IFRS-9 standards, a loan loss reserve of 20.6 billion MNT is established.</div><div>Notably, the loan loss reserve satisfies the requirement of the Financial Regulatory Commission and the risk coverage ratio reached 128.1% as mentioned before. The Risk Management Committee under the Board of Directors, the company’s risk tolerance levels are discussed. The company fully complies with the regulatory ratio requirements set by the supervisory authority. Specifically, the ratio of Tier 1 capital to risk-weighted assets must be no less than 10.0%, and the company’s ratio stands at 24.7%. The ratio of total capital</div></div>

		to risk-weighted assets must be at least 20.0%, and the company's ratio is 25.6%. Additionally, the liquidity coverage ratio must exceed 8.0%, with the company currently at 8.9%.
3.3	<i>Information on the impacts of the external and internal environment on the activities of the issuer, changes in the types of products and services, and the measures taken by the company in response to these changes.</i>	<ul style="list-style-type: none"> LendMN has consistently provided its customers with easy solutions and products to manage financing efficiently while saving time. In the first half of 2025, we launched a brand-new project aimed at increasing sales for micro, small, and medium-sized enterprises (MSMEs), expanding their customer base, and ultimately creating a micro economic ecosystem. One common challenge faced by MSMEs is the limited purchasing power of consumers. To address this, many businesses have begun offering a variety of payment options to attract customers. In response, we introduced a partnership opportunity for a purchase credit service that requires no paper documentation and saves valuable time. This service allows businesses to input their information via the LendMN app, sign partnership agreements electronically, and conduct sales, receive payments, and manage branches and employees for this product through fully digital operations via the LendMN app or the Merchant web platform. For customers, we provide a simple, stress-free way to fulfill daily purchasing needs without advance payments, interest, or fees. Although this project has been in the market for only two months, 60 legal entities and 1,445 individuals have registered to use the purchase credit service, with contracts already signed and begun to use this product with 955 businesses. Additionally, our brand-new purchase credit product for customers, LendDy, has been available for just one month and has already issued loans totaling MNT 296 million to 645 customers. "LendMN NBFJ" JSC has, between 2023 and 2025, issued bonds totaling MNT 35.0 billion through both public and private placements. During the first half of 2025, the company paid interest and principal on some of these bonds in 19 installments, distributing a total of MNT 2.25 billion in interest to the bondholders' accounts according to the schedule.
3.4	<i>Details of activities and transactions recorded outside the Statement of financial situation and accounting policies</i>	There are no transactions or transactions recorded outside of the Statement of the financial situation.
4.	<i>Information on transactions with conflicts of interest and major transactions conducted by the issuer during the reporting period, the importance of the purpose of the transaction, and information about persons with conflicts of interest</i>	
	4.1 Major Transactions	
	There were no major transactions during the reporting period.	

4.2 Conflict of Interest transactions			
As of the first half of 2025, in order to meet the growing daily demand for the Company's lending operations and to increase funding sources, the Board of Directors of LendMN, in accordance with the procedures set forth in the Company Law of Mongolia, approved a total of three related party transactions involving the receipt of financing, issuance of guarantees, and sale of written-off assets. Of these, two related party transactions have been executed.			
№	The other side of the deal	Transaction date	Purpose of the deal
1	“Lendable Asset Management” LLC	March 25, 2025	The parent company of “AND Systems” LLC, which holds 75 percent of the Company’s total issued and outstanding shares, “AND FSJ Pte. Ltd.” (the “Parent Company”), has entered into a multi-party, long-term loan agreement with international investors represented by Lendable Asset Management LLC. In order to transfer the financing to the Company, the Parent Company concluded (1) a Shareholder Loan Agreement with the Company. As the recipient of the financing, the Company also entered into (2) a Multi-Party Loan Agreement with both the Parent Company and the Lender, under which the Company acts as a guarantor to fulfill the Parent Company’s obligations to the Lender.
2	“ONDO” LLC	May 09, 2025	Following the relocation of the Company to a new office address, furniture and equipment that were no longer usable were written off in accordance with Resolution No. 24/41 of the Board of Directors dated December 20, 2024. Of the written-off items, five office furniture pieces with a total value of MNT 3,100,000 were sold to “ONDO” LLC.
5.	If the issuer has issued shares to the public for the purpose of implementing a project, the report and information on the progress of the project implementation since the start of the project and the use of funds collected.		
	"LendMN NBFI" JSC has not issued shares to the public for the purpose of implementing the project.		
6.	Information related to corporate governance		
	<p>"LendMN NBFI" JSC (hereinafter referred to as "LendMN") places special emphasis on enhancing its governance and management framework. The company is dedicated to ensuring operational transparency and public disclosure, thereby refining the overall relationship dynamics among the Shareholders' Meeting, the Board of Directors, the Management Team, and other stakeholders. LendMN consistently strives to generate enduring value over the long term by adhering to internationally accepted governance principles and best practices in all its operations.</p> <p>With the aim of safeguarding the interests of Investors, Shareholders, and Customers, as well as establishing effective channels of communication with stakeholders, LendMN commits to providing comprehensive and accurate financial and non-financial information on a quarterly, semi-annual, and annual basis. The company has proactively developed an inclusive reporting strategy, diligently prepared reports and promptly disseminating them to the public.</p> <p>Specifically, the Company disclosed its 2024 year-end report on February 11, 2025; its 2024 ESG (Environmental, Social, and Governance) Report on April 30, 2025; and its Q1 2025 report on April 10, 2025. Through these timely disclosures, investors, shareholders, clients, and stakeholders</p>		

were able to access up-to-date information regarding the Company's business operations, governance, environmental performance, financial results, and future outlook, thereby fostering mutual trust and constructive engagement.

A noteworthy milestone in the first half of 2025 was the Company's publication of its first-ever ESG Report for 2024, which was made publicly available through the Mongolian Stock Exchange (MSE). The purpose of this report is to transparently communicate the Company's sustainability policies and its environmental and social impacts. Going forward, the Company aims to publish and disclose its ESG Report annually.

In addition, during the first half of 2025, LendMN continued to maintain transparency by publicly disclosing all shareholder meeting decisions and resolutions issued by the Board of Directors in a timely manner.

SHAREHOLDER'S MEETING

The 2024 General Meeting, the decision was made by LendMN's Board of Directors to hold an in-person meeting. This meeting took place successfully on March 29, 2025 at the "Juulchin Grand Ballroom" hall of the Galleria Ulaanbaatar Center.

At the meeting, shareholders holding 81.64% of the voting shares (equivalent to 603,574,846 shares) participated. Several important matters were discussed and resolved, including:

- Approval of the company's operational and audited financial report for 2024.
- Approval of the statement of the Board of Directors regarding the company's operational and audited financial report for 2024.
- Present of the operational report of the Board of Directors for 2024
- Election of the members of the Company's Board of Directors
- Approval of the budget for the Board of Directors for 2025.
- Ratification of amendments to the Company's charter.

LendMN shareholders played an active role in the meeting, engaging with the Management Team to gain insights into LendMN's forthcoming endeavors and operational strategies. During the meeting, shareholders expressed their view, made requests, and demonstrated their optimism for LendMN's future trajectory.

A noteworthy aspect of this meeting was the employment of an electronic voting system, which had been previously utilized in other instances at this venue. This innovative approach facilitated the swift dissemination of voting outcomes and provided shareholders with the ability to promptly acquaint themselves with the meeting's results.

This interactive and efficient meeting format underscored LendMN's commitment to transparency and streamlined communication with its valued shareholders.

REPRESENTATIVE BOARD OF DIRECTORS (hereinafter "BOARD"), ITS FUNCTIONS

The board of directors assumes responsibility for the overall management and oversight of LendMN. Its main objectives encompass enhancing LendMN's operations, ensuring its effective management, adhering to internationally recognized governance principles and best practices, and guiding the realization of strategic goals.

During the shareholders' general meeting on March 39, 2025, the board of directors re-elected 6 regular members and 3 independent members. 6 regular members were re-elected as Mongolian citizens O.Boldbaatar, Ts.Uuganbayar, B.Khos-Erdene, Ts.Odmaa, S.Enh-Amgalan, and Japanese

citizen Katsuhiko Madono. 3 independent members were re-elected as Mongolian citizens J.Jargalsuren, S.Borgil, S.Nergui.

In the first half of 2025, the Board of Directors held two regular meetings and conducted three written (absentee) voting sessions, resulting in a total of 35 resolutions. All Board resolutions have been disclosed to the public in a timely manner through the official website of the Mongolian Stock Exchange, in accordance with the relevant regulations.

LendMN has established various committees under the Company's Charter to facilitate the operations of the board:

1. Risk and ESG Management Committee
2. Audit Committee
3. Governance, Nomination Committee
4. Remuneration Committee

COMMITTEES IN THE BOARD OF DIRECTORS

Governance, Nomination Committee (hereinafter "GNC")

Committee chairman: S.Borgil (Independent member), Committee members: J.Jargalsuren (Independent member), O.Boldbaatar (Regular member)

In the first half of 2025, two meetings were held to: define the criteria for candidates for the Board of Directors and the CEO; assess whether the nominees met those requirements; reappoint both regular and independent members; and present the 2025 Board budget proposal to the Company's General Meeting of Shareholders for approval.

Remuneration Committee (hereinafter RC)

Committee chairman: S.Nergui (Independent member); **Committee members: S.Borgil** (Independent member), **Ts.Odmaa** (Regular member)

In the first half of 2025, two meetings were held during which the policy on remuneration for Board members and the Chief Executive Officer was approved. The maximum limits for salaries and incentives were set, and a proposal for remuneration within those limits was developed.

Risk and ESG Management Committee (hereinafter RESGMC)

Committee chairman: S.Nergui (Independent member), Committee members: S.Enkh-Amgalan (Regular member), Katsuhiko Madono (Regular member), Ts.Uuganbayar (Regular member), B.Khos-Erdene (Regular member)

In the first half of 2025, two meetings were held to carry out the committee's mandate of defining policies related to LendMN's business development, risk management, and funding operations; supporting effective risk mitigation strategies; regularly reviewing operational conditions; and monitoring the implementation of the ESG action plan.

Audit Committee

Committee chairman: J.Jargalsuren (Independent member), Committee members: S.Borgil (Independent member), Ts.Odmaa (Regular member)

In the first half of 2025, the Audit Committee held two meetings to oversee the implementation of LendMN's internal control system, issue conclusions related to the appointment of the internal auditor, and review internal audit reports on an ongoing basis. Relevant recommendations and suggestions were provided to responsible officials, as well as to various units within LendMN. Additionally, the Committee evaluated related party transactions carried out by the Company and monitored whether the Company ensured transparency and timely public disclosure of its operations.

Information on attendance and tenure of board members				
№	Board members	2025 half-yearly attendance	Board tenure and experience	Whether he or she owns shares in LendMN
1	O.Boldbaatar	100%	Re-elected by the General Meeting of Shareholders, currently serving the eighth consecutive year.	0.00726% of total shares
2	S.Enkh-Amgalan	100%	Re-elected by the General Meeting of Shareholders, currently serving the eighth consecutive year.	0.085% of total shares
3	Katsuhiko Madono	80%	Re-elected by the General Meeting of Shareholders, currently serving the second consecutive year.	0.00281% of total shares
4	S.Nergui	100%	Re-elected by the General Meeting of Shareholders, currently serving the second consecutive year as an independent member.	0.00113% of total shares
5	B.Khos-Erdene	80.0%	Re-elected by the General Meeting of Shareholders, currently serving the fourth consecutive year.	-
6	Ts.Uuganbayar	100%	Re-elected by the General Meeting of Shareholders, currently serving the fourth consecutive year.	0.00255% of total shares
7	J.Jargalsuren	100%	Re-elected by the General Meeting of Shareholders, currently serving the eight consecutive year as an independent member.	-
8	S.Borgil	100%	Re-elected by the General Meeting of Shareholders, currently serving the eight consecutive year as an independent member.	0.00088% of total shares
9	Ts.Odmaa	80%	Re-elected by the General Meeting of Shareholders, currently serving the third consecutive year.	-

The members of LendMN’s Board of Directors exercise the full powers prescribed by the Company Law of Mongolia, the regulations and codes of the Financial Regulatory Commission and the Mongolian Stock Exchange, as well as the Company’s Charter and the Board’s Rules of Procedure. They make decisions independently and impartially. All Board resolutions are adopted by a majority vote, and each member may express their opinion on matters under discussion as “in favor,” “against,” or “abstained.”

During the reporting period, the Board members diligently fulfilled their responsibilities by timely making important and relevant decisions necessary for the successful operation of LendMN. These decisions were based on careful review and consideration of all related documents, research, explanations, and analyses, ensuring that the Board’s functions were fully executed.

BOARD MEETING RESOLUTIONS, FORMS, AND OTHER INFORMATION

No.	Resolution date	Attendance	Form of decision	Number of approved resolutions
1	06 Feb 2025	88.89%	Regular meeting	11
2	06 Mar 2025	77.78%	Absentee voting	1
3	25 Mar 2025	100%	Absentee voting	3
4	09 May 2025	100%	Regular meeting	17
5	18 Jun 2025	100%	Absentee voting	3

Governance, organization	Finance	Grant of rights	Operations	Business strategy
6	10	3	8	8

DIVIDEND INFORMATION

Following LendMN’s Dividend Policy, dividends are distributed annually to shareholders from the company’s net profit.

	At the regular Board of Directors meeting held on February 6, 2025, it was resolved to allocate 30.62% of LendMN’s 2024 net profit as dividends, equivalent to 15 MNT per share, totaling 11,089,525,245 MNT. On April 4, 2025, LendMN deposited the dividends into the securities accounts of entitled shareholders through the Central Securities Depository of Mongolia.			
7.	Reports and information related to issuer governance			
ENFORCEMENT AND ASSESSMENT OF THE "COMPANY GOVERNANCE CODE"				
LendMN has complied with and implemented the “Corporate Governance Code,” which was revised and approved by the Financial Regulatory Commission’s Resolution No. 145 dated March 23, 2022. As part of the Commission’s integrated assessment, the company’s performance indicators as of May 21, 2025, are as follows.				
№	Basic principle	Total score	Scores earned	Assessment percentage
1	Board structure and organization	12	8	66.6%
2	Committees under the Board of directors and their functions	10	9	90%
3	Transparency and Disclosure	6	5	83.33%
4	Audit and control system	6	6	100%
5	Risk management	8	8	100%
6	Salaries and bonuses of authorized officials	6	5	83.3%
7	Stakeholders’ Rights and Interests	8	7	87.5%
8	Corporate culture	6	6	100%
9	Shareholders’ Rights	10	9	90%
	Consolidated sum	72	63	87.5%
LendMN has implemented 87.5% of the principles outlined in the “Corporate Governance Code” and continuously carries out necessary activities and measures to enhance and strengthen corporate governance and culture.				
In the remaining half of 2025, LendMN will focus on updating its relevant documents in line with international best practices, aligning regulations with the “Corporate Governance Code,” and fully ensuring its implementation. The company will also prioritize maintaining transparency in corporate governance and diligently executing activities according to the Board of Directors’ work plan.				
OTHER REPORTS AND INFORMATION				

As of the first half of 2025, the following reports and disclosures were submitted in a timely manner and made publicly available in accordance with relevant laws and regulations:

- 2024 Annual Financial and Operational Report
- 2024 Audited Financial Statements and Auditor's Opinion
- 2024 Environmental, Social, and Governance (ESG) Report
- Q1 2025 Operational Report
- Resolutions issued by the Board of Directors during the first half of 2025
- Resolutions, minutes, and supporting documents from the 2024 Annual General Meeting of Shareholders
- Timely updates related to the Company's products and operations

In addition, to ensure transparency and effective disclosure, the Company actively responded to inquiries, requests, and feedback from clients, shareholders, and investors through its social media channels and customer service hotline at 77070101.

Signature and date of the person issuing the information and the person confirming the accuracy of the information:

Surname, name: Ts.Uuganbayar

Position: Chief Executive Officer of "LendMN NBFI" JSC

Signature:

(Stamp)

УЛААНСААТАР ХОТ
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/This section was amended by Resolution No. 378 of 2022 of the Financial Regulatory Commission/

Signature and date of the person who prepared and submitted the information:

Surname, name: B.Oyunbold

Position: Secretary of the Board of Directors

Signature:

Date: 09 July 2025