



ANNUAL REPORT 2024

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About Us

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COMPANY OVERVIEW

Monlogistics Group was established in 2005 as a freight forwarding company and has since grown into one of Mongolia's leading logistics enterprises. Today, the Group comprises one parent holding company and ten subsidiaries, employing over 240 professionals and serving more than 800 international partners across 163 countries, as well as over 1,500 domestic clients.

The Group provides end-to-end logistics services that meet international standards—including import, export, transit, and trucking operations. Our scope ranges from the import of consumer goods essential to daily life in Mongolia, to the export of raw materials from the mining sector, and regional transport services connecting Mongolia with neighboring countries.

Monlogistics Holding JSC acts as the parent company, defining the policies, strategies, and operational direction for the Group. It provides centralized management services to its subsidiaries in six key areas: human resources, finance, information technology, marketing, strategic development, and logistics.

LEGAL ENTITY INFORMATION

Registered Name:
Monlogistics Holding JSC

Legal Form:
Publicly Listed Company

Registration Number:
6381251

Primary Business Activity:
Management consultancy services, project and program implementation

Stock Exchange Registration:
Mongolian Stock Exchange

MSE Listing Category:
Top-20 Listed Companies on the Mongolian

MSE Ticker Symbol:
MSE:MLG

Phone: **+976 7701-5454**

Email: **info@mlholding.mn**

Website: **www.mlholding.mn**

Facebook Page: **Monlogistics Group**

Registered Address:
Suite 1101, New Horizons Office, Olympic Street, 1st Khoroo, Sukhbaatar District, Ulaanbaatar, Mongolia



MISSION

NATIONAL BRAND WITH GLOBAL ASPIRATIONS

VISION

By 2030, we will implement integrated logistics services based on modern infrastructure and service quality, thereby transforming Mongolia into a logistics hub connecting Asia and Europe.



CORE VALUES



Highly skilled and professional team

Each employee is encouraged to discover themselves and develop their talents through a strong desire to learn and grow. By dedicating their intellect and effort selflessly, they achieve success both personally and organizationally, serving as role models and continuously fostering the next generation of leaders.



Innovative team mindset

Our team continuously improves and refines its operations through innovation and creative thinking. We keep pace with the times by rapidly adopting technological advancements and are composed of teams that are constantly initiating new ideas.



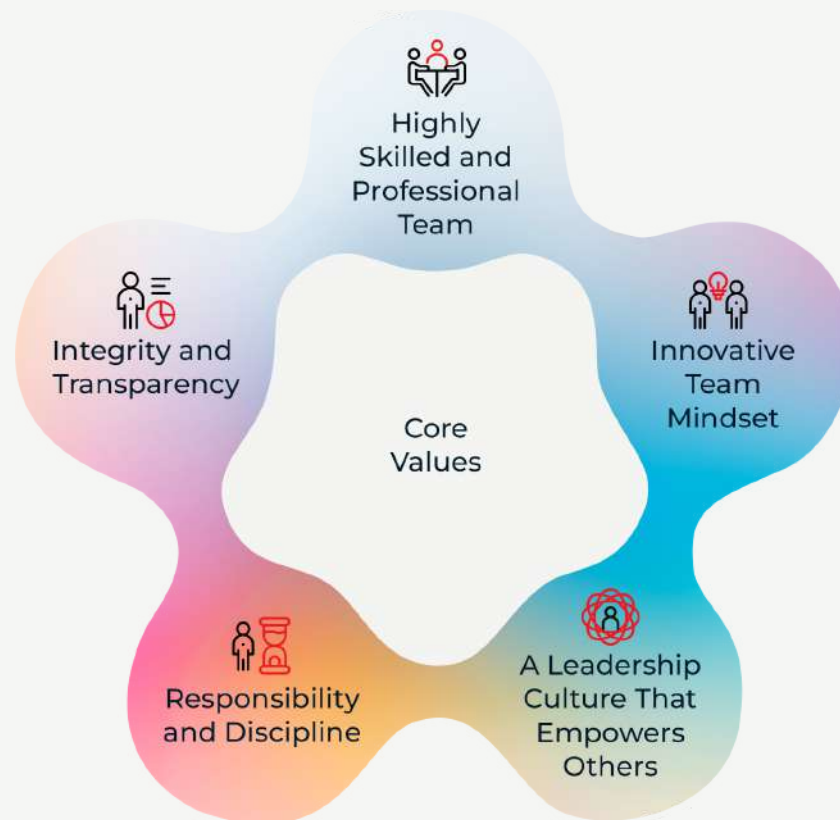
Responsibility and discipline

Every employee in our organization approaches their duties with strong personal discipline and a sense of ownership. They ethically adhere to the laws of Mongolia and the Group's internal operational standards, performing all tasks with utmost responsibility and in full compliance with quality requirements.



A leadership culture that empowers others

Each of our employees is committed to continuous learning and expanding their knowledge, staying aligned with the times through both professional and general skills. They are part of a purpose-driven team capable of working for any company across the globe.



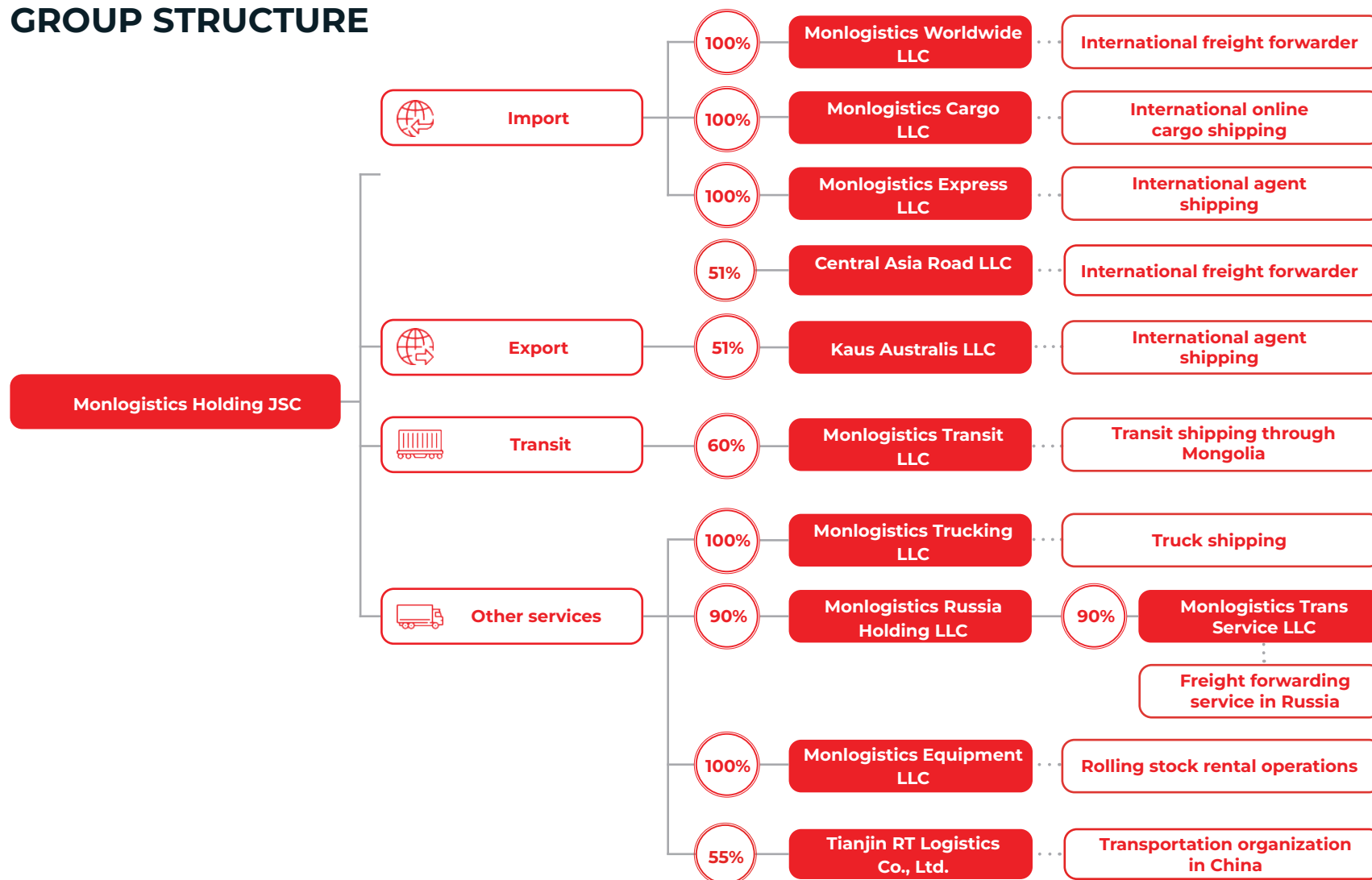
Integrity and Transparency

All our operations, regardless of scale, are grounded in the principle of honesty. We ensure that all stakeholders receive timely, accurate, clear, and transparent information at all times.

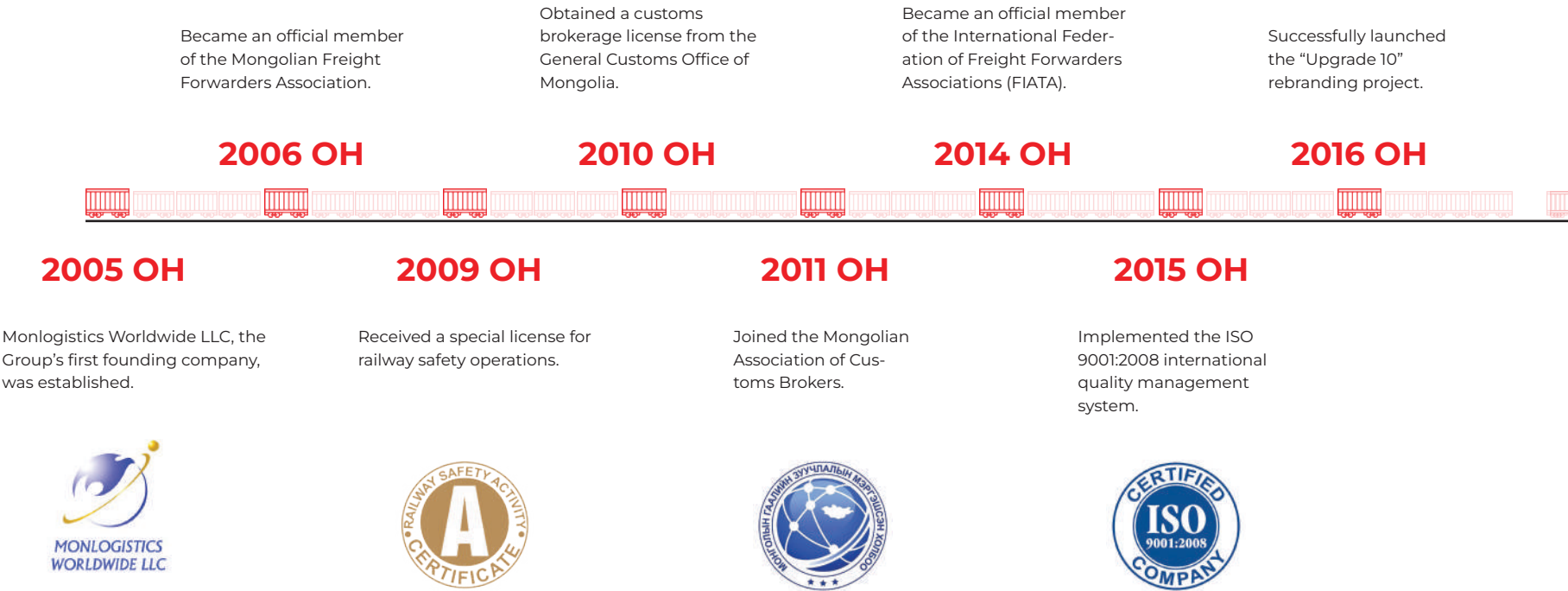
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Annual report **2024**

GROUP STRUCTURE



GROUP HISTORICAL TIMELINE





Selected as the official transport provider for Oyu Tolgoi LLC.



Established **Monlogistics Holding LLC** as the parent company of the Group.



Launched export transport for raw material commodities and founded Kaus Australis LLC.



Implemented CORE system upgrade. Added 3 new subsidiaries to the Group.

2018 OH

2020 OH

2022 OH

2024 OH

2017 OH

Introduced a service to provide insurance coverage for all transport operations.

2019 OH

Established **Monlogistics Transit LLC**.

2021 OH

Expanded the Group's portfolio and established 3 new subsidiaries.

2023 OH

Monlogistics Holding JSC became a publicly listed company.

Established Do Good HUB NGO under **Monlogistics Holding**.



“

**IT WAS A YEAR
OF SUCCESSFUL
STRATEGIC EXECUTION,
EXPANSION INTO NEW
BUSINESS AREAS,
AND GROWTH IN
OUR OPERATIONS.**

”



CHAIRMAN'S MESSAGE

For Mongolia, the year 2024 marked another milestone in the transport and logistics sector, setting new historical records. I am pleased to share that our team significantly contributed to this growth through a notable increase in transportation volume and total sales during the reporting period.

To solidify our leadership in the sector, we have consistently pursued innovation, research, and the integration of modern technologies across our operations. In this era of the Fourth Industrial Revolution and rapid technological advancement, we view this transformation not as a challenge but as a valuable opportunity to enhance productivity. We are accelerating our Group-wide digital transformation efforts and actively embracing the application of artificial intelligence in our workflows.

Furthermore, Monlogistics Group successfully participated in some of the world's largest logistics exhibitions and forums, expanding our international partnerships. These milestones have not only elevated our presence in the logistics industry but also contributed meaningfully to Mongolia's broader trade and economic development.

We are deeply grateful to our global partner agents across six continents, our loyal clients who have worked with us over many years, and our investors and shareholders for their unwavering trust and support. This encouragement fuels our determination to grow, improve, and continuously meet expectations—with a strong sense of responsibility.

As we approach our 20th anniversary in 2025, we are embarking on an important journey of reflection and strategic planning. This includes evaluating past achievements, learning from missed opportunities, and shaping our strategic roadmap for the next 20 years. Standing on the threshold of this milestone, we remain guided by a leadership culture that empowers others, delivering world-class services with the shared goal of creating lasting value and contributing to the progress of society and the economy.

Sincerely,

L. GANZORIG

CHAIRMAN OF THE BOARD & FOUNDER



CEO'S MESSAGE

To our valued shareholders, clients, partner organizations, and every member of our team,

I would like to extend my sincere gratitude through this 2024 Annual Report for your unwavering support, trust, and collaboration.

Much like the past 18 years, 2024 was another year of momentum, growth, and forward-looking progress for Monlogistics Group. I am proud to share that, compared to 2023, we transported 1.1 million tons of cargo—an 8% increase; our total revenue reached MNT 297 billion—up by 41%; and our net profit rose to MNT 10.3 billion—an increase of 24%. We also achieved a return on equity of 23%. These accomplishments are the direct result of the commitment, energy, and tireless efforts of our exceptional Monlogistics team.

In addition to our core transport services, we aligned with the Government of Mongolia's policy to boost the economy through increased exports. Within the framework of our long-term strategic plan, we began operating the first batch of newly manufactured wagons ordered from the Russian Federation. This advancement not only enhances our rail export services but also brings significant operational improvements to the Group.

Moreover, we successfully completed the first-ever merger and acquisition (M&A) in Mongolia's transport sector—integrating Central Asia Road LLC into the Group. This company brings exceptional talent and distinctive services to our clients, strengthening our service offerings.

As part of our long-term sustainable growth strategy, we also undertook a full upgrade of key digital infrastructure systems, including the Logistics Management System (LMS) and Enterprise Resource Planning (ERP). These enhancements mark a major step forward in delivering more value to our clients and lay the foundation for adopting advanced technologies in the future.

All companies within the Group have successfully implemented the ISO 9001:2015 international quality management system. We officially launched the operations of Monlogistics Express LLC, our air freight subsidiary, and established our second international subsidiary in Tianjin, China. Notably, we signed a comprehensive strategic partnership agreement with China Railway Corporation, a state-owned enterprise of the People's Republic of China. These achievements clearly reflect the collective success of our team in 2024.

Over the past three years, the transport and logistics sector has played a pivotal role in driving Mongolia's GDP and per capita GDP to record highs. We are confident that this sector will continue to be a key engine of national development. Despite facing challenges such as long-term commodity price declines, global trade uncertainties, and political tensions with our northern neighbor, we believe that innovation, infrastructure expansion, and high-efficiency logistics solutions will enable us to boost export volumes, reduce import costs, and increase transit traffic—ultimately sustaining economic growth. At this critical juncture, the Monlogistics Group team remains fully committed to contributing and leading these collective efforts.

As we approach the 20th anniversary of Monlogistics Group in 2025, we are preparing to implement several major initiatives. These actions will mark a significant step toward achieving our long-term strategic goal—Vision 2030. I look forward to reconnecting with you again soon, sharing updates on our full-scale deployment of rail wagons, the expansion of our Tianjin subsidiary's operations, the launch of major new projects, and the real-world application of advanced technologies across our business.

Sincerely,

G. KHISHIGBAT

CHIEF EXECUTIVE OFFICER

KEY PERFORMANCE INDICATORS

Revenue Growth:

^ **+41%**

Net Profit Growth:

^ **+24%**

Net Profit:

MNT 10.3 BILLION

Return on Equity (ROE):

23%

Total Tax Paid:

MNT 26 BILLION

Major Milestone:



**Acquired Central Asia
Road LLC**

FINANCIAL HIGHLIGHTS

INDICATORS	Unit of measurement	Audited Consolidated Financial Statements 2022	Audited Consolidated Financial Statements 2023	Audited Consolidated Financial Statements 2024	Increase (decrease)
SHIPPING VOLUME	in thousand kg	395.84	1,042.33	1,124.65	8%
INCOME RESULTS					
Sales revenue	in million MNT	136,095	210,361	296,858	41%
Gross profit	in million MNT	16,547	18,108	24,381	35%
Operating profit	in million MNT	11,419	9,290	12,695	37%
Net profit (loss) for the year	in million MNT	9,392	8,363	10,346	24%
BALANCE					
Current assets	in million MNT	39,725	54,577	82,080	50%
Non-current assets	in million MNT	2,372	3,031	10,275	239%
Total assets	in million MNT	42,097	57,609	92,355	60%
Total liabilities	in million MNT	16,959	14,169	43,705	208%
Total equity	in million MNT	25,138	43,439	48,650	12%
Total equity and liabilities	in million MNT	42,097	57,609	92,355	60%
CASH FLOW					
Net cash flow from operating activities	in million MNT	9,382	4,480	(13,598)	-404%
Net cash flow from investing activities	in million MNT	(1,232)	(2,390)	(14,462)	505%
Net cash flow from financing activities	in million MNT	(492)	6,037	15,142	151%
Other cash flow	in million MNT	725	(203)	(495)	143%
Net total cash flow	in million MNT	8,383	7,924	(13,413)	-269%
Balance cash and cash equivalents at the beginning of year	in million MNT	5,816	14,198	22,122	56%
Balance cash and cash equivalents at the end of year	in million MNT	14,198	22,122	8,709	-61%
TAX PAYMENTS					
(VAT) Value Added	in million MNT	2,820	3,152	9,270	194%
(CIT) Corporate Income Tax	in million MNT	1,385	1,275	1,960	54%
Customs Duty	in million MNT	-	-	2,705	-
Excise Tax	in million MNT	-	-	12,011	-
Total tax payment	in million MNT	4,205	4,427	25,946	486%

FINANCIAL HIGHLIGHTS

Ratios

Financial ratio		2022	2023	2024
Gross margin	percent	12.2%	8.6%	8.2%
Net margin	percent	6.9%	4.0%	3.5%
Return on equity	percent	37%	19%	22%
Solvency ratio	percent	69%	51%	52%
Operation cycle	day	87.65	71.94	48.17
Current ratio	unit	2.37	3.98	2.20
Cash ratio	unit	2.01	3.43	1.36
Share ratio		2022	2023	2024
Earnings per share	MNT	359,542.55	14.97	18.54
Number of shares issued **	unit	22,432	395,858,822	395,858,822
Share price at year-end ***	MNT	4,358.45	180.39	185.00
Proposed dividend per share	MNT	-	7.58	5.40

** In 2023 each share was split into 15,000 shares and an additional 59,378,822 shares were issued

*** The closing share price for 2021 and 2022 is the nominal value of the share capital of the limited liability company



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Annual report 2024

EVENTS HIGHLIGHTS



Monlogistics Group has made a strategic investment in rolling stock and successfully received its first batch of rail wagons.

In December 2024, as part of our IPO-driven investment plan to enhance operational efficiency and competitive advantage, Monlogistics Group successfully received the first shipment of newly acquired rail wagons from the Russian Federation. An additional 40 wagons are expected to arrive soon. Owning our own rolling stock plays a significant role in supporting Mongolia's New Revival Policy by contributing to economic independence and strengthening the country's self-reliant infrastructure. It also enables the Group to actively participate in the export logistics of mining products and serves as a vital driver for increasing overall sales revenue.



Monlogistics Group Acquired Central Asia Road LLC

To expand its operations and strengthen its position in the transport and logistics sector, Monlogistics Group acquired a 51% controlling stake in Central Asia Road LLC—formerly a subsidiary of TESO Group—through equity investment and share purchase.

Central Asia Road LLC holds a major position in the vehicle import market, accounting for 20% of Mongolia's total imports. With its experienced professional team and market influence, the acquisition is expected to increase the Group's total sales revenue by 15–20% and boost net profit by 10–15%.



Successfully Implemented the “Logistic Management System” and “Odoo ERP Version 17”

As part of Monlogistics Group's long-term digital transformation strategy, we successfully implemented the first version of our internally developed Logistic Management System (LMS 1.0) in June 2024.

To further automate core and supporting operations across the Group, we also deployed Odoo ERP Version 17, including its mobile application interface, during the same year. Looking ahead, we are committed to integrating next-generation software and artificial intelligence solutions into our operations to elevate our logistics services to international standards.

EVENTS HIGHLIGHTS



Monlogistics Group Expanded Operations into the Air Freight Sector

Monlogistics Express LLC officially launched its international air freight and courier services in August 2024, targeting both B2B and B2C segments with a focus on speed and reliability.

In support of the rapid growth of cross-border and e-commerce trade, the company aims to offer more flexible and efficient solutions to its clients. By expanding its air cargo network, Monlogistics Express is positioning itself to provide integrated logistics services in global markets with a competitive edge.



Monlogistics Group Awarded ISO 9001:2015 Certification

In alignment with its 2024 strategic goals to enhance service quality and culture, Monlogistics Group successfully implemented the ISO 9001:2015 international quality management system across all group companies. In November 2024, all nine subsidiaries of the Group successfully passed a comprehensive international audit, meeting the standards with zero non-conformities and earning high marks for integrity, accuracy, and operational health. Following this, Monlogistics Group was officially awarded the ISO 9001:2015 certification by TQCS International PTY Ltd of Australia. TQCSI annually selects the best clients from among all certified organizations worldwide. In 2024, Monlogistics Holding JSC was honored as “Mongolia's Best Client.”

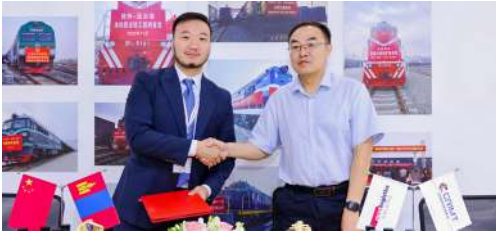


Monlogistics Group Recognized as Industry Leader

At the annual “Entrepreneur 2024” awards organized by the Mongolian National Chamber of Commerce and Industry (MNCCI), Monlogistics Group was honored with the Transport & Logistics Entrepreneur of the Year award for the second time—reaffirming its position as a leading and innovative company in the sector.

Additionally, in March 2024, Monlogistics Transit LLC was recognized as the Best Transit Freight Forwarding Company at the Service Provider Awards held by the Customs General Administration of Mongolia.

EVENTS HIGHLIGHTS



Signed Strategic Cooperation Agreement with China Railway Corporation

Monlogistics Holding JSC has signed a multilateral strategic cooperation agreement with China Railway International Multimodal Transport Co., Ltd., a subsidiary of China State Railway Group Corporation. Through this agreement, Monlogistics Group aims to strengthen collaboration with China's state-owned railway enterprises in the areas of import, export, and transit transportation, as well as explore joint investment opportunities in major infrastructure and logistics development projects.



Engaged Investor Relations Advisory Services

To enhance communication with public shareholders and capital market participants, Monlogistics Holding JSC has partnered with CMM Communications and AdVoice LLC—specialized firms in research and strategic consulting—to improve its Investor Relations (IR) function. The goal is to ensure that market participants and stakeholders are provided with timely, clear, and comprehensive information about the company.



MSE TOP 20 index

In September 2023, Monlogistics Holding JSC became a publicly listed company. In Q1 2024, the company was included in the newly updated TOP 20 Index of the Mongolian Stock Exchange, specifically representing the transport and logistics sector. Monlogistics continues to actively engage in investor relations and has maintained its position in the TOP 20 Index.



International Business Events

In June 2024, Monlogistics Group successfully participated in Transport Logistics 2024, the largest transport logistics exhibition held in Shanghai, China. Additionally, in November 2024, the Group's executive team visited Uzbekistan to conduct business research and explore cooperation opportunities in the country's logistics and transport sector.



3

Market and Company Strategy

Annual report 2024

GLOBAL TRANSPORT AND LOGISTICS INDUSTRY

Current Overview

In 2024, the global transport and logistics market reached USD 10 trillion and is projected to grow to USD 22 trillion by 2033—doubling in size. This corresponds to an expected compound annual growth rate (CAGR) of approximately 9.35%.

However, escalating trade tensions among major economies such as the United States, the European Union, and China have led to increased tariffs, slowing cross-border trade. As a result, countries are increasingly shifting toward domestic production, boosting trade with lower-tariff countries, and relocating manufacturing operations to new regions—marking significant structural shifts in global supply chains.

Global Logistics Market Size 2023–2033 (USD Trillion)



<https://www.precedenceresearch.com/logistics-market>



Future Outlook

The future direction of every sector is being shaped by the digital transformation era, and the transport and logistics industry is no exception. Technologies such as Artificial Intelligence (AI) and the Internet of Things (IoT) are enabling intelligent route planning, real-time cargo tracking, and cost optimization, while also enhancing delivery speed and reducing damage. These advancements are significantly influencing logistics efficiency and customer satisfaction.

For Monlogistics Group, aligning operations with these digital trends has been central to its long-term strategy. In recent years, we successfully implemented major projects such as LMS 2.0 (Logistics Management System), ERP (Enterprise Resource Planning), and a centralized Data Warehouse (DWH) to strengthen our decision-making and operational effectiveness.

Autonomous transport is also gaining traction. Companies like Tesla, Waymo, and DHL are actively testing self-driving vehicles and preparing for market integration. These innovations are expected to reduce the number of drivers, lower costs, improve efficiency, and shorten delivery times—offering substantial advantages to logistics companies.

The rise of sustainability in the logistics industry is another prominent global trend. Many countries are shifting toward environmentally responsible transport and warehousing. Industry leaders like DHL and FedEx are heavily investing in electric vehicles, green energy, and automated systems to meet ESG goals. Key technologies include DMS (Delivery Management Systems), AI-based route planning, RPA (Robotic Process Automation), and paperless workflows, which collectively improve delivery speed, accuracy, and environmental responsibility.

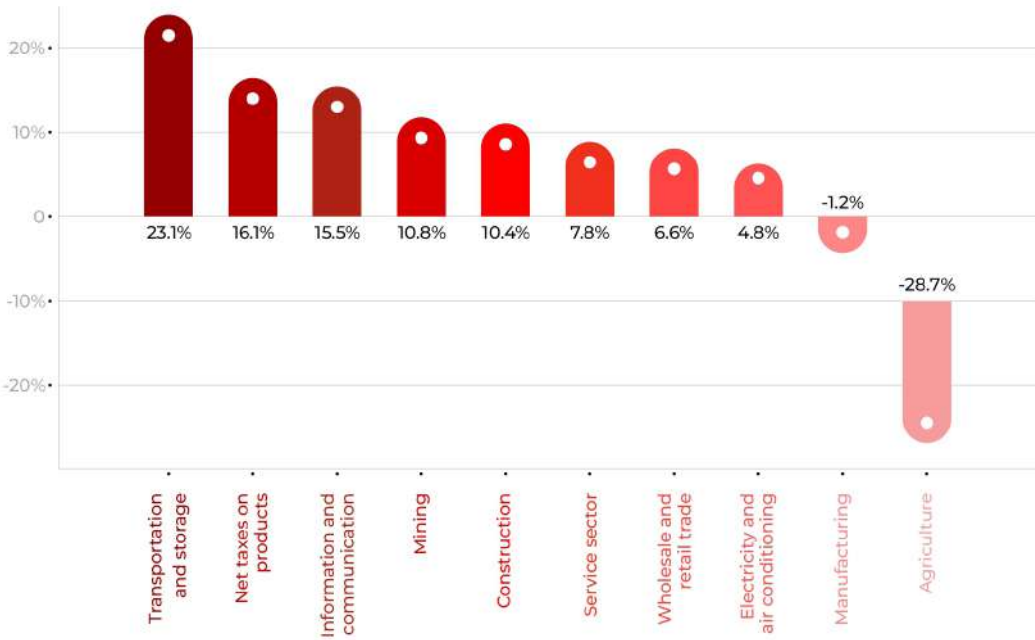
MONGOLIA'S TRANSPORT AND LOGISTICS SECTOR

In 2024, the transport and logistics sector demonstrated the highest growth among all industries in Mongolia, expanding by 23% and accounting for 7% of the country's GDP. Export cargo volumes increased by 20%, while import freight turnover rose by 19%—a trend expected to continue in the coming years.

This momentum is largely driven by Mongolia's major development policies and plans, including the long-term Vision 2050, the medium-term New Recovery Policy, and the Government Action Plan for 2024–2028. These policies prioritize infrastructure development projects such as the cross-border rail and road links at Gashuunsukhait–Ganqmod, Shiveekhuren–Sehe, and Bichigt–Zuunkhatavch, which connect Mongolia with China. Following years of delay, these projects have now advanced through mutual agreements with neighboring countries, paving the way for an expanded national logistics network and new regional corridors.

For Monlogistics Group, 2024 was a year of capitalizing on these emerging opportunities. We expanded our investments, including the purchase of 50 new freight wagons—establishing the Group's first rolling stock base. Additionally, we launched significant initiatives aimed at increasing cargo flow and reducing turnaround time, including the development of terminal infrastructure and operational capacity.

Year-over-year growth and decline comparison of the sectors



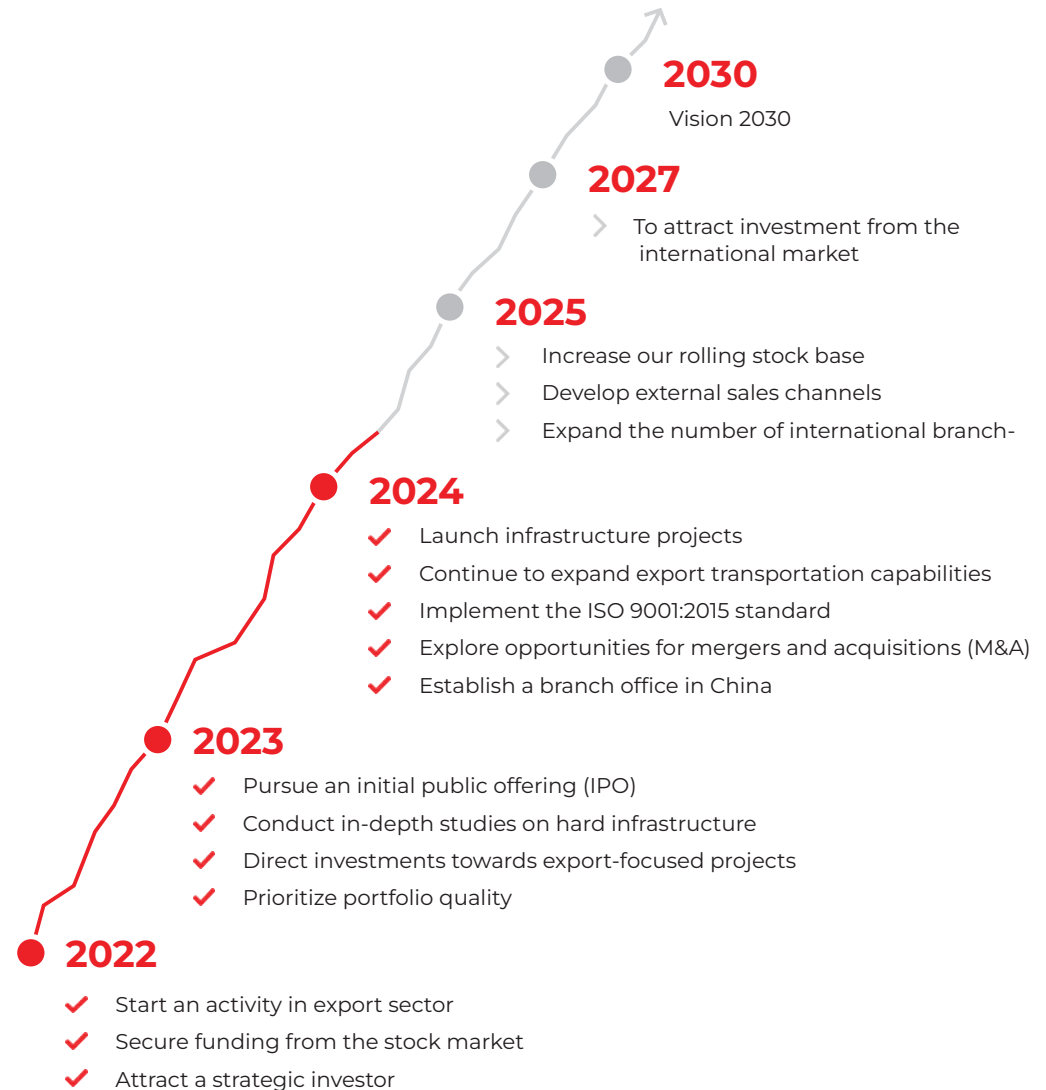
Эх сурвалж: www.1212.mn



VISION 2030

Promote Mongolia as a logistics hub for Asia and Europe by creating a comprehensive logistics system based on modern infrastructure and service.

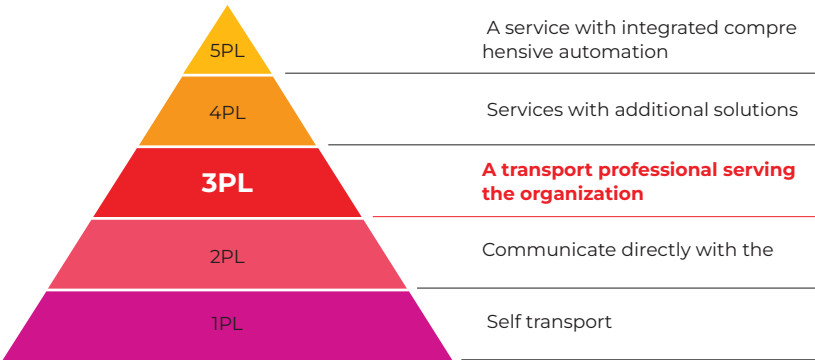
To realize that vision, and in alignment with the strategy and goals of the period, we are planning to undertake the following actions.



BUSINESS MODEL

Globally, supply chain management has evolved from 1PL to 5PL models. At Monlogistics Group, we are developing our own 3PL business model by creating new transport routes that help clients overcome logistics disruptions caused by geopolitical challenges. By strengthening partnerships and improving infrastructure utilization, we aim to deliver faster, more cost-effective logistics solutions.

The **3PL** (Third-Party Logistics) model involves a professional logistics service provider managing multiple elements of the supply chain on behalf of the client. This includes receiving, transporting, warehousing, packaging, labeling, and delivering goods. A 3PL provider acts as a coordinator between the sender and the transporter—optimizing operational efficiency, reducing costs, and enhancing customer satisfaction. By outsourcing logistics to experienced specialists, businesses can focus more on their core operations.



Translated by ChatGPT 4o

At Monlogistics, we provide full end-to-end logistics services—from the point of origin to the final destination. This includes order processing, pickup from the consignor, warehousing, document and customs clearance, secure loading and securing of goods, as well as fast intermodal transfers when switching between transport modes. Additionally, we work with trusted international logistics partners to ensure seamless cross-border operations, while offering full cargo insurance coverage—one of our key differentiators and strengths.



STRATEGY 2030

As part of its organizational development framework, Monlogistics Group is implementing four growth strategies and four sustainability strategies under its long-term Strategy 2030 roadmap.



FINANCIAL INDICATORS

In 2024, Monlogistics Group achieved an 8% increase in transport volume, a 47% growth in revenue, and a 24% rise in net profit. During the reporting period, the company financed its targeted investments through a combination of equity and debt instruments, with the strategic goal of improving return on equity. As a result, the year delivered strong and measurable financial outcomes.

Consolidated Income Statement

Income statement (in million MNT)	2022	2023	2024	Өсөлт
Sales revenue	136,095	210,361	296,858	41%
Cost of sales	(119,548)	(192,253)	(272,477)	
Gross profit	16,547	18,108	24,381	35%
Selling and Administrative expenses	(6,244)	(8,482)	(11,191)	32%
Other income	1,455	(35)	755	
Other expenses	(344)	(289)	(1,271)	
Net operating profit	11,415	9,302	12,695	36%
Financial income (cost)	(385)	283	(749)	
Earning before taxes (EBT)	11,029	9,585	11,946	25%
Income tax expense	(1,642)	(1,222)	(1,600)	
Net profit	9,387	8,363	10,346	24%

Income Statement

In 2024, Mongolia's transport sector achieved historic highs, and Monlogistics Group was no exception—recording all-time high sales and net profits.

Revenue grew by 41% compared to the previous year, reaching approximately MNT 300 billion. However, net profit in the first half of the year fell short of expectations due to increased competition in the logistics market and reduced export volumes via rail transport, particularly in the mining sector.

Sales revenue by segment is shown below:

Transport volume (thousand)	2022	2023	2024	Percentage	Growth
Import	111.1	90.3	91.6	8%	1%
Export	68.4	157.3	168.6	15%	7%
Transit	203.2	768	827.8	74%	8%
Domestic	13.2	26.7	36.6	3%	37%
Total	395.8	1,042.3	1,124.7	100%	8%

Sales revenue (in million MNT)	2022	2023	2024	percentage
Import	102,546	84,286	165,995	54%
Export	7,122	24,638	26,216	9%
Transit	21,553	87,942	95,648	31%
Domestic	8,383	18,046	18,514	6%
Total	139,605	214,912	306,373	100%
An entry to adjust	(3,510)	(4,551)	(9,515)	
Total	136,095	210,361	296,858	

Monlogistics Group's revenue is driven by three main factors:

Freight Rates: At the end of 2024, the volatility in freight rates that persisted over the past three years largely stabilized, reducing overall cost fluctuations. However, in mid-2024, import volumes surged significantly, driven by constraints in Tianjin port and domestic terminal capacities. This contributed to renewed upward pressure on freight rates.

Foreign Exchange Rate: The exchange rate of the Mongolian tugrik depreciated by just 0.2% in 2024. Given the average exchange rate of MNT 3,309, its overall impact on the Group's revenue was minimal.

Transport Volume: Transport volume increased by 8% compared to the previous year.

Net Profit Margin by Segment	2022	2023	2024
Import	11.3%	9.6%	8.0%
Export	19.4%	6.8%	6.5%
Transit	12.2%	7.5%	7.8%
Other	11.6%	9.9%	5.3%
Total	12.2%	8.6%	8.2%

Net Profit Commentary: In 2024, Monlogistics Group established new business entities as part of its growth strategy. While this led to a 32% increase in operating expenses, the resulting consolidation, combined with strong performance in import transport, helped improve net profit by 24% despite increased costs.

Consolidated Cash Flow Statement

Consolidated Cash Flow Statement (in million MNT)	2022	2023	2024
Net cash from operating activities	9,382	4,480	(13,598)
Net cash from investing activities	(994)	(2,390)	(14,462)
Net cash from financing activities	(730)	6,037	15,142
Foreign exchange gain/loss	724)	(203)	(495)
Net cash flow	8,383	7,924	(13,413)
BALANCE CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	5,816	14,198	22,122
BALANCE CASH AND CASH EQUIVALENTS AT THE END OF YEAR	14,198	22,122	8,709

- > In 2024, net cash from operating activities amounted to MNT –13.5 billion. This decline is attributed to changes in the Group's operations following the integration of newly acquired subsidiaries. As the Group expanded into vehicle transport and direct sales activities, inventory levels and receivables increased, thereby exerting downward pressure on operating cash flow.
- > Capital expenditures related to the first phase of wagon procurement and fleet renewal for Monlogistics Group's vehicle assets were made in 2024. Additionally, short-term investments made from cash reserves accumulated in 2023 for strategic purposes were liquidated, further contributing to a total net outflow of MNT –14.4 billion in investing activities.
- > Meanwhile, the Group secured funding from international banks, including a line of credit to cover core operations and financing 70% of its rail wagon investments through debt. As a result, cash inflow from financing activities totaled MNT 15 billion.

Import Transportation

In 2024, Monlogistics Group’s total im-
port-related sales increased by 97% follow-
ing the successful acquisition of Central
Asia Road LLC.

Income statement (in million MNT)	2022	2023	2024	Growth
Shipping quantity	111.09 Thousand tons	90.32 tho tons	91.62 tho tons	1%
Sales revenue	102,546	84,286	165,995	97%
Cost of sales	(90,980)	(76,197)	(152,704)	
Gross profit	11,566	8,089	13,290	64%
Gross profit margin (%)	11.3%	9.6%	8.0%	
Selling and general administrative expenses	(3,738)	(4,764)	(6,919)	
Other income (expenses)	(94)	(99)	(1,349)	
Profit before tax	7,734	3,226	5,023	56%
Tax expenses	(1,110)	(400)	(578)	
Net profit	6,624	2,826	4,446	57%
Net profit margin (%)	6.5%	3.4%	2.7%	

Market conditions

In 2024, Mongolia imported goods and products valued at USD 11.6 billion, representing a 25.5% increase compared to the same period of the previous year. A significant portion of import cargo consisted of passenger vehicles, with total imports reaching 102,353 units—a 71.6% increase year-on-year. One of the major challenges for import transport in 2024 was the congestion at China’s Tianjin Port, which began in April. From April to August, the number of rail wagons dispatched from the port declined compared to the

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previous year, causing extended delays. On average, containerized cargo was held at the port for 70–80 days, leading to a shift in trans-
port mode—increased reliance on road freight to compensate for the port delays.

Operational Summary

In 2024, Monlogistics Group secured a strong position in Mongo-
lia’s import transport sector. In June 2024, the Group acquired a 51%
stake in Central Asia Road LLC, a subsidiary of TESO Group, gaining
majority control. This strategic investment allowed the Group to ex-
pand into the passenger vehicle import segment and establish its
presence in a growing, competitive market. The acquisition is ex-
pected to become a major pillar of Monlogistics Group’s future im-
port operations.

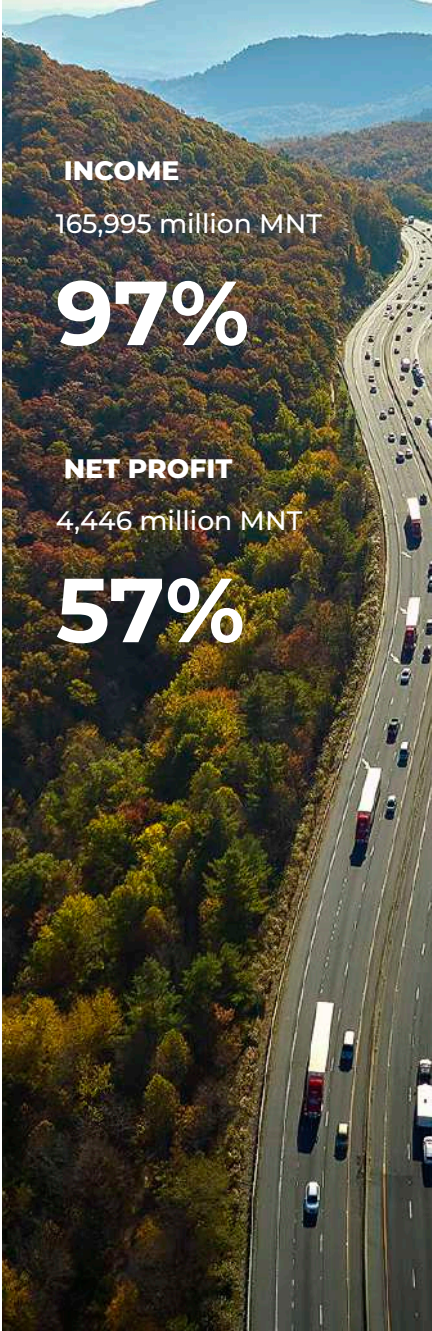
2024 Results

With the acquisition of Central Asia Road LLC, Monlogistics Group
became a key player in the passenger vehicle import segment. Total
import-related sales rose 97% year-on-year. As a result, Central Asia
Road LLC contributed over 50% of the Group’s total import transport
revenue in 2024. Despite delays and congestion at Tianjin Port be-
ginning in Q2 2024, the Group maintained a high volume of activi-
ty in the market. These delays caused a shift toward road transport,
significantly increasing costs and pressure on inland distribution
networks. This led to a notable increase in both cargo volume and
logistics complexity.

Expectations for 2025

The following are key expectations for Mongolia’s import transport
market in 2025:

- Freight rates are expected to rise as transport costs remain sen-
sitive to fuel prices and exchange rate fluctuations.
- Government infrastructure investments may positively impact
cargo volumes through expansion of national logistics termi-
nals and budget-supported rail and road connectivity projects.
- Rail and terminal congestion is likely to persist, particularly at
Tianjin Port, Zamiin-Uud, and Ulaanbaatar inland terminals, due
to high inbound cargo volumes. This may cause extended deliv-
ery times and rerouting needs.
- Vehicle imports may decline slightly due to new digital vehicle
registration policies and increased scrutiny over vehicle identi-
fication procedures.



INCOME

165,995 million MNT

97%

NET PROFIT

4,446 million MNT

57%

INCOME

26,216 million MNT

6%**NET PROFIT**

897 million MNT

(-8%)

Export Transportation

In 2024, Mongolia's export volume reached a historic high, with a total of 84.5 million tons of goods exported—representing a 7.2% increase compared to the previous year.

Income statement (in million MNT)		2022	2023	2024	Growth
Shipping quantity	68.37 Thousand tons	157.32 tho tons	168.56 tho tons		7%
Sales revenue		7,122	24,638	26,216	6%
Cost of sales		(5,738)	(22,965)	(24,514)	
Gross profit		1,384	1,673	1,702	2%
Gross profit margin (%)		19.4%	6.8%	6.5%	
Selling and general administrative expenses		(154)	(411)	(475)	
Other income (expenses)		69	(154)	(203)	
Profit before tax		1,299	1,108	1,024	(8%)
Tax expenses		(130)	(133)	(127)	
Net profit		1,169	976	897	(8%)
Net profit margin (%)		16.4%	4.0%	3.4%	

Market conditions

In 2024, Mongolia's export volume reached a historic high of 84.5 million tons, representing a 7.2% increase compared to the previous year. The total volume included: Coal: 74.2 million tons, Iron ore: 5.9 million tons, Copper concentrate: 2.1 million tons, Fluorspar: 1.2 million tons, Zinc: 0.3 million tons, Mongolia strengthened its position as a leading supplier of

coking coal to China. In 2023, Mongolia accounted for 46.2% of China's total coking coal imports, which increased to 49.8% in 2024. In response to increasing freight demand, Ulaanbaatar Railway JVC (UBTZ) began phasing out leased wagons in 2024, helping expand the role of privately owned rolling stock in export transport operations.

Operational Summary

To alleviate congestion and improve the turnaround time of rail transport, Monlogistics Group entered into new agreements with key stakeholders to optimize coordination and increase operating efficiency. In line with its IPO investment goals, the Group began deploying new rolling stock specifically for export transport. The first batch of wagons, financed with international debt, was successfully delivered, and an additional 40 wagons are expected to arrive soon.

2024 Results

In 2024, Monlogistics Group transported 168,000 tons of export cargo, marking a 7% increase over the previous year. Despite this volume growth, export revenue rose by only 6%, and net profit declined by 8%, primarily due to increased costs.

A key contributor to the year's results was the expansion of the Tavantolgoi-Khangai railway corridor, where Monlogistics Group began operations. This new route significantly improved export logistics capacity and contributed meaningfully to overall export growth.

Expectations for 2025

Mongolia aims to reach an export volume target of 83 million tons in 2025, with coal comprising the majority of exports. Key developments expected to drive this growth include: Infrastructure upgrades, improved railway connectivity, and reduced tariffs.

Implementation of 50% discounts on rail tariffs for new cross-border routes, including the Tavantolgoi-Khangai line.

Potential removal of China's import quota on Mongolian coal—expected to boost demand and volumes.

Launch of a blockchain-based customs clearance system to speed up cross-border processes.

Introduction of new loading terminals and improved coordination with customs authorities to streamline the export process. Monlogistics Group is working to strengthen its position by leveraging these developments and plans to expand its export transport capacity and market share in 2025.

Transit transportation

In 2024, Mongolia transported a total of 5.3 million tons of cargo via rail transit. Of this, Monlogistics Group handled 827 thousand tons, accounting for 16% of the national market share.

Income statement (in million MNT)	2022	2023	2024	Growth
Shipping quantity	203.17 мян.тн	767.96 мян.тн	827.82 мян.тн	8%
Sales revenue	21,553	87,942	95,648	9%
Cost of sales	(18,914)	(81,353)	(88,166)	
Gross profit	2,639	6,588	7,481	14%
Gross profit margin (%)	12.2%	7.5%	7.8%	
Selling and general administrative expenses	(1,171)	(1,476)	(1,671)	
Other income (expenses)	470	185	(90)	
Profit before tax	1,938	5,297	5,720	8%
Tax expenses	(189)	(532)	(573)	
Net profit	1,749	4,765	5,147	8%
Net profit margin (%)	8.1%	5.4%	5.4%	

Market conditions

Ulaanbaatar Railway JVC (UBTZ) plays a central role in Mongolia's rail-based transit transport. In 2024, total transit cargo transported via Mongolia reached 5.3 million tons, representing a 3.5% increase from the previous year. The growth in transit volumes has led to significant congestion along UBTZ's mainline, with over 4,000 wagons backed up

at key stations and sidings. This bottleneck is primarily due to Er-een-Zamiin-Uud station reaching its maximum intake capacity—limiting the ability to handle additional freight and causing delays at the Zamiin-Uud border crossing. In terms of financial operations, sanctions against Russian financial institutions following the Russia-Ukraine war led to several major Russian banks being removed from the SWIFT system. This has disrupted traditional cross-border banking transactions, resulting in longer payment processing times.

Operational Summary

Of the 5.3 million tons of rail transit cargo transported across Mongolia in 2024, Monlogistics Group handled 827 thousand tons, accounting for 16% of the national market share. This represents an 8% increase compared to the previous year.

2024 Results

Despite escalating sanctions on Russia and ongoing payment uncertainties, which negatively affected trade between Russia and China, Monlogistics Group maintained its market position in the transit transport segment and achieved an 8% increase in volume. As a result, the Group also saw an 8% increase in net profit from transit operations.

Expectations for 2025

- While trade volumes between Russia and China are not expected to decline in the near term, payment settlement issues remain unresolved between the two countries. This ongoing uncertainty continues to create volatility within the transport and logistics sector.
- China's policy of providing subsidies to support export transport came under criticism from the World Trade Organization (WTO) during 2023–2024, along with opposition from several foreign countries and growing domestic budgetary pressures. As a result, some subsidies were reduced or fully withdrawn.
- This policy shift is expected to increase transportation costs for cargo moving from China to Russia and may cause delays in certain trade flows. Potential consequences include higher freight expenses, longer transit times, and a possible redirection of cargo to alternative routes.

INCOME

95,648 million MNT

9%

NET PROFIT

5,147 million MNT

8%

INCOME

18,514 million MNT

3%**NET PROFIT**

983 million MNT

50%

Other Transport

Due to congestion at Tianjin Port, domestic transport between Zamiin-Uud and Ulaanbaatar increased significantly. As a result, total domestic transport volume reached 36.6 thousand tons, marking a 37% increase compared to the previous year.

Income statement (in million MNT)	2022	2023	2024	Growth
Shipping quantity	13.21 мян.тн	26.73 мян.тн	36.65 мян.тн	37%
Sales revenue	8,383	18,046	18,514	3%
Cost of sales	(7,408)	(16,267)	(16,596)	
Gross profit	976	1,778	1,919	8%
Gross profit margin (%)	11.6%	9.9%	10.4%	
Selling and general administrative expenses	(474)	(719)	(784)	
Other income (expenses)	141	(261)	(405)	
Profit before tax	643	798	730	(9%)
Tax expenses	(78)	(145)	253	
Net profit	565	654	983	50%
Net profit margin (%)	6.7%	3.6%	5.3%	

Market conditions

In the automotive transport sector, congestion at Tianjin Port from May 2024 significantly impacted container flows into Mongolia. Average delays ranged from 70 to 80 days, resulting in costlier alternatives such as air freight for urgent goods, medicine, and automotive components. This, in turn, increased demand for containerized freight and rail-to-road transfers.

Operational Summary

Monlogistics Group expanded its urban and intercity road transport services in 2024. The company invested in an environmentally friendly vehicle fleet and launched services for customs and bonded warehousing.

With increased volume in import, export, transit, and domestic freight, the Group's total domestic road transport reached 36.65 thousand tons, accounting for 3% of total freight volume.

2024 Results

As part of its long-term strategy to become a logistics hub linking Asia and Europe, Monlogistics Group launched a subsidiary in Tianjin, China. To mitigate port delays, Monlogistics Express LLC provided fast and reliable air and container transport services.

- **International Road Freight:** Transport volume to foreign countries dropped by 70% due to Russia-related restrictions.
- **Domestic Road Freight:** Road transport between Tianjin and Zamiin-Uud-Ulaanbaatar increased significantly. 36.6 thousand tons of cargo were transported—up 37% from the previous year.

Expectations for 2025

Monlogistics Group aims to further enhance its logistics operations through technology-driven innovations, automation, and the implementation of digital transport platforms.

GOALS AND INVESTMENT PLAN FOR 2024

Financial plan for 2025

Budget 2024 (in billion MNT)	2024 Performance	2025 Expectation
Net profit	10.3	13-14
Net profit percentage	3.4%	3.4%

Background of the 2025 financial plan projection

As part of its 2025 business plan, Monlogistics Group has based its financial forecast on the following assumptions: 6% national economic growth MNT 3,559 as the average annual exchange rate against the US dollar 19% projected growth in Mongolia's logistics sector, In 2025, the Group plans to drive growth by expanding its import transport services and deploying its own rail wagons for export freight operations. To commemorate its 20th anniversary, Monlogistics Group also plans to introduce new, technology-driven logistics products to the market.

REPORT OF DISBURSEMENT OF WITH-DRAWN FUNDS

Disbursement plan for raised funds (in million MNT)	Planned	Utilized	Remaining
1. Investment in rolling stock	8,062	1,502	6,560
2. Working Capital	2,923	2,923	0
3. Acquisition of Central Asia Road LLC		3,500	-3,500
Total	10,985	7,925	3,060

1. Investment in Rolling Stock

In alignment with the Government of Mongolia's national policy to boost exports and expand railway infrastructure, Monlogistics Holding JSC plans to purchase 100 units of 13-6953 model flatbed wagons from Russia. However, due to external factors such as the ongoing war and import regulations, the Group opted for a new plan to acquire 50 units of 12-1293 model wagons that meet domestic operational standards.

The first 10 wagons arrived in Mongolia in December 2024, and another 40 wagons are expected to be shipped soon. To finance this acquisition, the Group allocated MNT 1.5 billion from the raised capital in 2024 and plans to pay the remaining MNT 3 billion upon final delivery in 2025.

2. Working Capital Financing

To support business operations and expansion across its subsidiaries, Monlogistics Group allocated MNT 2.9 billion for working capital financing. These funds will help implement strategic plans and ensure liquidity across the organization.

3. Strategic Investment – M&A: Central Asia Road LLC

As part of its expansion in the transport and logistics sector, Monlogistics Group acquired a majority 51% stake in Central Asia Road LLC, a company with a strong market position and long-standing presence. This M&A initiative was valued at MNT 3.5 billion, funded directly from the raised capital. The acquisition strengthens the Group's control and market reach in the growing vehicle import logistics segment.



3

Sustainable Development

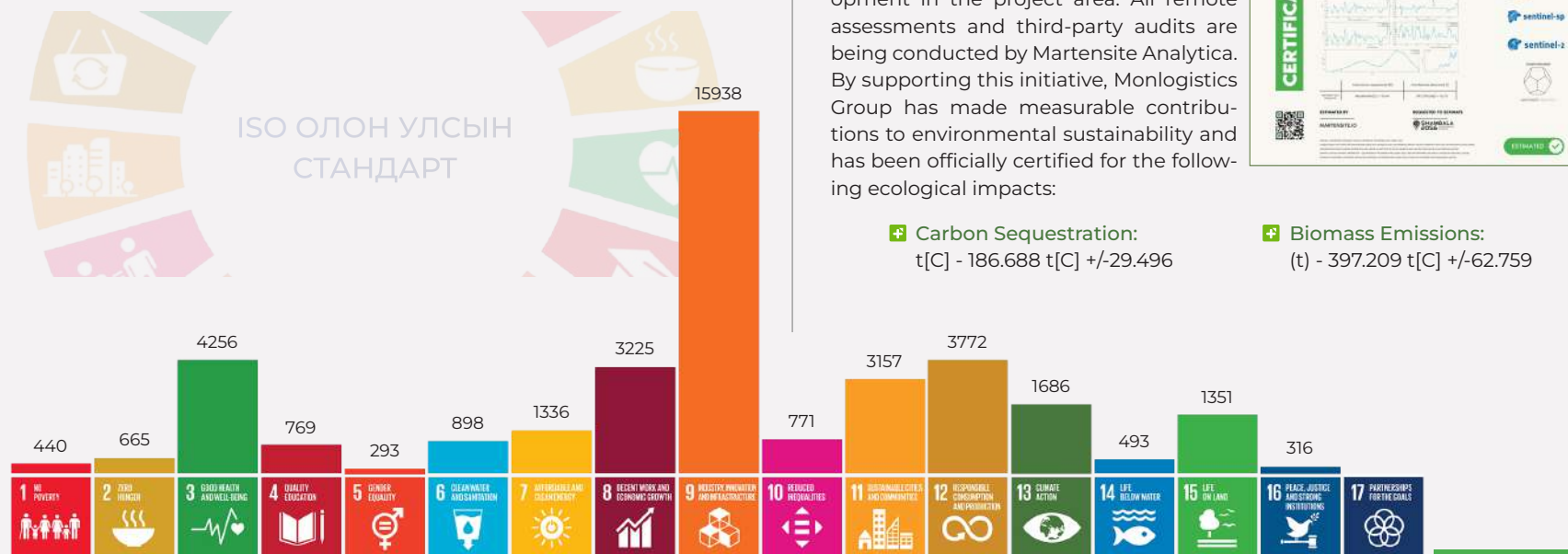
Annual report 2024



SOCIETY AND ENVIRONMENT

As part of its sustainable development strategy, Monlogistics Group launched new initiatives in 2024 and successfully continued previously established programs aimed at creating long-term value and sustainable growth for both internal and external stakeholders. These efforts also focused on improving corporate governance and promoting environmentally responsible practices.

In support of sustainable development, the Group began fully implementing ISO international standards across its operations. The ISO framework helps align corporate actions with the United Nations Sustainable Development Goals (SDGs), with a visual overview demonstrating how each standard maps to specific sustainability objectives.



SHAMBALA 2056

In alignment with the UN Sustainable Development Goals, Monlogistics Group is a proud partner of the Shambhala 2056 initiative—a 40-year project aimed at protecting terrestrial ecosystems and mitigating the adverse effects of climate change through the integration of art and technology.

The project has been implemented in the highly desertified region of Tökhöm Valley, Ar Tsatsyn Us, Erdene soum, Dornogovi province, and will run from 2016 to 2056. As a result, a green belt of saxaul trees has been successfully established in the area.

Since 2024, NASA MODIS satellite monitoring has been used to track tree development in the project area. All remote assessments and third-party audits are being conducted by Martensite Analytica. By supporting this initiative, Monlogistics Group has made measurable contributions to environmental sustainability and has been officially certified for the following ecological impacts:

+ Carbon Sequestration:
t[C] - 186.688 t[C] +/-29.496

+ Biomass Emissions:
t) - 397.209 t[C] +/-62.759





RAIL TRANSPORT

Monlogistics Group prioritizes rail transport as a low-emission logistics solution to help reduce the environmental impact of transporting mining products. In 2024, the Group transported a total of 1.125 million tons of cargo, of which 95% (1.070 million tons) was carried by rail.

By investing in its own fleet of wagons, Monlogistics Group demonstrated its commitment to environmentally responsible operations aligned with multiple UN Sustainable Development Goals (SDGs)—including climate action, health, innovation, and infrastructure.

The Group also launched an ongoing vehicle fleet renewal program to reduce environmental pollution and fuel consumption. In 2024, Monlogistics Trucking LLC retired six heavy-duty trucks that had high fuel consumption and emissions, replacing them with new, eco-friendly vehicles that are more fuel-efficient and less harmful to the environment.

These efforts aim to reduce greenhouse gas emissions, minimize air and noise pollution, and promote cleaner, more efficient transport infrastructure.



THIS UPGRADE HAS GENERATED THE FOLLOWING ENVIRONMENTAL BENEFITS

✓ Reduced Carbon Emissions.

The newly introduced vehicles consume 15–30% less fuel than previous models, significantly lowering the emission of harmful gases such as CO₂.

✓ Improved Air Quality.

Equipped with Euro 5 and Euro 6 compliant engines, the new vehicles have reduced emissions of nitrogen oxides (NOx) and fine particulate matter (PM2.5, PM10) by 40–60% compared to older models.

✓ Reduced Noise Pollution.

Advanced engine and vehicle design has led to significantly lower engine and road noise, positively impacting urban noise levels and overall environmental quality.

✓ Increased Fuel Efficiency.

Lower fuel consumption not only reduces air pollution but also delivers cost savings to the company by improving operational efficiency.

Monlogistics Group's fleet renewal initiative is not only enhancing operational performance but also supporting long-term sustainability by addressing climate change mitigation. The company remains committed to reducing greenhouse gas emissions and promoting eco-friendly transport practices as part of its broader environmental strategy.



HUMAN RESOURCES POLICY

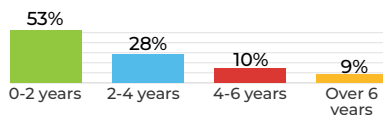
Monlogistics Group is committed to developing and professionalizing the human capital that drives Mongolia's transport sector. Guided by an employee-centered HR policy, the Group operates with over 240 staff members across 11 companies, continuously investing in recruitment, training, and capacity building to strengthen its workforce.

Total Employees: **240**

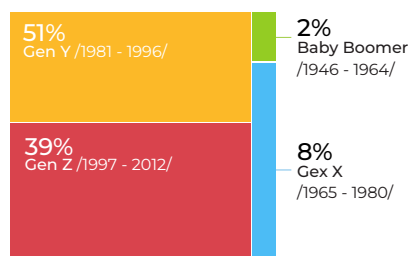
Gender Distribution:



Years of Service:



Generation breakdown:



1. A Highly Skilled and Professional Team

Monlogistics Group is committed to building a highly skilled and professional workforce by supporting each employee's journey of self-discovery, learning, and growth. In 2024, the company implemented a wide range of training and development initiatives aligned with its HR strategy and learning policy.

Through the Odoo ERP system's E-Learning module, Monlogistics provided employees with access to various resources anytime, anywhere—including Onboarding Programs, General Skills Training, and Professional Development Guides and Courses.

To monitor and report on training progress, a Training Dashboard was introduced in June 2024. Over the course of the year, employees participated in more than 1,220 hours of internal training.

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The Group also invested in leadership development by enrolling several executives in the "Digital Transformation Program" at Stanford University, one of the world's leading business schools. Additionally, the HR team participated in People Matters TechHR, Asia's largest HR forum, held in Singapore.

Since 2023, the company has sponsored high-potential employees to enroll in the MBA program at the Graduate School of Business, Mongolian University of Finance and Economics (MUFE). In 2024, eight employees are pursuing graduate studies with company scholarships.

To further cultivate future leaders, the Leadership course (2 credits) within the MBA program is delivered by Monlogistics' in-house instructors, including graduates of the National University of Singapore—ensuring global perspectives are embedded in leadership development.





Monlogistics Group continues to invest in the development of its young professionals. In collaboration with AXIOM Training Center, the Group organized an interactive leadership training program, engaging emerging talent across the organization. As part of employees' individual development plans, the company delivered: 864 person-hours of soft skills training 728 person-hours of English language instruction throughout the year. On average, the Group allocates over MNT 120 million annually to training and development, ensuring that every employee has access to continuous learning opportunities. These efforts play a vital role in building a highly skilled and professional workforce. As a result of its strong commitment to human capital development, Monlogistics Group participated in the Mongolian Labor Market Summit 2024—jointly organized by Zangia.mn, NitoPay, and the Ministry of Labor and Social Protection—for the third consecutive year.

Among more than 200 participating organizations, Monlogistics Group was shortlisted in two top categories: Best Training – Top Employer for Learning & Development, Best Culture – Employer with the Strongest Workplace Culture. These nominations reaffirm the Group's growing reputation as a leading employer in Mongolia's logistics industry.

2. Empowering Leadership Culture

“Future CEO 2” Scholarship Program

As part of its human resource strategy and its core value of cultivating an empowering leadership culture, Monlogistics Group successfully organized the second edition of the “Future CEO” scholarship program—an intellectual investment in the development of future leaders among university students.

The program is designed to support academic achievement and transform it into real career success, nurturing the next generation of leaders who will contribute meaningfully to Mongolia's socio-economic development. The scholarship targeted third- and fourth-year university students majoring in International Relations with strong foreign language proficiency and aspirations to work in the global market. Selected students receive:

100% tuition coverage A paid internship opportunity starting from their third year at Monlogistics Group Additionally, the four awarded recipients of the “Future CEO 2” program gain access to: CEO mentorship, General skills training Paid job placement. In total, each recipient benefits from a scholarship package valued at MNT 80 million, making this one of the most comprehensive student development initiatives in the sector.



ESOP SAVINGS PROGRAM

For the past three years, Monlogistics Group has successfully implemented an employee savings program designed to enhance long-term financial security for employees. The program is jointly funded by both the employee and the employer, and the contributions are managed by a professional investment firm under the direct participation and oversight of the employees themselves—ensuring transparency, growth, and shared benefit.

Program Objectives:

- Motivate and retain employees by boosting financial capacity and security
- Create an efficient, legally compliant, and internationally aligned co-investment model
- Foster shared goals between employees and the company
- Build a foundation for a sustainable and stable workforce

5% + 5%

Matching Contribution

Each month, employees contribute 5% of their net salary, which is matched 1:1 by the employer, effectively doubling the monthly savings.



Savings Oversight

Employee monitoring (mobile app)
Employer monitoring
Custodian bank oversight
Audit committee review
External accessibility oversight

Annual Target Return: 16%

Employee Participation Rate: 50%



Fund Management

The ESOP fund is professionally managed by Ashid Asset Management LLC, a licensed investment management company.

KESO PROGRAM

The Key Employee Stock Option (KESO) program is a globally recognized incentive mechanism that allows Monlogistics Group's key employees to acquire company shares—enhancing their financial capacity, supporting long-term stability, and fostering employee retention.

On May 25, 2024, during the Group's Management Forum, employees holding a position of Grade 5 or above signed official Call Option Agreements. Under these agreements, employees will become eligible to purchase company shares at a discounted price after a three-year vesting period.

KESO plays a strategic role in aligning employees with the company's vision and mission, motivating high performance, encouraging long-term commitment, and jointly contributing to increasing the company's market value. As the company grows, this program is expected to expand further, delivering mutual long-term benefits for both the company and its key talent.



A NATIONAL BRAND WITH GLOBAL ASPIRATIONS

Annual report 2024



4

Governance

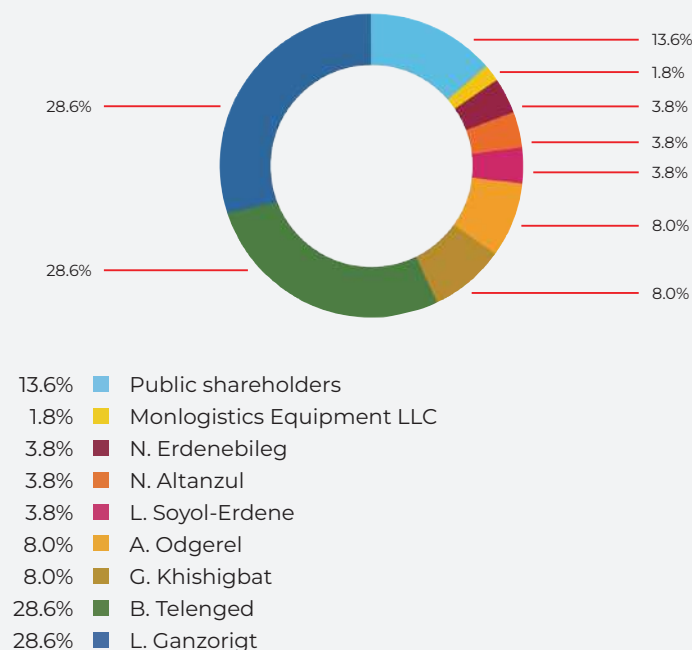
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SHAREHOLDER STRUCTURE

Number of Shareholders:



Ownership breakdown:



GOVERNANCE STRUCTURE AND OPERATIONS

I. Annual General Meeting of Shareholders

The Annual General Meeting (AGM) serves as the highest governing body of Monlogistics Holding JSC and is the primary mechanism through which shareholders exercise their rights.

The company's first official AGM was held virtually on April 27, 2024, and was livestreamed via the corporate meeting platform and the official Monlogistics Group Facebook page. The meeting achieved a quorum with 85.57% shareholder attendance, making it legally valid.

Key Presentations:

1. CEO and AGM Chair Mr. G. Khishigbat presented an overview of the 2023 operational and financial performance of the company prior to the Board's resolution being put to vote.
2. Ms. E. Oyunbileg, Independent Director and Chair of the Board's Audit and Risk Committee, introduced the 2023 Board Activity Report, followed by a discussion and approval of the 2024 Board compensation budget.
3. Mr. N. Erdenetsog, Engagement Partner at Grant Thornton LLC, the company's external auditor, presented the independent audit report on the company's 2023 financial statements and responded to shareholder inquiries.

Resolutions Adopted:

1. Approved the Board's opinion and resolution on the company's 2023 annual report and financial statements.
2. Approved the 2024 Board budget for Monlogistics Holding JSC.

BOARD OF DIRECTORS



**GANZORIGT
Luvsanjamba**

Founder and Chairman
of the Board

31 years of experience in finance
and international trade.



**TELENGED
Baast**

Founder and regular
member of the Board

31 years of experience in the field
of transport and logistics.



**GANZORIG
Ulziibayar**

Ordinary member of the
Board

22 years of governance and execu-
tive management experience in
the banking, finance and insur-
ance industries.



**KHISHIGBAT
Ganzorig**

Ordinary member of the
Board

11 years of experience in finance
and investment and 8 years in
administration.



**ENKHTUVSHIN
Baldan**

Ordinary member of the
Board

21 years of governance and execu-
tive management experience in
banking, finance and insurance.



**OYUNBILEG
Erdenedoo**

Independent member
of the Board

More than 31 years of experience
in banking and finance with spe-
cialized management experience.



**SAINBAT
Sanjaa**

Independent member
of the Board

He has 21 years of experience in
the field of administration and
management in the field of trade
and services.



**TSERENPUREV
Gotov**

Independent member
of the Board

He has 41 years of management
experience in the international
banking and finance sector.



**ENKH-AMGALAN
Sengge**

Independent mem-
ber

23 years of experience in business
management, governance and
executive management



**DULAMSUREN
Tsogt**

Board Secretary and
Compliance Officer

21 years of experience in human
resources, administration, law
and governance.

II. Board of Directors

During periods between Shareholders' Meetings, the Board of Directors serves as the highest governing body of Monlogistics Holding JSC. The Board is composed of experienced professionals with deep expertise across various industries—capable of effectively navigating both risks and opportunities in today's rapidly evolving business landscape. The Board consists of 9 members: 5 Regular members, 4 independent members.

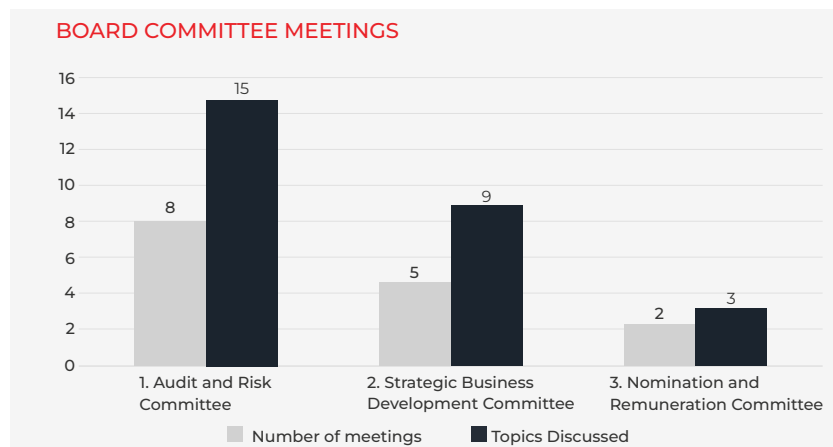
III. Board of Directors – 2024 Activity Report

Board Meetings

In 2024, the Board of Directors of Monlogistics Holding JSC held a total of 7 meetings, including both regular and extraordinary sessions. Directors actively participated, with an average attendance rate of 96.7%. Within the scope of authority granted by the Company Law and the company's Articles of Association, the Board adopted a total of 60 resolutions during the year. These decisions were made through both formal meetings and remote voting procedures.

Board Committee Meetings

In 2024, the Board Committees of Monlogistics Holding JSC convened both in person and virtually, operating proactively in line with their respective mandates and responsibilities. Each committee demonstrated active engagement in supporting the Board's governance and oversight functions.



Board and Executive Compensation

The remuneration of Board members was proposed by the Nomination and Remuneration Committee and submitted for approval during the Annual General Meeting of Shareholders held in April 2024. Within the scope of the approved budget, compensation was provided as follows:

Base salary for all Board members

Additional remuneration for Committee Chairs

Additional remuneration for Committee Members

All compensation was calculated at fixed rates and disbursed accordingly.

Nº	Expense Category	Total Expense
1	Board Member Salary Expenses	182,400,000 ₺
2	Social Insurance Contribution Expenses	22,800,000 ₺
TOTAL BUDGETED EXPENSE		205,200,000 ₺

Executive Compensation

The remuneration for executive management is defined by contracts approved by the Board and is based on a fixed base salary, as well as performance-based bonuses linked to annual strategic and financial results. During the reporting year, the CEO's base salary was adjusted, while bonus policies remained unchanged.

Board Training and Development

In alignment with the Board's training plan, Monlogistics Holding organized two key sessions in 2024: Digital Transformation, Current Trends in the Transport and Logistics Sector. These were designed to enhance Board members' knowledge of industry developments and governance innovation.

Board Evaluation

The Board of Directors, including its members and executive management, underwent a formal evaluation process initiated by the Board Secretary, in collaboration with the Internal Auditor and external consultants. The evaluation focused on: Member participation and accountability

Oversight effectiveness

Contributions to strategic growth and governance quality

A new Board Evaluation Procedure was approved in 2024, establishing a comprehensive framework grounded in best practices, code-based principles, and international standards.

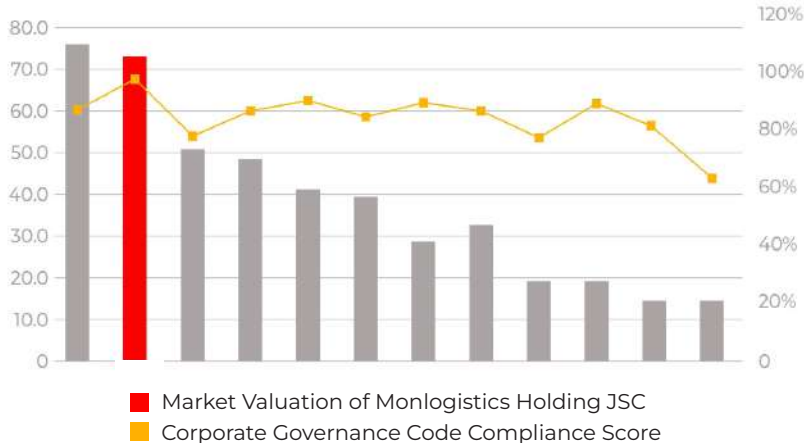
IV. Implementation of Corporate Governance Principles, Self-Assessment, and Verification

Effective implementation of corporate governance principles plays a critical role in protecting the interests of investors and stakeholders, building trust, mitigating risk, and creating long-term sustainable value. This is achieved by aligning with internationally recognized governance standards and best practices. In 2024, Monlogistics Holding JSC's Board of Directors conducted its first formal evaluation of the company's adherence to the Corporate Governance Code, in accordance with the methodology and guidelines issued by the Financial Regulatory Commission of Mongolia.

As a result of this assessment:

Monlogistics Holding JSC achieved a compliance score of 97.2%, Ranked 2nd among all companies listed on the Mongolian Stock Exchange, Recognized as one of the Top 20 Companies in Corporate Governance Performance for the year 2024.

Correlation Between Corporate Governance Code Compliance Score and Market Valuation (For companies with a market valuation between MNT 10.0 billion and 100.0 billion)



Transparency and Disclosure

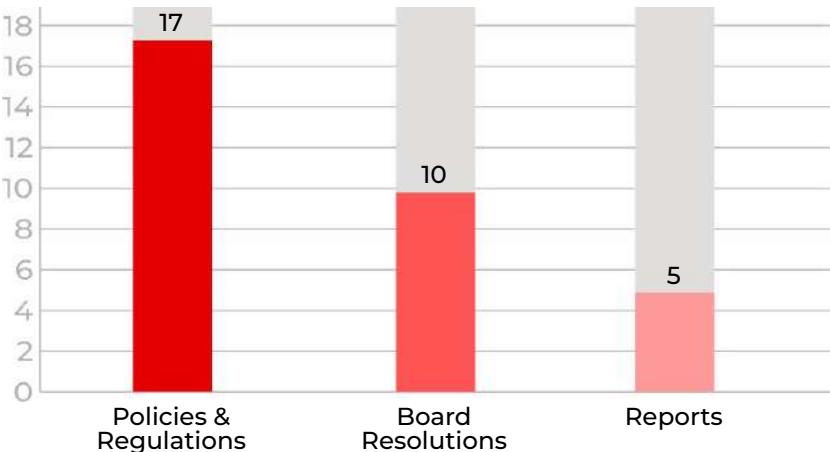
Monlogistics Group is committed to maintaining the highest standards of business ethics and transparency in all its operations. The company ensures that all information relevant to its operations and investment decisions is made accessible, accurate, comprehensive, and timely for shareholders, investors, and the general public.

In alignment with the Mongolian Stock Exchange's "Disclosure Rule for Public Issuers" and the company's own "Transparency and Disclosure Policy," Monlogistics Holding JSC launched a dedicated Investor Relations website in 2024: <https://investor.mlholding.mn>

This platform serves as a single point of access for all essential investor information. Throughout 2024, the following materials were publicly disclosed on both the Investor Relations site and the Mongolian Stock Exchange's official website:

(Please send the list of disclosures if you'd like them translated too!)

Number of Public Disclosures in 2024



DIVIDEND POLICY

Monlogistics Holding JSC adheres to a strategic dividend policy that aligns with its long-term business goals and capital allocation priorities. The policy aims to responsibly distribute dividends to shareholders from net profits, after taxes and necessary capital expenditures, while maintaining an optimal return for investors.

The Board of Directors determines the dividend amount based on financial performance, capital investment requirements, short- and mid-term strategic plans, and market conditions. This is formalized in the company's internal document titled the "Dividend Distribution Policy."


Dividend Distribution for 2023

2023 оны жилийн эцсийн цэвэр ашгаас 3,000,609,870.76 /гурван тэрбум зургаан зуун есөн мянга найман зуун далан төгрөг далан зургаан мөнгө/ төгрөгийг нийт хувьцаа эзэмшигчдэд ногдол ашиг болгон хуваарилсан билээ. Ногдол ашгийг 2024 оны 4 дүгээр сарын 30-ны өдөр "ҮЦТХТ" ХХК-аар дамжуулан олгож, ногдол ашиг хуваарилалтын тайланг Санхүүгийн Зохицуулах Хороонд хүргүүлсэн.

Dividend Distribution for 2024

On February 7, 2025, the Board of Monlogistics Holding JSC approved Resolution No. 25/TUZ/09 to distribute 21.9% of the net profit for 2024, totaling ₮2,137,637,638.00 (two billion, one hundred thirty-seven million, six hundred thirty-seven thousand, six hundred thirty-eight tugriks).

Each shareholder will receive ₮5.40 per share, and dividends will be disbursed via the Central Securities Depository on April 30, 2025. Official announcements were made via the Mongolian Stock Exchange and company channels.




monlogistics
HOLDING

DISTRIBUTE DIVIDENDS

Of total profit	21.9%
Total	2,137,637,638.80₮
Per share	5.40₮
Dividend date	2025.04.30


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✉ www.mlholding.mn

EXECUTIVE MANAGEMENT TEAM




G. Khishigbat
Chief Executive Officer

11 years of experience in finance and investment and 8 years in administration.




A. Odgerel
Chief Logistics Officer

19 years of experience in transport and logistics, 8 years in executive leadership



Z. Shine-Od
Chief Financial Officer

13 years of experience in finance management across trade, manufacturing, and logistics sectors



B. Azjargal
Chief Operating Officer

14 years of experience in international trade, HR, and operational management.



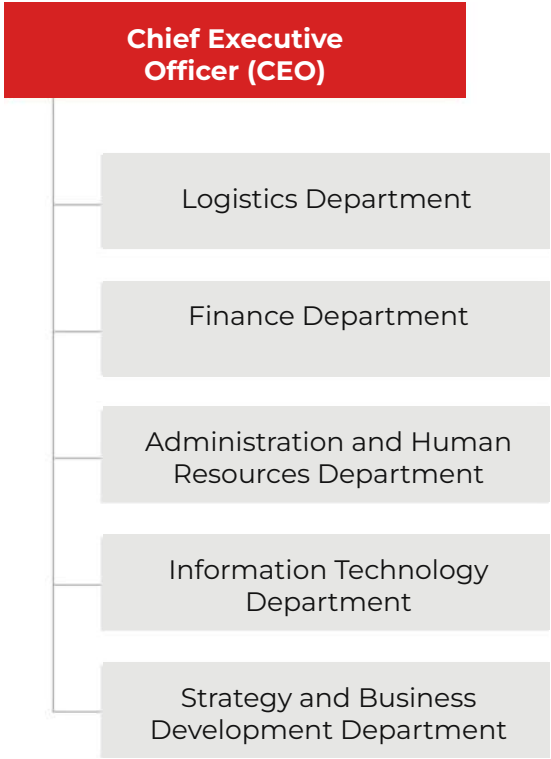
T. Batzaya
Chief Thechnology Officer

18 years of experience in information technology, Experienced in executive leadership in the tech sector



B. Uugankhuu
Chief Strategy Officer

8 years of experience in infrastructure and operations management, 11 years of experience in corporate governance



The CEO oversees the business activities of the parent company. Under the direct supervision of the CEO, there are five departments: Finance, Information Technology, Strategic Business Development, Administration, Human Resources, and Logistics. These departments work in coordination to ensure the smooth operation and success of the company's overall business.

MANAGEMENT OF SUBSIDIARY COMPANIES



I. Tsogbayar

CEO, Monlogistics Worldwide LLC and Monlogistics Express LLC

5 years of experience in the transport and logistics sector



B. Telenged

Executive Director
Monlogistics Transit LLC

31 years of experience in the field of transport and logistics.



A. Odgerel

CEO, Monlogistics Trucking LLC

18 years of experience in the logistics sector, 8 years in executive management



B. Munkhjargal

CEO, Central Asia Road LLC

11 years of experience in the fields of foreign trade, construction, and investment.



N. Erdenebileg

CEO, Kaus Australis LLC

31 years of experience in railway and transport logistics industry.



V.A Tugarinov

CEO, Monlogistics Trans Service LLC

15 years of experience in railway and transport logistics.



Ch. Zolboo

CEO, Monlogistics Cargo LLC

5 years of experience in the transport and logistics sector



Guo Honglian

CEO, Tianjin RT Logistics Co., Ltd.

30 years of experience in railway and maritime transport in China

STAKEHOLDER ENGAGEMENT STRATEGY

As a publicly listed company (Monlogistics Holding JSC, MSE: MLG), we prioritize transparent, accessible, and continuous communication with our shareholders and all market participants. We place special emphasis on building and maintaining long-term, effective relationships with our stakeholders.

To enhance our Investor Relations (IR) function, Monlogistics Holding JSC partnered with professional research and consulting firms SMM Communications and Advisories LLC starting from March 2024. Since then, we have successfully implemented several key initiatives throughout the year.

Key Activities Implemented:

- Developed an investor relations (IR) strategy
- Conducted baseline company research
- Carried out investor sentiment analysis
- Designed IR channels and a calendarized action plan
- Prepared tailored materials for investors
- Created a one-page teaser
- Organized an earnings call
- Held a Telegram-based Q&A session

Investor Relations Objectives Aligned with Growth Strategy:

Monologistics Holding JSC aligned its investor relations strategy with the company's broader growth objectives, defining its goals across short, medium, and long-term horizons as follows:

Short-Term IR Objective: Build market understanding of the company, sector, and business model among capital market participants; improve two-way communication and information flow.

Mid-Term IR Objective: Become a model company in Mongolia that implements international best practices in investor relations.

Translated by **ChatGPT 4o**

Long-Term IR Objective: Evolve into a transparent, ethical, and exemplary company not only in Mongolia but also across the region, recognized for being investor-friendly.





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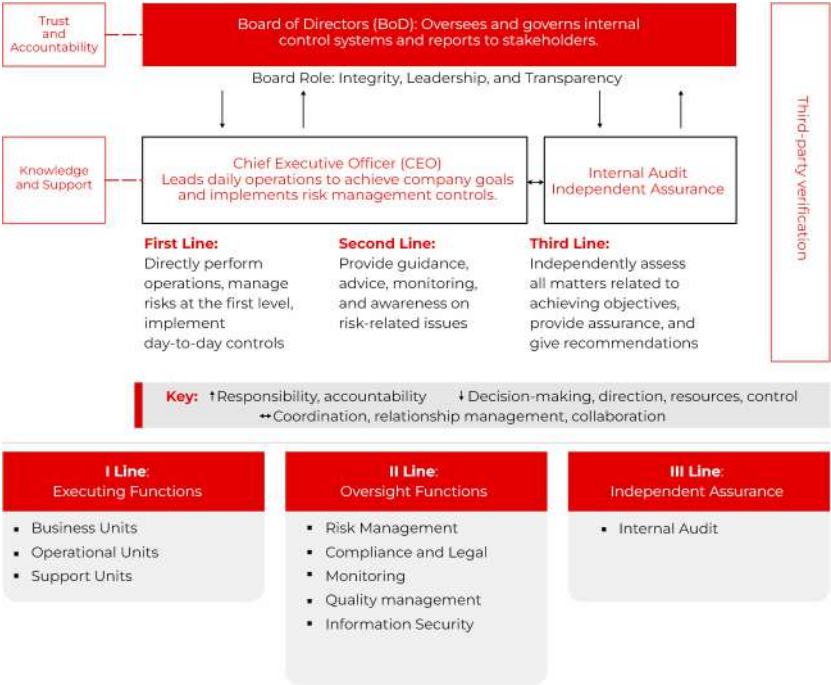
Internal Control System

Annual report 2024

INTERNAL CONTROL SYSTEM

Monlogistics Group has established its internal control system based on the principles of the “Three Lines Model”, implementing controls at every level of operations in accordance with the respective functions, as follows:

Дотоод хяналтын тогтолцооны гурван шугамын загвар



Monlogistics Group continuously monitors the following activities to ensure risk-free and stable business operations. These include:

- Evaluating compliance with corporate governance policies, applicable regulations, and legal frameworks, and providing relevant recommendations;

- Assessing the effectiveness of business plans, their implementation, and identifying internal and external environmental risks, as well as evaluating the effectiveness of the response process and offering improvement suggestions;
- Evaluating the effectiveness of internal control processes and providing support for continuous improvement;
- Conducting internal audits on the implementation of management system standards, offering recommendations, and evaluating the effectiveness of corrective actions based on audit findings.

Risk Management

Across the Group, six subsidiary companies have implemented a Quality Management System compliant with ISO 9001:2015. In relation to this, the “Risk Management Procedure” was revised and approved in November 2025. At the Monlogistics Group level, risks are evaluated at the business, tactical, and operational (ХАБСА) levels. The procedure outlines measures to reduce impact, utilize opportunities, and develop risk mitigation plans tailored to each company’s unique operational specifics.

This revised “Risk Management Procedure” establishes a systematic approach where a dedicated risk team and risk-responsible staff from each company identify, evaluate, and prioritize risks and opportunities, based on unified frameworks and standardized evaluation criteria. Visual risk mapping, structured documentation, and continuous monitoring and reporting methods are incorporated.

In 2024, Monlogistics Group identified a total of 68 external and internal risks using tools such as PESTLE, Porter’s 5 Forces, and the McKinsey 7S Framework. Key risks included sanctions related to geopolitical tensions, logistical disruptions due to transportation route changes, currency fluctuations, and global supply chain constraints.

In 2025, persistent effects from global conflicts, economic downturns, and tighter border controls may continue to influence operations. Internally, inflation, interest rate volatility, and import/export regulation changes pose a heightened risk to stable operations.

Compliance Management

The business operations and internal legal framework of Monlogistics Group are governed by compliance management, which ensures that all activities conform to the applicable legal and regulatory requirements of Mongolia, including national laws and regulations, international treaties and conventions, international standards, national standards, and decisions, rules, and requirements issued by authorized institutions and officials (collectively referred to as “Legal and Regulatory Framework”). Compliance management evaluates whether the company and its employees adhere to all relevant legal and internal regulatory requirements. It oversees and enforces compliance, aligns internal regulations with any changes in laws and policies, enhances existing procedures, identifies potential legal risks, and implements measures to mitigate them. Through this extensive and integrated compliance management system, Monlogistics Group proactively prevents legal, financial, and reputational risks that may arise from violations of legal requirements. Additionally, it promotes and institutionalizes a corporate culture of compliance across the entire Group.

In 2024, under the newly revised Compliance Procedure, Monlogistics Group conducted a regulatory-based compliance assessment across six key legal categories:

- Evaluation of compliance with core legal frameworks related to logistics and transportation operations.
- Labor Legislation Compliance. Assessment of laws governing employment relations and labor rights.
- Information Technology and Cybersecurity Legislation Compliance - Review of relevant regulations on IT systems, data security, and digital risk management.
- Occupational Safety, Health, and Environmental Legislation Compliance – Compliance evaluation of health, safety, and environmental laws and standards.
- Financial, Taxation, and Social Welfare Legislation Compliance – Review of corporate obligations in financial reporting, taxation, and social security.

- Company Law and Securities Issuer Compliance – Assessment of laws applicable to listed companies and securities issuers.

For each of these six categories, Monlogistics Group: Reviewed applicable laws and regulatory acts, Developed tailored assessment checklists, Evaluated compliance based on the new Compliance Procedure, Calculated the risk and likelihood of each identified non-compliance, Initiated corrective actions through a phased implementation plan.

Major and Related-Party Transactions

In 2024, Monlogistics Holding JSC’s Board of Directors adopted a new policy titled the “Procedure for Executing Major and Related-Party Transactions” to safeguard shareholder interests. The purpose of this procedure is to: Prioritize the interests of shareholders, investors, and the company itself Prevent potential conflicts of interest, Identify and regulate transactions considered to be either major in scale or involving related parties, Ensure legal compliance for all transactions, Publicly disclose any related-party transactions as required, As part of its fiduciary responsibility, the Board monitored the legality of all transactions across the company and fulfilled its obligation to disclose related-party transactions transparently. On February 7, 2024, during its regular session, the Board approved resolution No. 24/TUZ/09, authorizing Monlogistics Holding JSC to enter into a management consulting agreement with its subsidiary companies, categorizing it as a related-party transaction.

Nº	Subsidiary Company Entering into Management Service Agreement with Monlogistics Holding JSC	Contract Value
1	Monlogistics Worldwide LLC	₮172,800,000
2	Monlogistics Transit LLC	₮43,000,000
3	Monlogistics Cargo LLC	₮3,000,000
4	Monlogistics Trucking LLC	₮3,000,000
5	Kaus Australis LLC	₮4,000,000

Internal Audit

As part of the annually held “Employee Day” event across Monlogistics Group, a month-long campaign to promote internal audit was launched, during which six types of activities were successfully organized group-wide. In April 2024, the Board’s Internal Auditor, B. Tamjiddorj, translated and co-hosted an officially certified training course from the Institute of Internal Auditors of Mongolia titled “Root Cause Analysis to Enhance Internal Audit Effectiveness.”

By April 2024, the Internal Auditor presented audit reports for the internal audit work conducted at Monlogistics Worldwide LLC and Monlogistics Trucking LLC. In the second quarter of 2024, audit reports were also presented for Monlogistics Transit LLC, Monlogistics Cargo LLC, and Kaus Australis LLC. In addition, year-end meetings were held to present the implementation of the 2024 Internal Audit Plan to the Audit, Ethics and Risk Management Committee (AERM).

Whistleblowing System

With the aim of protecting the rights and well-being of Monlogistics Group and its stakeholders, identifying and stopping illegal or unethical actions or inactions, preventing potential risks, and safeguarding whistleblowers, the company has placed emphasis on refining its whistleblowing system and creating a safe and supportive environment for whistleblowers. In 2024, the “Whistleblower Policy” was revised and officially approved, and a digital whistleblowing platform was launched.

You can visit the whistleblower portal for more information: <https://investor.mlholding.mn/shugel-uuleekh/>

How to Blow the Whistle?

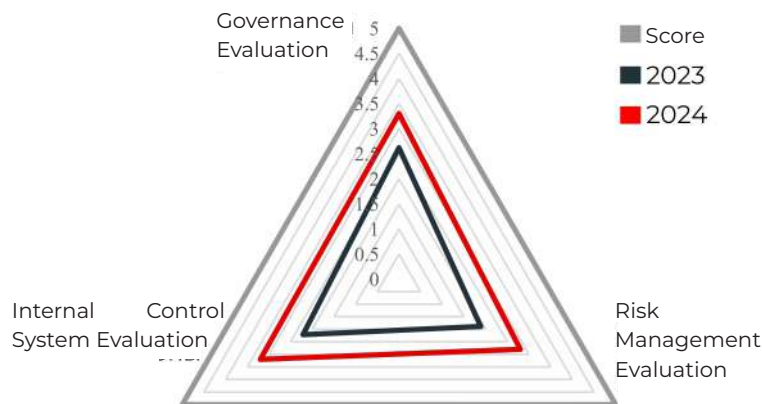
- Submit a report via the whistleblowing section on the company website
- Complete a whistleblowing form and send it via email along with supporting evidence
- Meet in person and submit the completed whistleblowing form directly

Translated by ChatGPT 4o

Internal Control System Evaluation at the Group Level

A company-wide survey based on the CoCo (Criteria of Control) model was conducted among all employees. The consolidated results were presented to the Audit, Ethics and Risk Committee of the Board of Directors, and recommendations were received.

Compared to 2023, the evaluation scores for corporate governance, internal control system, and risk management all showed improvement. This indicates that the Group has effectively organized and implemented its governance, risk, and control functions in a short period of time through a well-functioning internal control system.



External Audit Assurance

Grant Thornton Audit LLC, an independent external auditor, has verified that the consolidated financial position of Monlogistics Holding JSC and its subsidiaries as of December 31, 2024, including its financial performance and cash flows for the year then ended, are presented fairly, in all material respects, in accordance with the International Financial Reporting Standards (IFRS).



6 Financial report

Annual report 2024

CONSOLIDATED INCOME STATEMENT

Income statement indicators (in million MNT)	2022	2023	2024
Sales revenue	136,095	210,361	296,858
Cost of sales	(119,548)	(192,253)	(272,477)
Gross profit	16,547	18,108	24,381
Selling and Administrative expenses	(6,244)	(8,482)	(11,191)
Other income	1,455	(35)	775
Other expenses	(344)	(289)	(1,271)
Net operating profit	11,415	9,302	12,695
Financial income (cost)	(385)	283	(749)
Earnings Before Taxes (EBT)	11,029	9,585	11,946
Income tax expense	(1,642)	(1,222)	(1,600)
Net profit	9,387	8,363	10,346
Shareholders of the parent company	8,065	5,925	7,339
Non-controlling interest	1,322	2,438	3,008
Total comprehensive income			
Other comprehensive income	-	-	(212)
Foreign exchange translation differences	(138)	(62)	(106)
Other comprehensive income for the year	9,249	8,301	10,028
Shareholders of the parent company	7,927	5,863	7,020
Non-controlling interest	1,322	2,438	3,008
Total comprehensive income for the year	9,249	8,301	10,028
Basic Earnings (Loss) Per Share	20.37	14.97	18.54

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Indicators of the financial statement (in million MNT)	2022	2023	2024
Cash and cash equivalents	14,198	22,122	8,709
Accounts receivables	19,504	22,535	40,036
Short term investment	-	2,461	1,811
Inventory count	103	135	8,025
Prepaid expenses/prepayments	5,662	6,050	21,257
Other current assets	258	1,274	2,242
Current assets	39,725	54,577	82,080
Fixed assets	1,449	1,526	5,466
Right-of-use assets	-	952	559
Other non-current assets	923	553	787
Goodwill	-	-	3,463
Non-current Assets	2,372	3,031	10,275
Total assets	42,097	57,609	92,355
Accounts payables	14,591	12,409	22,059
Unearned revenue	1,558	837	8,004
Short term loan	-	17	6,733
Other payables	597	465	457
Short-term liabilities	16,746	13,728	37,253
Long-term liabilities	212	442	6,452
Total liabilities	16,959	14,169	43,705
Shareholders of the parent company	23,138	39,285	42,325
Non-controlling interest	2,001	4,154	6,325
Total equity	25,138	43,439	48,650
Total liabilities and equity	42,097	57,609	92,355

CONSOLIDATED STATEMENT OF CASH TRANSACTIONS

Indicators of the cash flow statement (in million MNT) 2022 2023 2024

CASH FLOW FROM OPERATING ACTIVITIES

Cash inflow	141,813	208,264	286,243
Sales of goods, rendering of services	139,280	205,059	259,445
Royalty	-	-	15
Insurance compensation	181	83	167
Tax return	1	-	926
Grants and subsidies	-	-	-
Other cash income	2,351	3,122	25,690
Cash outflow	132,430	203,784	299,841
Salary payment	3,810	5,414	7,616
Social security payment	1,208	1,358	1,921
Inventories purchased	14	53	38,682
Cash paid for utility	9	134	95
Fuel, petrol, transportation fee, spare parts purchase	111,634	186,877	171,759
Interest payment	241	10	371
Tax payment	3,753	4,263	12,310
Insurance payments	243	338	342
Other cash payments	11,518	5,339	66,745
Net cash flow from operating activities	(9,382)	4,480	13,598

CASH FLOWS FROM INVESTING ACTIVITIES

Cash inflow	221	1,416	9,956
Proceeds from disposal of property, plant and equipment	3	1	215
Proceeds from disposal of intangible assets	-	-	-
Proceeds from disposal of investments	-	416	3,109
Proceeds from disposal of other non current assets	-	-	500
Repayment of loan receivables, reimbursement of prepayments	155	604	4,708
Interest received	64	394	1,233
Dividends received	-	-	-

Cash outflow	1,215	3,806	24,418
Acquisition of property, plant and equipment	134	280	7,862
Acquisition of intangible assets	117	31	130
Acquisition of Investments	-	3,301	7,292
Acquisition of other assets	-	-	46
Loans provided and prepayments	964	195	9,087
Net cash flow from investing activities	(994)	(2,390)	(14,4962)

CASH FLOWS FROM FINANCING ACTIVITIES

Cash inflow	6,918	11,383	44,385
Bank loans and bonds	2,775	6,431	59,527
Issue of share capital	3,308	10,968	-
Donations	-	-	0
Foreign exchange profit	835	22	-
Cash outflow	7,648	11,383	44,385
Repayment of loans and debts	2,621	9,832	39,743
Financial leases	337	584	785
Share repurchase	3,001	-	-
Dividends	853	190	3,823
Foreign exchange loss	853	778	34
Net cash flow from financing activities	(730)	6,037	15,142
Foreign exchange difference	724	(203)	(495)
Net cash flow	(8,383)	7,924	13,413
Balance cash and cash equivalents at the beginning of year	5,816	14,198	22,122
Balance cash and cash equivalents at the end of year	14,198	22,122	8,709

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Indicator of change of ownership report (in million)	Property	Pocket Stock	Add paid up capital	Foreign currency conversion resource	Accumulated profit	Total	Control unauthorized participation	Total
Balance as of December 31, 2022	106	(3,001)	2,234	(139)	23,937	23,138	2,001	25,138
Net profit (loss) for the year	-	-	-	-	5,925	5,925	2,438	8,363
Changes in equity	12	-	-	-	-	12	-	12
Treasury shares	-	(3,001)	-	-	(671)	2,330	-	2,330
Paid-in capital	-	-	7,954	-	-	7,954	-	7,954
Foreign exchange translation reserve	-	-	-	(73)	-	(73)	(85)	(158)
Dividends	-	-	-	-	-	-	(200)	(200)
Balance as of December 31, 2022	119	-	10,188	(212)	29,191	39,285	4,154	43,439
Accounting correction	-	-	-	11	52	63	22	85
Net profit (loss) for the year	-	-	-	-	7,339	7,339	3,008	10,346
Changes in equity	-	-	-	-	329	329	342	670
Treasury shares	-	(1,427)	-	-	-	(1,427)	-	(1,427)
Paid-in capital	-	-	-	-	-	-	-	-
Foreign exchange translation reserve	-	-	-	(106)	(212)	(319)	-	(319)
Dividend	-	-	-	-	(2,945)	(2,945)	(1,200)	(4,145)
Balance as of December 31, 2024	119	(1427)	10,188	(307)	33,753	42,325	6,325	48,650

REPORTING PRINCIPLES

COMPLIANCE WITH REPORTING STANDARDS

This consolidated financial statement has been prepared in accordance with the standards issued by the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS), the laws and regulations of Mongolia, and the consolidated financial statement standards of the Accounting Standards Council of Mongolia.

BASIS OF ACCOUNTING

The consolidated financial statements have been prepared on the accrual basis of accounting and reflect historical cost unless otherwise stated.

FUNCTIONAL AND PRESENTATION CURRENCY

The functional and presentation currency of these consolidated financial statements is Mongolian Tugrik (MNT).

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded using the exchange rate at the date of the transaction, based on the rate set by the MongolBank (Bank of Mongolia). Gains and losses from the translation of foreign currency into MNT during settlement or revaluation are recognized in the income statement. For balance sheet items, the exchange rate as of the reporting date is applied.

FOREIGN OPERATIONS

Foreign currency financial statements of subsidiaries are translated into MNT using the exchange rate at the reporting date for assets and liabilities, and the average exchange rate for the period for income and expenses. Translation differences are recorded in other comprehensive income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and bank deposits with original maturities of three months or less. These are held to meet short-term cash obligations and for ease of liquidity.

FINANCIAL INSTRUMENTS

The Group recognizes financial instruments such as financial assets and liabilities when it becomes a party to the contractual provisions. Receivables and payables, and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Interest-bearing loans and other financial obligations are recorded at the settlement date.

INVENTORIES

Inventories are recorded at the lower of cost and net realizable value. The cost of inventories includes purchase cost, transportation, and other related expenses. If the value of inventories declines due to obsolescence or reduced utility, an impairment loss is recognized.

FIXED ASSETS

Property, plant, and equipment are recognized if it is probable that future economic benefits will flow to the Group and the cost can be measured reliably. Initially measured at acquisition cost, these assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a systematic basis over the asset's useful life.

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially recorded at acquisition cost and subsequently depreciated over their estimated useful lives. If an asset's value drops below its carrying amount due to impairment, a loss is recognized in the financial statements.

NON-CURRENT ASSETS HELD FOR SALE / DISPOSAL GROUP

Non-current assets or disposal groups are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use. These are measured at the lower of carrying amount and fair value less costs to sell.

LEASES

If a lease is classified as a finance lease, or the company is the lessee under a finance lease agreement, the Group recognizes a right-of-use asset and lease liability at the commencement date of the lease. Lease liabilities are initially measured at the present value of lease payments, while the right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs. Lease payments are allocated between finance costs and reduction of the lease liability. The right-of-use asset is depreciated over the lease term or useful life, whichever is shorter.

EMPLOYEE SHORT-TERM BENEFITS

Employee short-term benefits are recognized in the financial period in which the related service is rendered. These include wages, bonuses, vacation leave, temporary disability benefits, and other related benefits such as social insurance contributions.

SHARE CAPITAL, ADDITIONAL PAID-IN CAPITAL

Ordinary shares are classified as share capital. Additional paid-in capital represents the amount received in excess of the par value of the shares issued. Issuance costs directly attributable to new shares or options are deducted from equity.

REVENUE AND EXPENSES

Revenue from ordinary activities is recognized when it is probable that the economic benefits will flow to the Group and the amount of the revenue can be measured reliably, as per IFRS 15. Revenue is measured at the fair value of the consideration received or receivable. Expenses are recognized in the same reporting period as the related revenues or when incurred. Selling and administrative expenses are expensed when incurred.

INCOME TAX

Income tax expense represents current tax and deferred tax. Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognized for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for

DICTIONARY

Monlogistics Group or Group	Monlogistics Holding Co., Ltd. and its subsidiaries together
Parent company	Monlogistics Holding JSC
Subsidiary company	Legal entities specified in Clause 6.3 of Article 6 of the Law on Companies
Adjacent company	Legal entities specified in Clause 6.15 of Article 6 of the Law on Companies
Company combination	Legal entities specified in Clause 6.14 of Article 6 of the Law on Companies
Cumulative method	The total number of voting rights is calculated by multiplying the number of voting common shares you own by the number of members to be elected.
Compliance	Compliance
OPT	Transport management indicators
MSE	Mongolian Stock Exchange
MLG	Monlogistics Group's symbol on the Mongolian Stock Exchange
VWAP	Volume weighted average price /average price/
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Board of Directors	The Board of Directors

LLC	Limited liability company
JSC	Joint stock company
China	People's Republic of China
Russia	Russian Federation
IPO	Initial public offering of shares
ROE	Return on equity
ESG	Abbreviation of 3 words: Environment, Society and Governance
CIT	Corporate Income Tax
ISO	International Organization for Standardization
CNA	Singapore's national news channel
PR	Public Relations
LMS	Logistics management system
APAC	Asia Pacific
EU	Europe
LATAM	Latin America
MEA	Middle East & Africa
NA	North America
UFE	University of Finance and Economics
ESOP	Employee Stock Ownership Plan

DICTIONARY

Adjustment entry Entries for clearing transactions and balances between group entities

Restated Restated financial statements

$$\text{Gross profit margin (\%)} = \frac{\text{Gross profit} * 100}{\text{Sales revenue}}$$

$$\text{Net profit margin (\%)} = \frac{\text{Net profit} * 100}{\text{Sales revenue}}$$

$$\text{ROE} = \frac{\text{Profit for the year}}{\text{Equity}}$$

$$\text{ROA} = \frac{\text{Equity of shareholders of the parent company}}{\text{Total assets}}$$

$$\text{Days sales outstanding} = \left(\frac{360}{\text{Cost of sales}} \times \text{Average inventory} \right) + \left(\frac{360}{\text{Sales revenue}} \times \text{Average receivables} \right)$$

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Short-term liabilities}}$$

$$\text{Quick ratio} = \frac{\text{Current assets} - \text{Inventory}}{\text{Short-term liabilities}}$$

$$\text{Basic earnings per share} = \frac{\text{Profit of shareholders of the parent company}}{\text{Number of shares}}$$



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