

Semi-Annual and Quarterly Performance Report (Form 2)

Pursuant to Article 20 of the Law on Securities Market, the general obligations of securities issuers are codified, whereby the issuer is required to submit its annual activity report to the Financial Regulatory Commission and the securities trading organization in the format prescribed below, and to disclose the information to the public via its official website.

Reporting Period:

From January 1, 2025 to June 30, 2025

Name of Securities Issuer, State Registration Certificate Number, Security Code, Contact Number:

“MGL Aqua” JSC, 000274041, MSE: MGLA, 77045555

Name of Registered Securities Trading Organization:

Mongolian Stock Exchange JSC

Business Sector:

Food Production, Liquid Food Production

Total Number of Issued Shares:

327,555,616 (Three hundred twenty-seven million five hundred fifty-five thousand six hundred sixteen) shares

Name of Specialist Who Prepared the Semi-Annual and Quarterly Report and the Officer Who Reviewed It:

Prepared by: G. Namkhaidorj (Board Secretary)

Reviewed by: S. Altantuya (Chief Executive Officer)

1. Semi-Annual and Quarterly Financial Statements

(Complete the summary indicators and attach the full financial statements.)

- **Statement of Financial Position** – Attached
- **Income Statement** – Attached
- **Statement of Changes in Equity** – Attached
- **Cash Flow Statement** – Attached

2. Conclusion of the Audit Committee under the Board of Directors

regarding Discussion and Approval of the Semi-Annual and Quarterly Financial Statements:

As the audit is scheduled to be conducted for the full year according to the 2025 work plan, the audit opinion will be attached to the annual report.

3. Management Report and Assessment of External and Internal Factors

Affecting the Financial Activities of the Issuer During the Reporting Period,
Including Analysis of Financial Statements, Income, Expenses, and Profit Indicators:

3.1 Operational Results (Financial Ratios):

Profitability Indicators

- Return on Assets (ROA): 1%
- Return on Equity (ROE): 1%

Capital Structure Ratios

- Equity to Total Assets: 90%
- Liabilities to Total Assets: 19%

Liquidity Ratios

- Current Ratio: 2.9
- Quick Ratio: 2.3
- Cash Ratio: 1.85

3.2 Impacts of External and Internal Environments on the Issuer's Activities, Changes in the Type or Form of Products and Services, and the Measures Taken by the Company in Response:

During the first half of 2025, the company successfully implemented three marketing and customer engagement programs.

As May and June are peak sales months under the company's plan, it ensured inventory stocking and space availability at client warehouses.

As a result, lost sales were reduced and revenue increased by 10% compared to the same period of the previous year.

3.3 Detailed Information on Off-Balance Sheet Transactions and the Company's Accounting Policy:

There are no off-balance sheet transactions.

4. Information on Related Party Transactions and Major Transactions

Conducted by the Issuer During the Reporting Period, Including the Purpose, Material Significance, and Information Regarding the Related Parties Involved:

On March 19, 2025, the Board of Directors approved a related party transaction under Resolution No. T/39.

Under this resolution, MGL Aqua JSC approved the contract between its subsidiary TML Aqua LLC and Newgore LLC

for the construction of a water purification plant in Umnugobi Province.

5. Report on the Implementation of the Project and Use of Funds

Raised Through Public Offering of Shares, If Any:

On May 31, 2024, MGL Aqua JSC received MNT 15,234,676,684 into its bank account from the IPO. Of this amount, MNT 4,116,812,809 was allocated to the purchase of raw materials, which was fully funded in 2024.

On October 17, 2024, MNT 4,500,000,000 was spent on acquiring a large-format product packaging line,
and MNT 550,000,000 was spent on acquiring a transformer.
As of May 29, 2025, a total of MNT 6,067,863,875 from IPO proceeds and MNT 70,138,125 from the company's own income
has been spent on the local plant project.

Semi-Annual and Quarterly Activity Report (Form 2)		
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Name of Registered Securities Trading Organization:		Mongolian Stock Exchange JSC
Business Sector:		Food Production, Liquid Food Production
Total Number of Issued Shares:		327,555,616 (Three hundred twenty-seven million five hundred fifty-five thousand six hundred sixteen) shares
Name of Specialist Who Prepared the Semi-Annual and Quarterly Report and the Officer Who Reviewed It:		Prepared by: G. Namkhaidorj (Board Secretary) Reviewed by: S. Altantuya (Chief Executive Officer)
1.	Semi-Annual and Quarterly Financial Statements (Complete the summary indicators and attach the full financial statements.)	
	Statement of Financial Position	<u>Attached.</u>
	Income Statement	<u>Attached.</u>
	Statement of Changes in Equity	<u>Attached.</u>
	Cash Flow Statement	<u>Attached.</u>
2.	Conclusion of the Audit Committee under the Board of Directors on the Review and Approval of the Semi-Annual and Quarterly Financial Statements	

	As the audit is scheduled to be conducted for the full year according to the 2025 work plan, the audit opinion will be attached to the annual report.	
3.	Management Report and Assessment of External and Internal Factors Affecting the Issuer's Financial Activities During the Reporting Period, Including Financial Statement Analysis, Income, Expenditure, and Profit Indicators	
3.1	Operational Results (Financial Ratio Indicators)	Financial Indicators Profitability
3.2	Liquidity and Indicators of Financial Resources and Capacity	<ul style="list-style-type: none"> • Return on Assets (ROA): 1% • Return on Equity (ROE): 1% Capital Structure Ratios <ul style="list-style-type: none"> • Equity to Total Assets: 90% • Liabilities to Total Assets: 19% Liquidity Ratios <ul style="list-style-type: none"> • Current Ratio: 2.9 • Quick Ratio: 2.3 • Cash Ratio: 1.85
3.3	Impacts of External and Internal Environments on the Issuer's Activities, Changes in the Type or Form of Products and Services, and the Measures Taken by the Company in Response:	<p>During the first half of 2025, the company successfully implemented three marketing and customer engagement programs. As May and June are peak sales months under the company's plan, it ensured inventory stocking and space availability at client warehouses.</p> <p>As a result, lost sales were reduced and revenue increased by 10% compared to the same period of the previous year.</p>
3.4	Detailed Information on Off-Balance Sheet Transactions and the Company's Accounting Policy:	There are no off-balance sheet transactions.
4.	Information on Related Party Transactions and Major Transactions Conducted by the Issuer During the Reporting Period, Including the Purpose and Significance of Such Transactions and Details of the Related Parties Involved (This section shall include information on all related party transactions that occurred during the reporting period.)	
	Conducted by the Issuer During the Reporting Period, Including the Purpose, Material Significance, and Information Regarding the Related Parties Involved:	

	<p>On March 19, 2025, the Board of Directors approved a related party transaction under Resolution No. T/39.</p> <p>Under this resolution, MGL Aqua JSC approved the contract between its subsidiary TML Aqua LLC and Newgore LLC for the construction of a water purification plant in Umnugobi Province.</p>
5.	<p>If the Issuer Has Issued Shares to the Public for the Purpose of Project Implementation, a Report and Information on the Project's Progress After Commencement and the Utilization of the Raised Funds</p>
	<p>Raised Through Public Offering of Shares, If Any:</p> <p>On May 31, 2024, MGL Aqua JSC received MNT 15,234,676,684 into its bank account from the IPO.</p> <p>Of this amount, MNT 4,116,812,809 was allocated to the purchase of raw materials, which was fully funded in 2024.</p> <p>On October 17, 2024, MNT 4,500,000,000 was spent on acquiring a large-format product packaging line, and MNT 550,000,000 was spent on acquiring a transformer.</p> <p>As of May 29, 2025, a total of MNT 6,067,863,875 from IPO proceeds and MNT 70,138,125 from the company's own income has been spent on the local plant project.</p>



MGL AQUA JSC

2025 SEMI-ANNUAL REPORT

About Us

1

About MGL Aqua JSC

2

Overview of Operations of “MGL Aqua” JSC

3

Key Financial Highlights

4

Environmental, Social, and Governance (ESG) Performance

ONE. ABOUT "MGLAQUA" JSC

About Us

Vision

To contribute to Mongolia's development by harnessing globally advanced technologies and international food production standards to responsibly extract nature's purest resources - blue gold, guided by sustainable



Mission

To promote and operate a business that preserves and protects ecological balance and is accountable to local communities.

Core Values

- High-Quality Products
- Skilled Workforce
- Sustainable Partners
- Loyal Customers



TWO. OVERVIEW OF OPERATIONS

BOARD COMMITTEE ACTIVITIES

The following Board Committees of the Company are operating with the composition shown for the year 2025:

AUDIT & RISK COMMITTEE



ANKHBAYAR CH.
Chair of the Audit &
Risk Committee



G. MUNKH-ERDENE
Member of the Audit &
Risk Committee



O. SANSAR
Member of the Audit &
Risk Committee

NOMINATION, REMUNERATION AND COMPENSATION COMMITTEE



S. SANASER
Chair of Nomination and
Remuneration Committee



CH. ANKHBAYAR
Member of Nomination and
Remuneration Committee



O. SANSAR
Member of Nomination and
Remuneration Committee

STRATEGIC BUSINESS DEVELOPMENT COMMITTEE



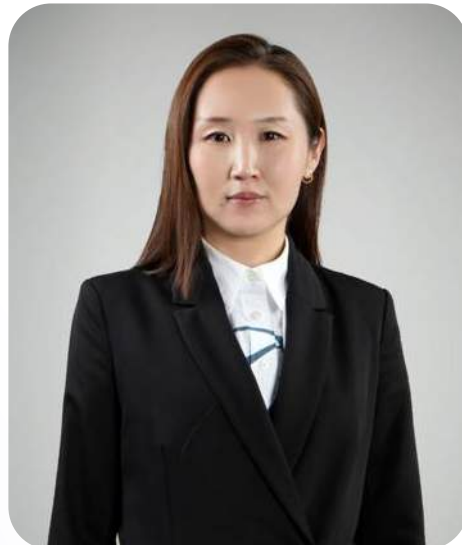
M. DULGUUN
Chair of the Investor
Relations Committee



KH. TEGSHEE
Member of Investor Relations
Committee



S. SANASER
Member of Investor Relations
Committee



S. ALTANTUYA
Member of Investor Relations
Committee



D. BAASANDORJ
Member of Investor Relations
Committee

INVESTOR RELATIONS COMMITTEE



G. MUNKH-ERDENE
Chair of investor
relation committee



D. BAASANDORJ
Member of investor
relation committee

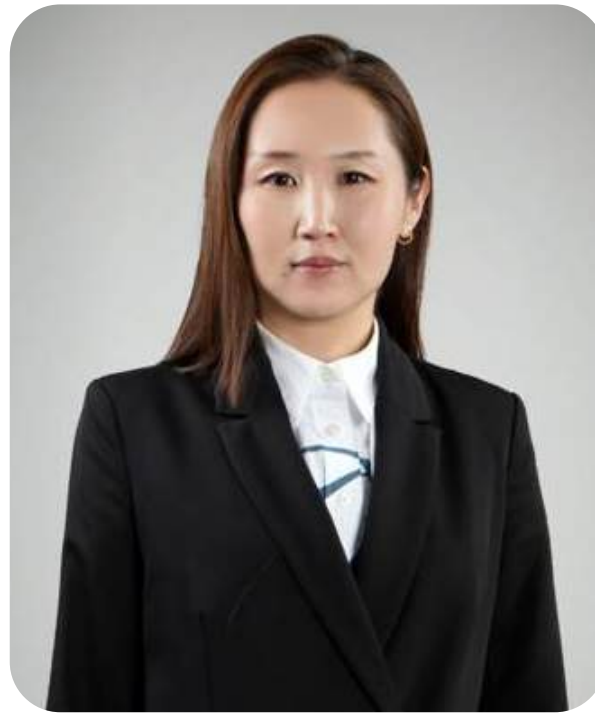


M. DULGUUN
Member of investor
relation committee

Board of Directors' Semi-Annual Report for 2025

- In the first half of 2025, the Nomination and Remuneration Committee convened twice and presented its proposals on executive nomination and CEO appointment to the BoD.
- The Audit and Risk Committee convened twice during the reporting period and submitted its independent assessment regarding the company's 2024 audit firm and audit scope to the BoD.
- The BoD's Investor Relations Committee convened once during the reporting period and resolved shareholder requests submitted for review.
- The Strategic Business Development Committee convened twice during the reporting period and presented the company's 2025 business plan and the committee's activity procedures to the BoD.
- During the reporting period, the company actively updated its website's "Investor Relations" section to regularly disclose the BoD's reports and information to stakeholders.
- On April 23, 2025, the company successfully organized its Annual General Meeting of Shareholders online via the platform "Agm.mn" in collaboration with BDSEC JSC.
- Since completing its IPO in 2024, the company has, for the first time, publicly disclosed its ESG and Corporate Governance reports through its website and the Mongolian Stock Exchange platform.
- "MGL Aqua" JSC declared and approved a dividend of MNT 7.31 (before tax) per share based on the financial performance of 2024, and successfully transferred the payments to shareholders' Central Securities Depository accounts on June 5, 2025.

Executive Management Team



S. ALTANTUYA
Chief Executive Officer



B. BAT-ORGIL
Deputy Chief Executive Officer



B.ARIUNJARGAL
Internal Auditor, of Environmental,
Social and Governance



B.DASHZEVEG
Head of Distribution Department



CH.TUVSHIN
Head of Marketing Department



D. BAT-IREEDUI
Chief Accountant



N. MAGSARJAV
Head of Production Department



A. NAMUUNAA
Administration and Human
Resources Specialist



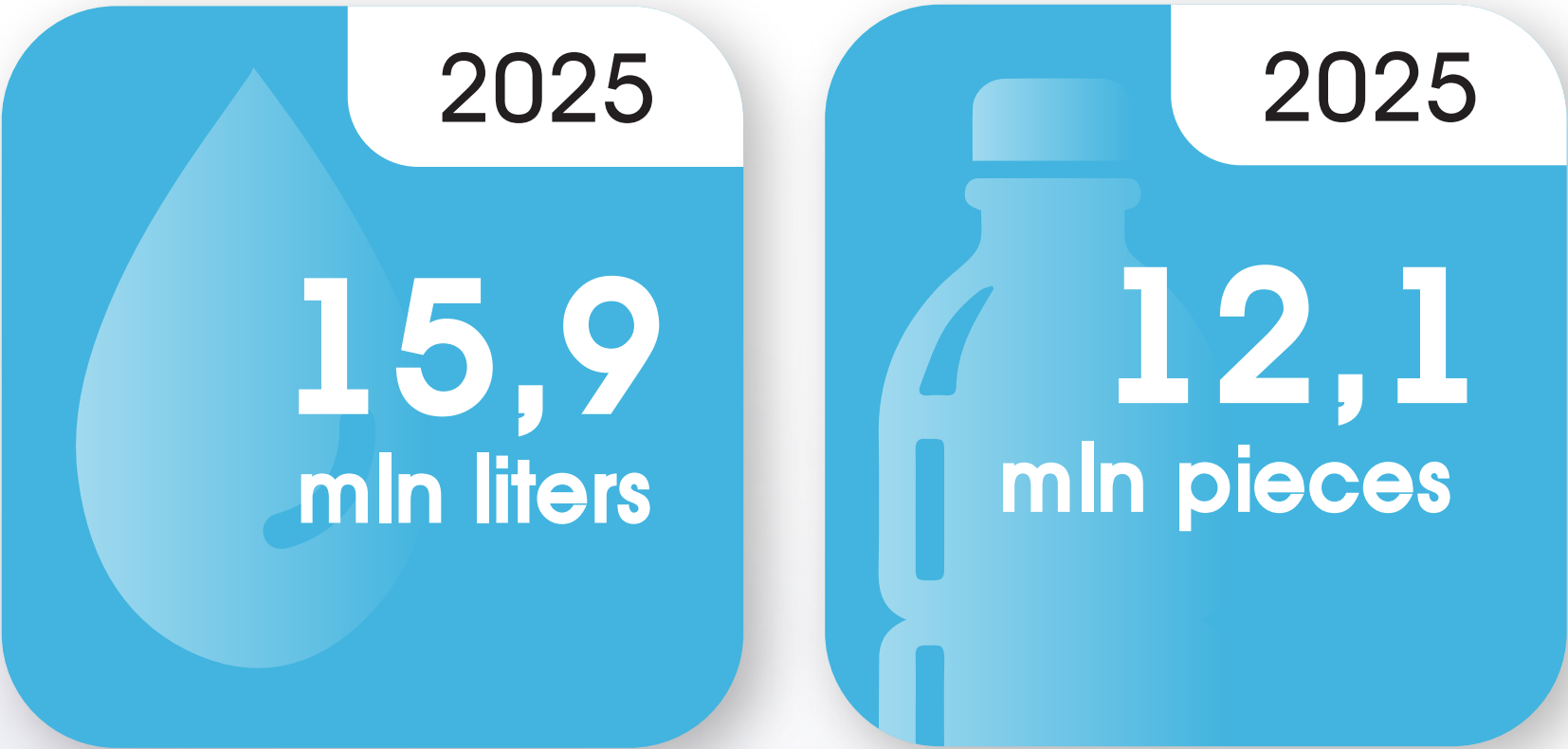
G. GAN-ERDENE
Senior Sales Manager



N.BYAMBATSETSEG
Quality Manager

Product Manufacturing

In the First Half of 2025



bottled water produced



Production Capacity (per day)



Production Equipment Upgrade

20 tones

double-stage reverse
osmosis filtration system
was installed.

The filtered water
output doubled

Daily
480 tones

New Compressor



The system's air compression capacity was expanded.
In addition to the existing 25 MPa compressor, a new 35 MPa high-capacity compressor was installed.
The combined system now operates at a total pressure of 60 MPa.

25MPa
+ 35MPa **60MPa**

Product

Immediate consumption



200ml

200 ml – "Pocket Water" designed for quick hydration; ideal for pharmacies, emergency supply, and children.



330ml

330 ml – Tailored for mining, office use, educational institutions, and HoReCa channels



500ml

500 ml – Versatile packaging suitable for all age groups and general retail; positioned for convenient refreshment.



800ml

800 ml – Specifically designed for consumption during sports and physical activities.



330ml

330 ml (pH) – Alkaline water intended for mining, office, and HoReCa channels



500ml

500 ml (pH) – Natural spring water filtered to a pH of 8.5; ideal for health-conscious consumers.



1.5L

1.5 L – Optimized for households in rural and mining areas, offering moderate capacity.



4.5L

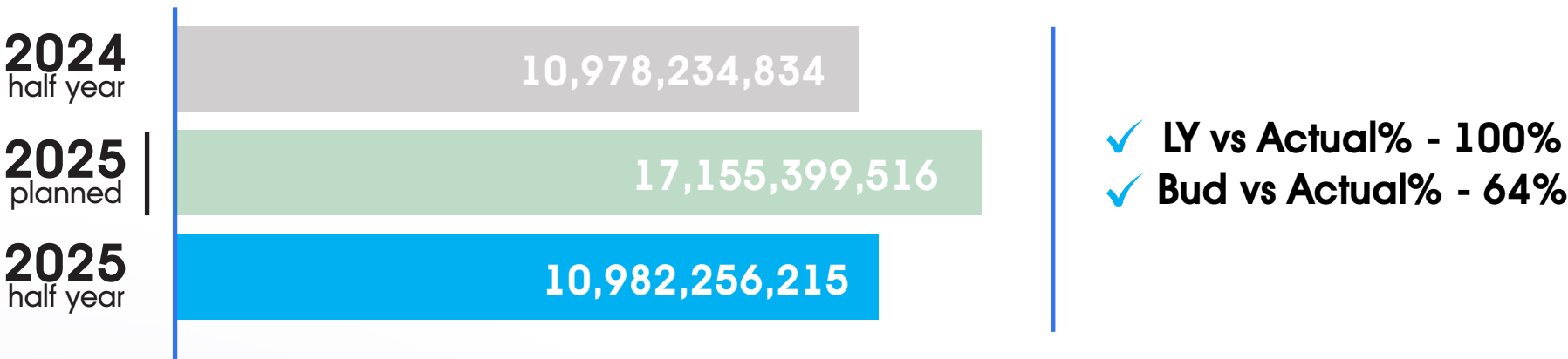
4.5 L – Family-size packaging for household use, suitable for refilling and reusability; designed with a handle for ease of transport.

Future consumption

Sales performance indicators

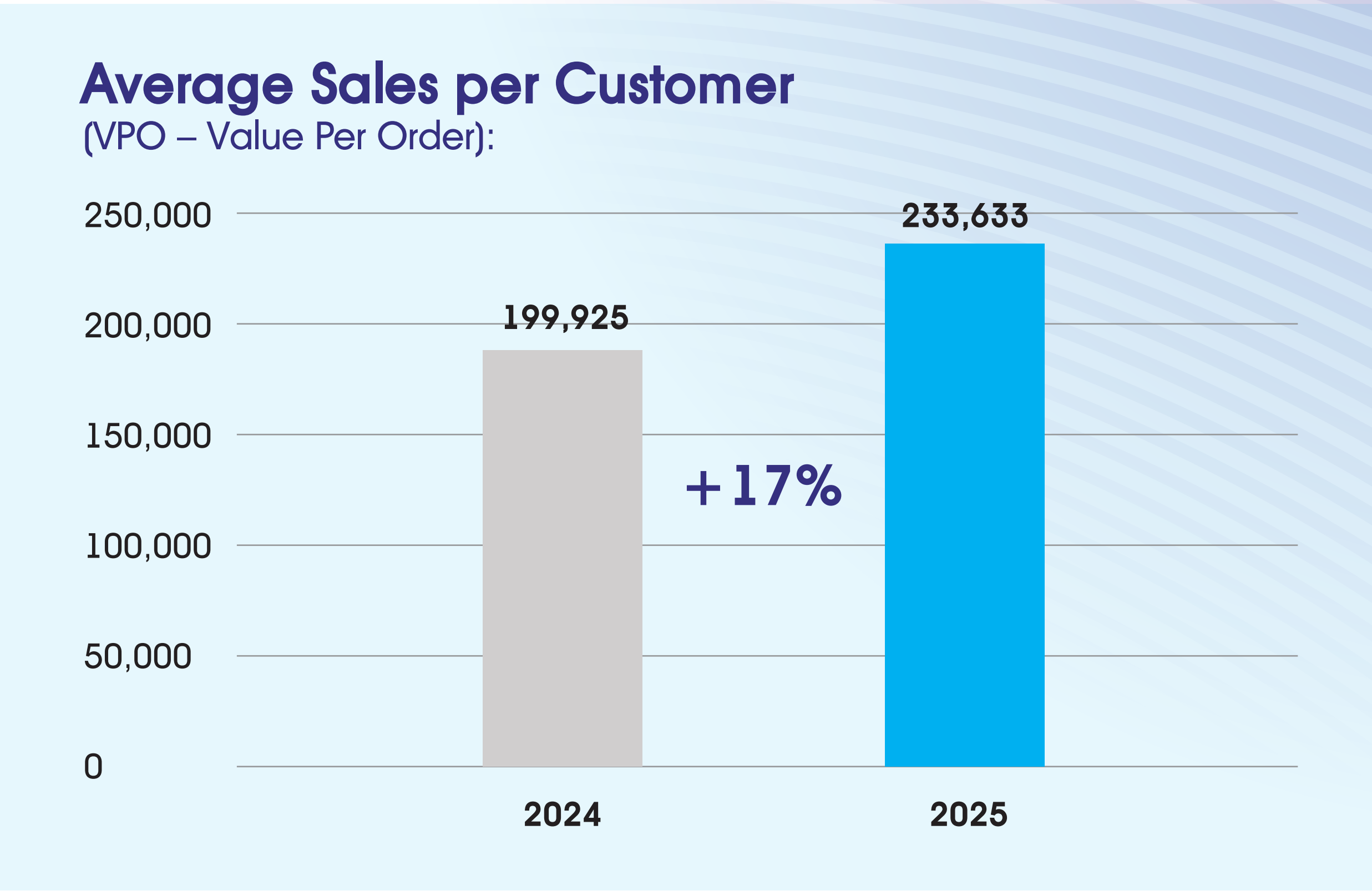
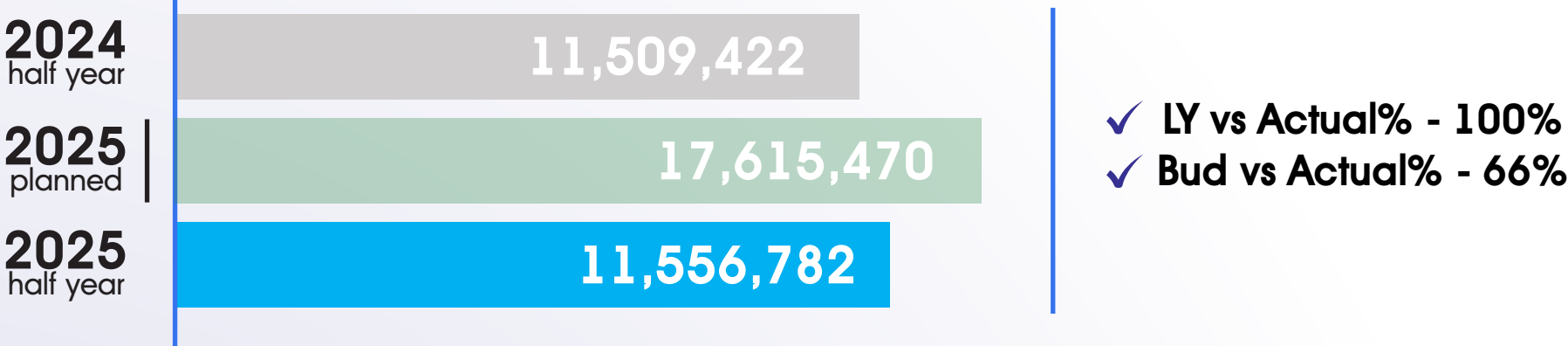
Sales Volume – Monetary

(MNT, in billions)



Sales amount

mln pieces



Distribution Department

Эхний хагас жилийн үзүүлэлт



89
workers



26_{pcs}
distribution cars



52,313_{km}



55,541
Products Distributed to Customers (Cumulative Count, Including Duplicates)



15,887_{tones}

Distribution Department

Fleet Upgrade

As part of our collaboration with MSM Group, our official distributor, we continue to improve operations by upgrading our fleet every two years.

On March 20, 2025, we upgraded our fleet with 11 Mitsubishi Fuso trucks, each with a 4.8-ton capacity, known for their load-handling efficiency and operational safety.

An investment of ₺1,692,027,207 was made.



Regional Sales

In 2024, a total of

3709

customers were served under 157 contracts

In the first half of 2025, an additional 165 contracts were signed (including 8 new ones), increasing the total number of customers to

4119

This reflects an

↑ **+11%**

increase



Darkhan Branch

Opened on June 3



8

Workers



2

Distribution
cars



160M2

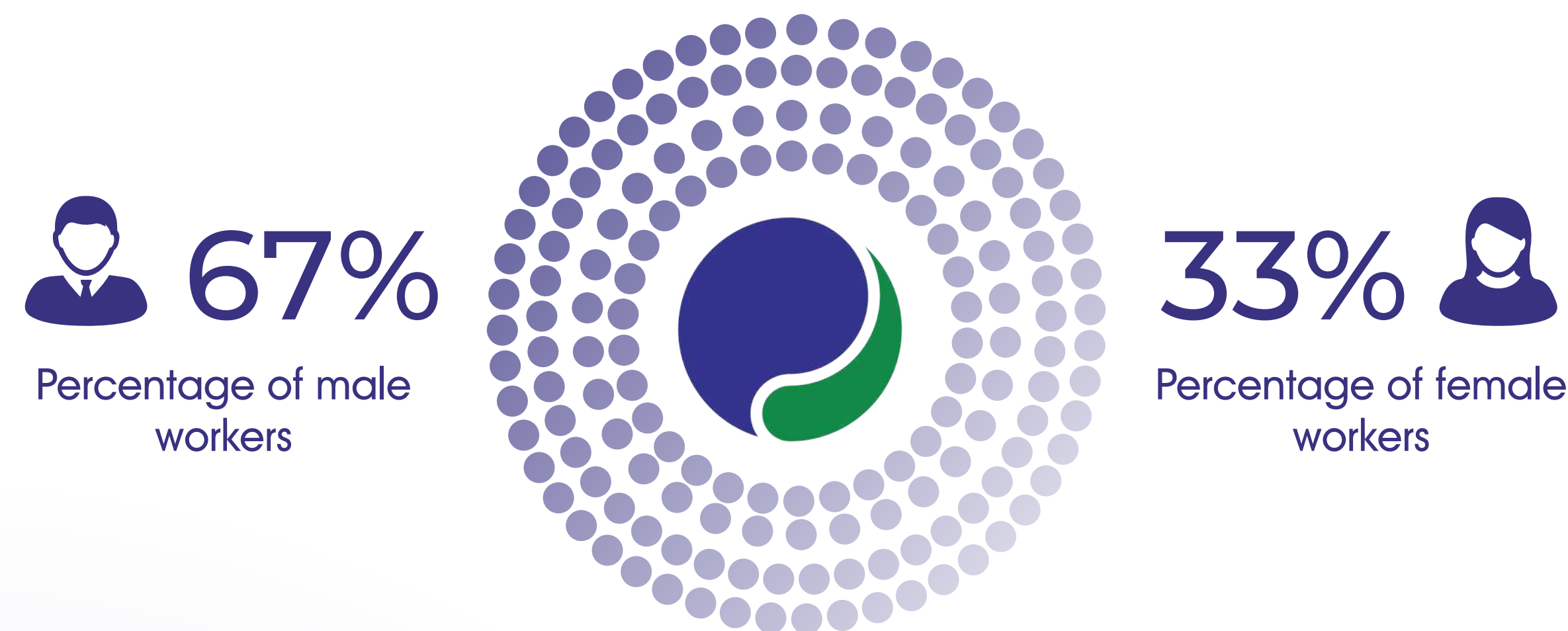
Warehouse



410

Clients

Job Creation



226 TOTAL NUMBER OF EMPLOYEES

- | | | | |
|-------------------|---------------------|---------------------|-------------------------------|
| 1 ХАБЭА | 3 Marketing | 7 ОН борлуулалт | 11 Ашиглалт үйлчилгээ хангамж |
| 38 Sales | 24 Administratives | 80 Distribution | 46 Factory |
| 3 Quality,control | 10 Тусгай хэрэгцээт | 3 Тэтгэвэрийн насны | |



Succession Planning, Training & Development

16

Total trainings

11

Professional
trainings

5

Internal trainings

Professional training

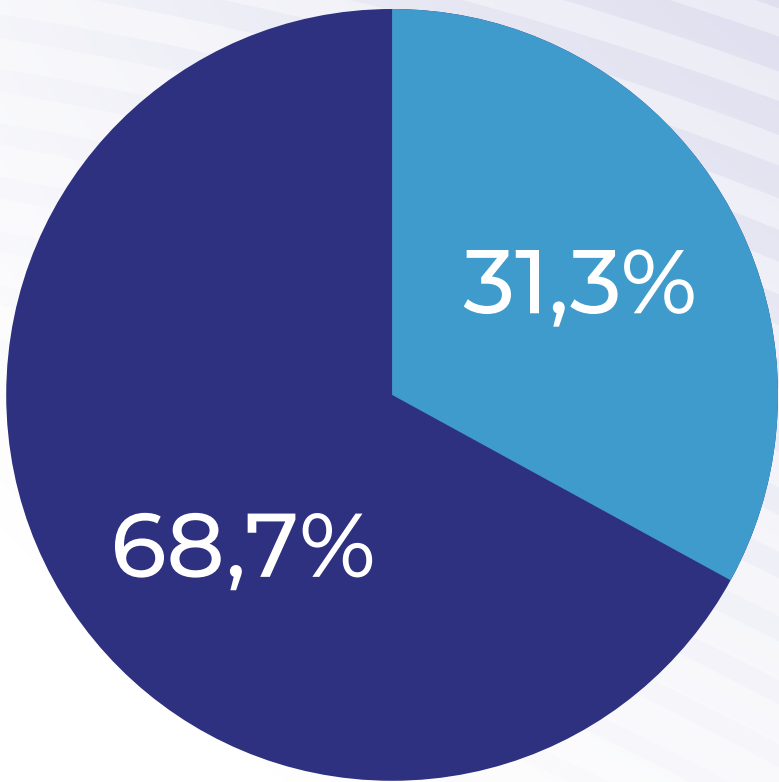
Захирлуудын хөтөлбөр
CEO COLLEGE

1012
Hour

Internal training

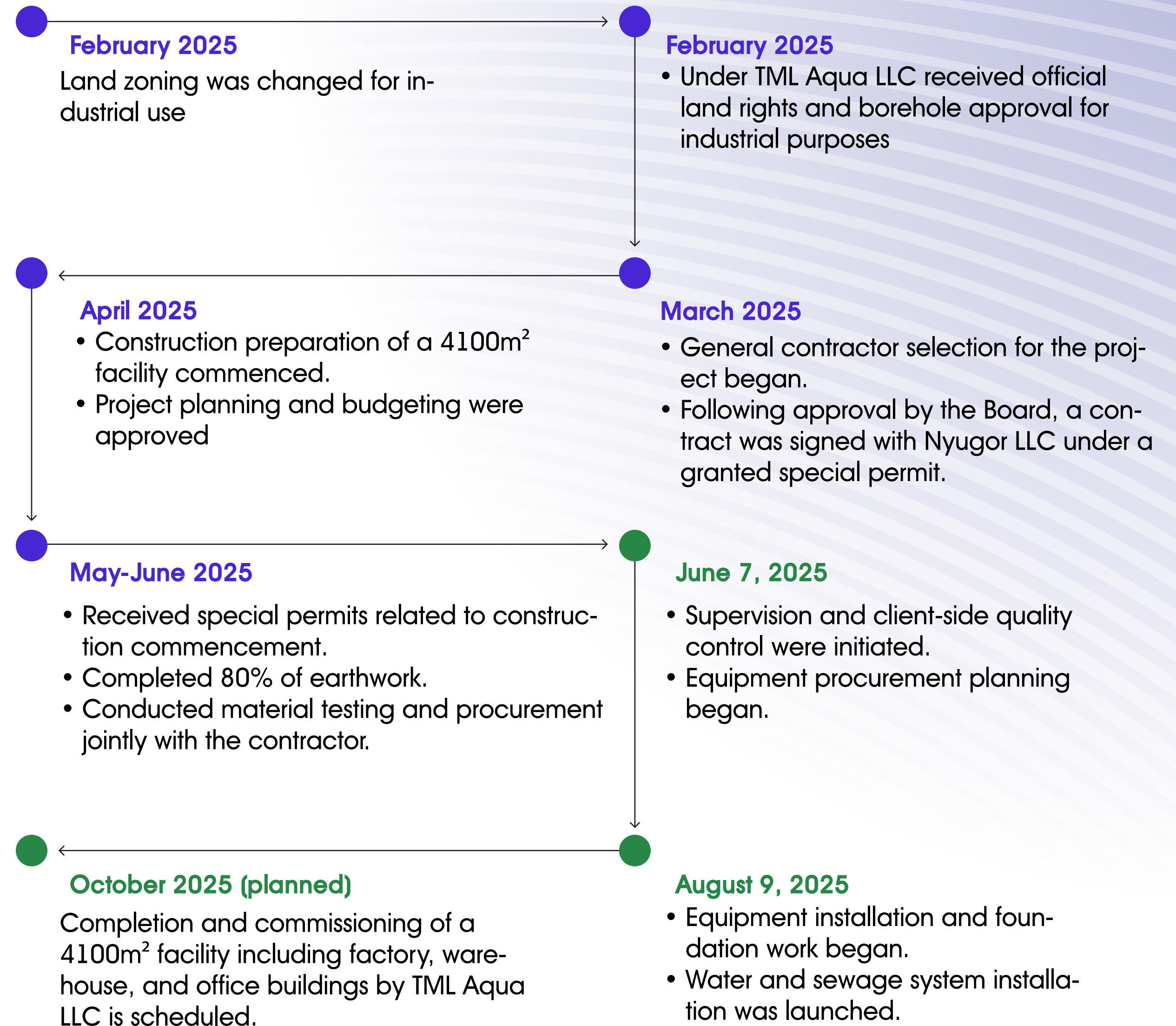
- Conducted 125 hours of internal training, including:
- Performance evaluation training
- Safety training for delivery staff
- Safety training for factory staff
- Orientation for new employees
- Regulatory and procedural training

125
Hour



- Professional training
- Internal training

Khanbogd Project



Brand Marketing

Campaign: “**Love Yourself with Balance**” Through the Voyage brand, the campaign successfully spread awareness about mental health and well-being. By featuring respected specialists from various sectors and professional fields, the campaign's message and impact were significantly strengthened.



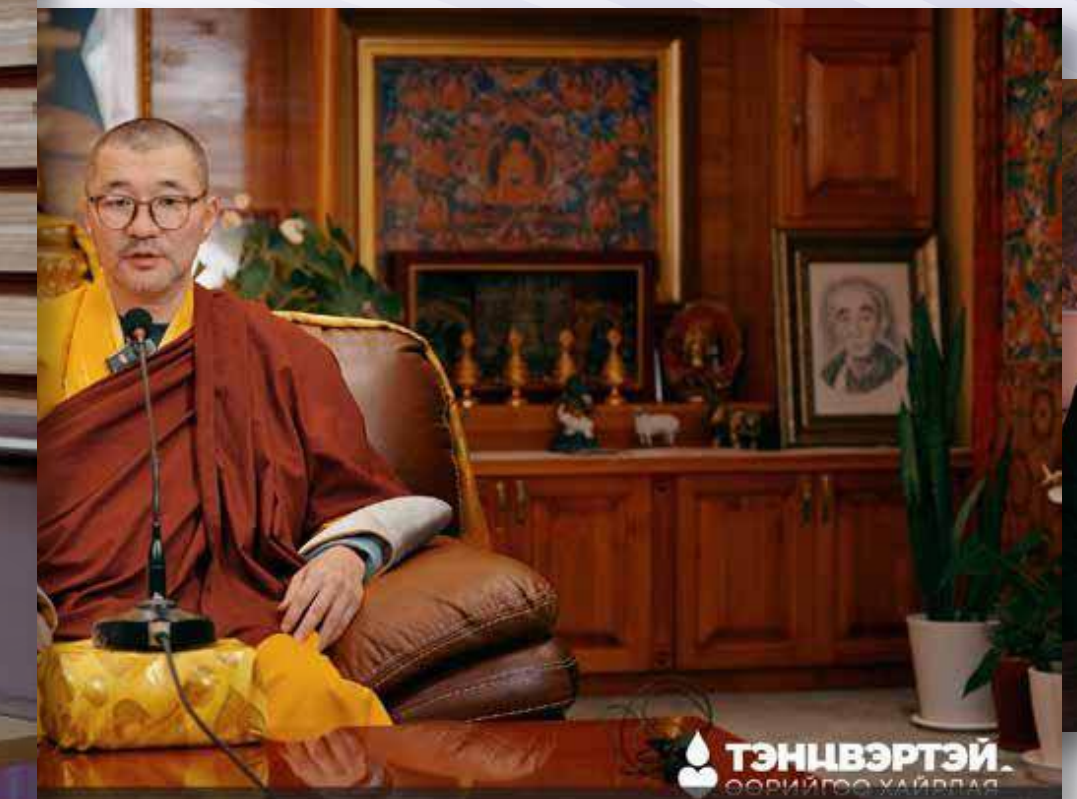
Б. Жаргаа - Көүч, багш
Тэнцвэртэй сэтгэлзүй



Ж. Баатарболд - Тэнцвэртэй дасгал, хөдөлгөөн



Т. Цэрэнтогтох /PhD/ - Хоол боловсруулах эрхтэн
судлалын эмч/



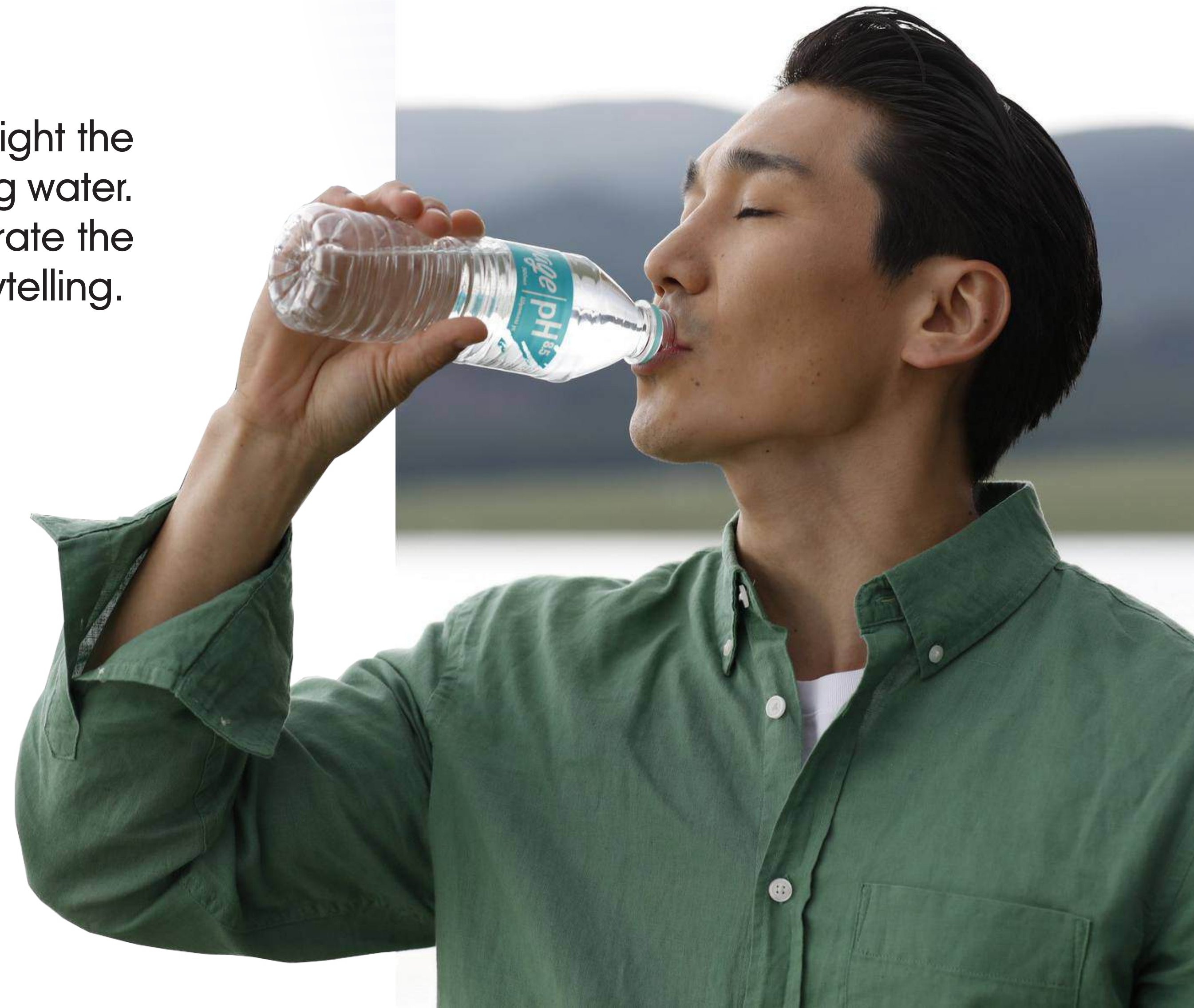
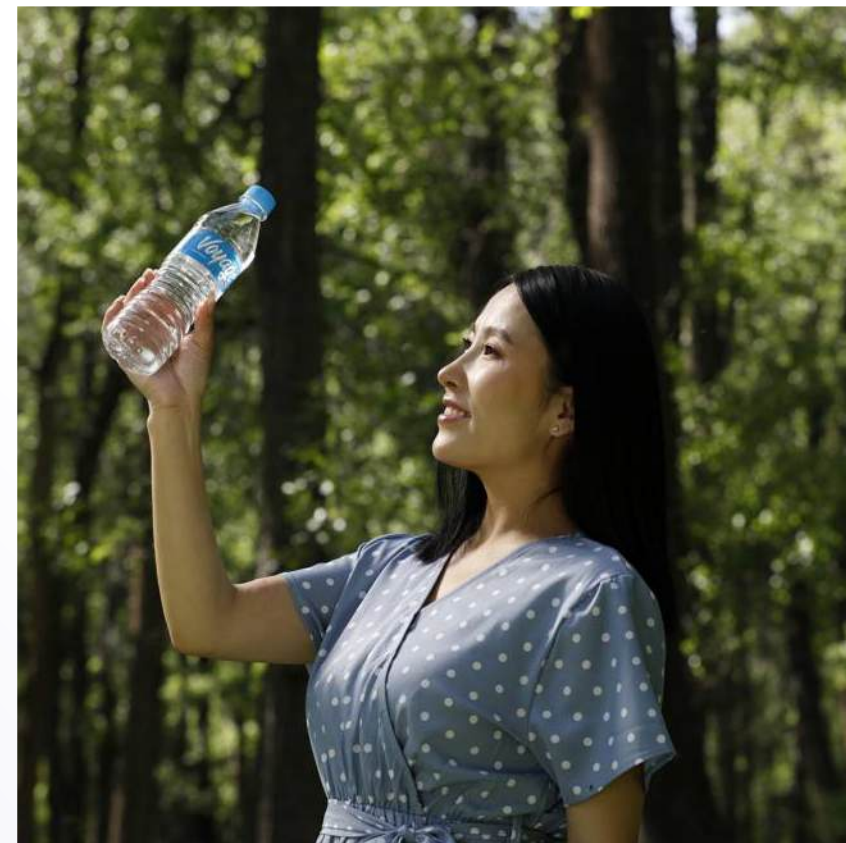
Д. Нямсамбуу – Гавж, Сэтгэлийн амар амгалан



1,151,098
Total outreach

Brand Storytelling

The Voyage brand created a video campaign to highlight the natural purity and sacred origin of the Bumbat hot spring water. The goal was to reinforce consumer trust and demonstrate the intrinsic value of deep-spring water through brand storytelling.



Customer Loyalty Program (Loyal Consumers)

Loyal Consumer Engagement Program Loyal Consumer Reward Program
"Drink & Win" To reward our loyal consumers under the Voyage brand and promote increased consumption of clean water, we implemented the "Drink & Win" incentive program.

**DRINK
&
WIN**
УРАМШУУЛАЛТ ХӨТӨЛБӨР

1,107,298
Total outreach



Program Duration:
June 1, 2025 – July 10, 2025



Client Collaboration

"Voyage Surprise" Campaign Launched to reward loyal customers of the Voyage brand and to promote the consumption of drinking water.

63,634

Хэрэглэгч оролцсон

↑

+313.5%

256,744 Total outreach

Program Duration: 2025.05.01-2025.06.30



Quality Control

External Quality Control	Chemistry	Microbiology	Physical
	6 Tests /50 parameters/	6 Tests /3 parameters/	40 Tests /18 parameters/
	11 Tests /45 parameters/	11 Tests /3 parameters/	
	5 Tests /60 parameters/	5 Tests /3 parameters/	45 Tests /25 parameters/
	3 Tests /55 parameters/	3 Tests /3 parameters/	
Хөндлөнгийн итгэмжлэгдсэн лаборатори			

Internal Quality Control	Chemistry	Microbiology	Physical
MNS 5007:2022	815 Tests /15 parameters/	115 Tests /5 parameters/	
MNS900:2018	585 Tests /13 parameters/	95 Tests /5 parameters/	
6648:2016		145 Tests /3 parameters/	312 Tests /6 parameters/
Дотоод хяналтын лаборатори			

Our packaged water production and distribution meet international standards as verified by both externally accredited and in-house quality control laboratories.

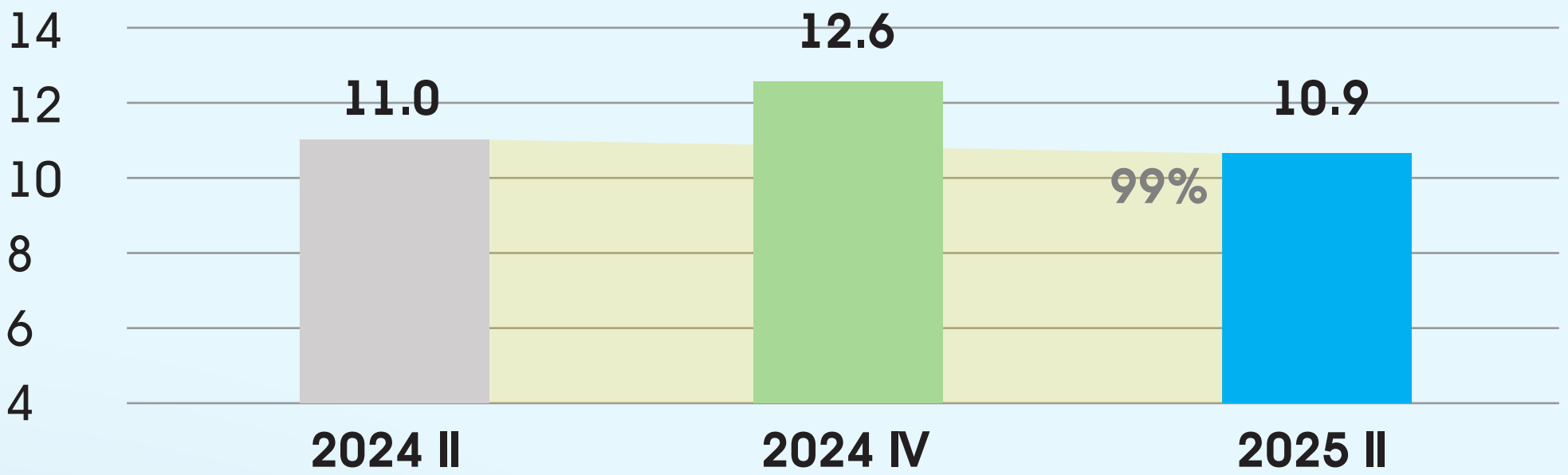


THREE. FINANCIAL INDICATORS

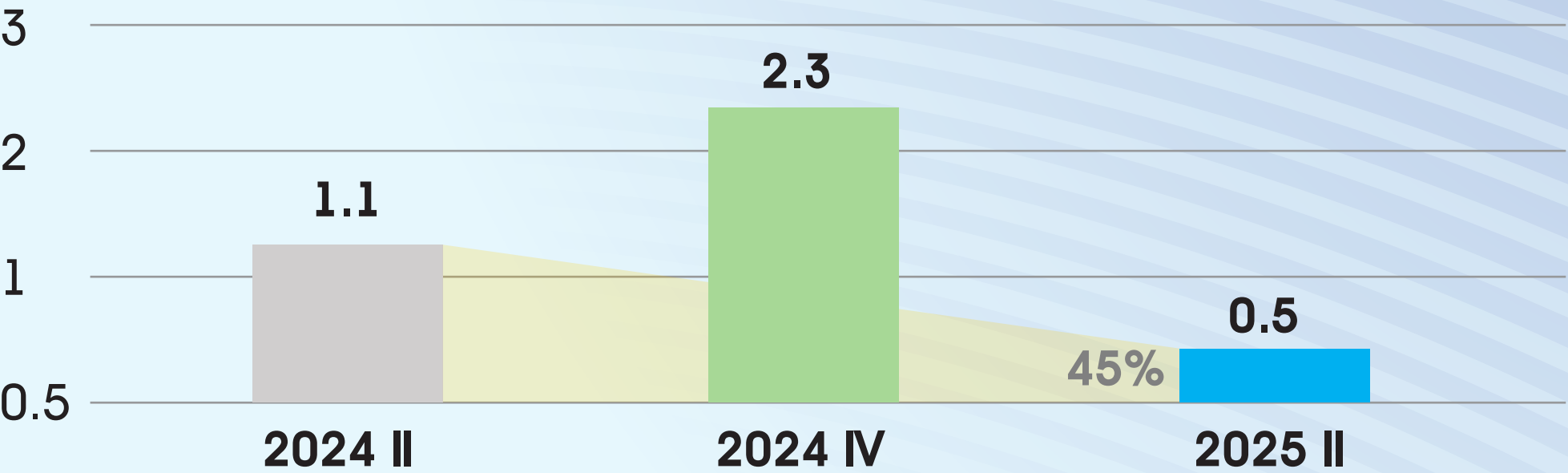
Financial Indicators /Хагас жил/

Sales revenue

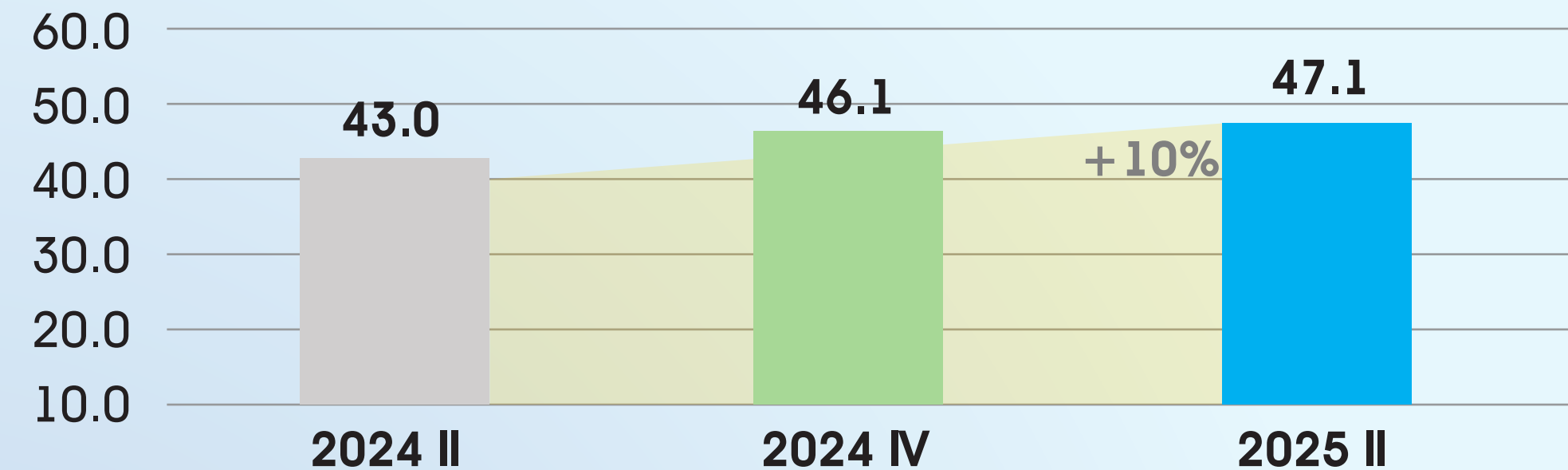
/in blns MNT/



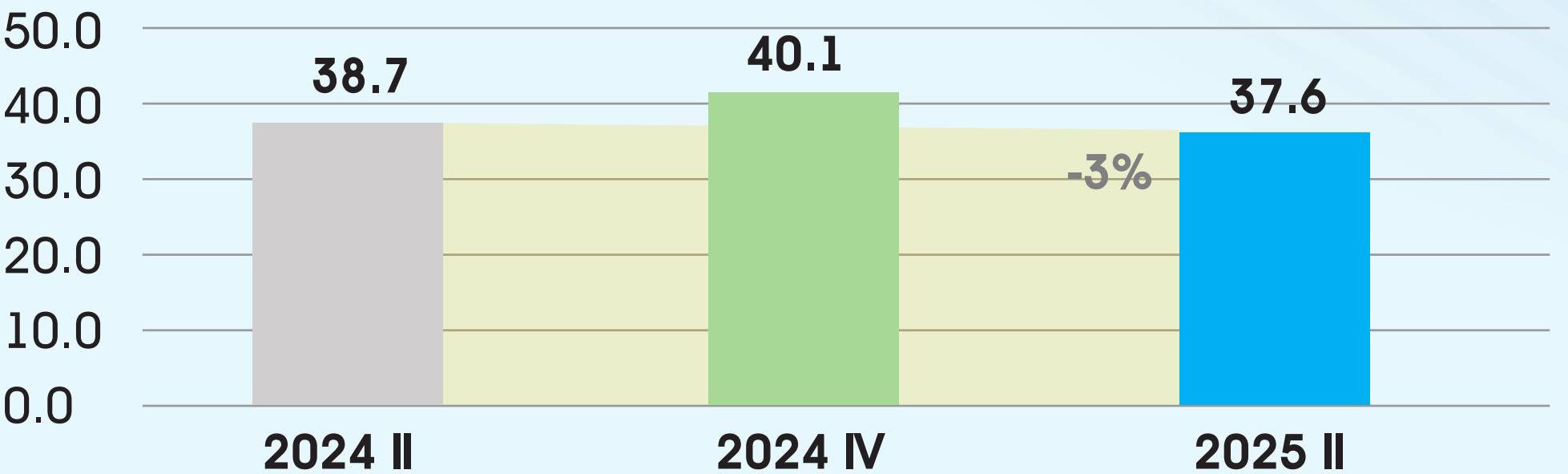
Net profit /in blns MNT/



Total assets /in blns MNT/

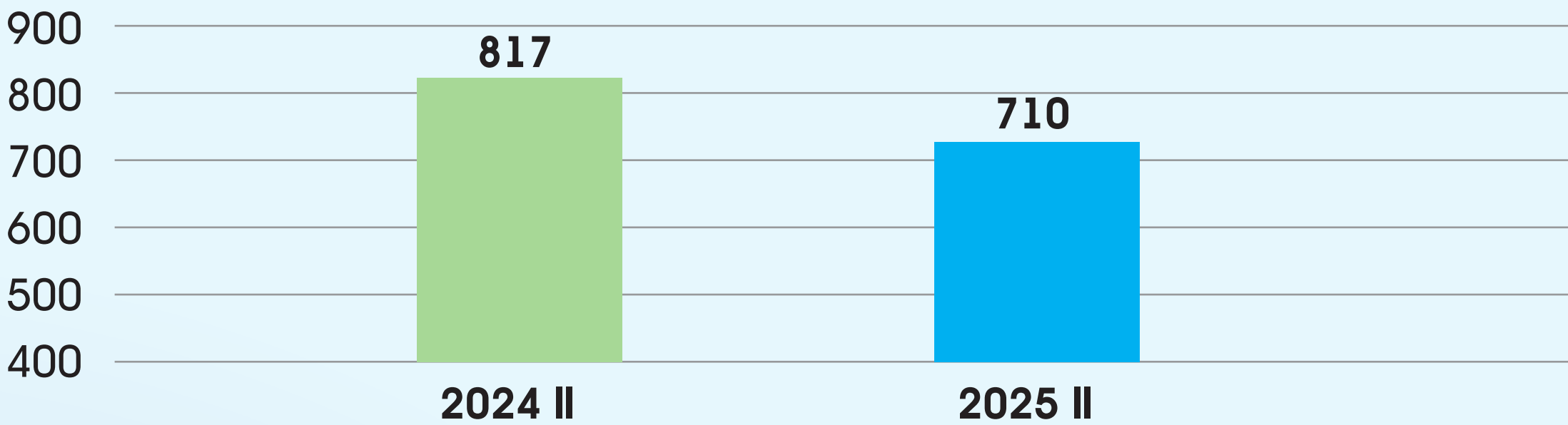


Owners equity /in blns MNT/

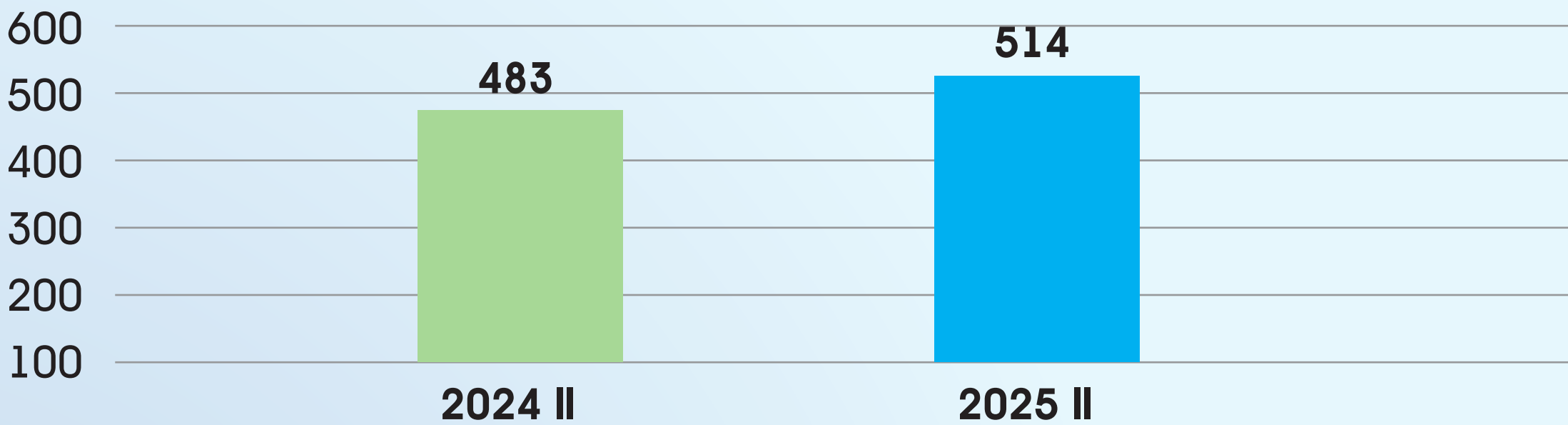


Financial Indicators /Хагас жил/

Tax /mln MNT/



Social Insurance /mln MNT/



Indicators

ROA	1%
ROE	1%
P/B Харьцаа	1.2
EPS Харьцаа	6.3
P/E Харьцаа	33

IPO – USE OF PROCEED

1. General Information

MGL Aqua JSC planned to use the proceeds from its IPO to implement its medium-term business plan.

As of May 31, 2024, a total of 15,234,677,184 (fifteen billion two hundred thirty-four million six hundred seventy-seven thousand one hundred eighty-four) MNT were successfully raised through the IPO and received into the company's bank account.

2. Expenditure of funds

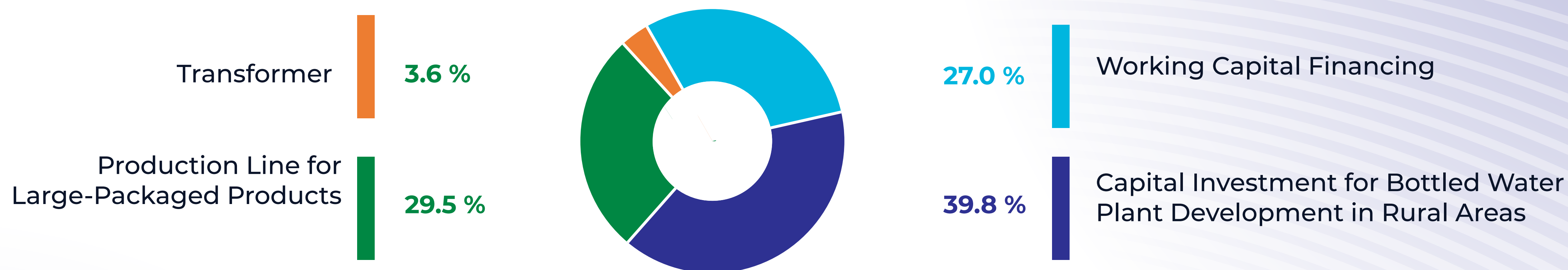
The expenditure of the raised funds was made as follows.

2.1. Purchase of raw materials and materials 4,116,812,809 MNT from the funds raised through the IPO were spent on the purchase of raw materials and materials (RMS), and the costs were fully financed in 2024.

2.2. Purchase of production equipment On October 17, 2024, 4,500,000,000 MNT were spent on the purchase of a large-packaged product production line and 550,000,000 MNT were spent on the purchase of transformers (Figure 1).

IPO – USE OF PROCEED

Planned Allocation of Raised Funds



The first batch of production equipment, the purification (filter) line, was installed between May 3 and May 23, 2025. After the end of the summer peak load period of the plant, the remaining equipment is planned to be fully installed by November 2025.

2.3. Local plant project

The following activities were carried out within the framework of the project to establish a local bottled water plant.

1. Land was purchased in Umnugovi aimag and a subsidiary of Emji El Aqua JSC was established.
2. The contractor for the plant construction was selected.

As of May 29, 2025, 6,067,863,875 MNT from the funds raised from the IPO and 70,138,125 MNT from the company's own income were spent on the local plant project.

IPO – USE OF PROCEED

3. Reasons for the delay in the IPO capital expenditure

Although the project to build a local bottled water plant was initially scheduled to be commissioned in the first half of 2025, the implementation period was delayed due to the following practical reasons. These include:

- 3.1. The long water resource exploration period in Umnugovi aimag, where geophysical and hydrogeological exploration studies are a multi-stage and time-consuming process, and the issuance of permits and confirmation of results have been delayed.
- 3.2. Requirements related to environmental assessment The process of conducting a general and detailed environmental impact assessment following water exploration has been slower than expected.
- 3.3. Design and tender selection period The approval of the design of the plant building and infrastructure and the selection of the contractor have taken time and are behind schedule.
- 3.4. The project has been delayed in the process of obtaining approvals and support from local authorities.

Currently, the project implementation is proceeding as planned according to the updated schedule.

FOUR. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ESG PERFORMANCE

"Green Initiative" Against Climate Change



1000
Pine trees planted



AR JANCHIVLAN



The "Green Initiative" project was implemented to protect water sources, preserve ecological balance, and combat climate change.



1000
Poplar trees planted



СОНГИНОХАЙРХАН ДҮҮРЭГ
БУМБАТЫН РАШААН



Waste management



Plastic bags

3.5 tons



Plastic bottles

3 tons



Beverage cans

3.8 tons



Hazardous waste (batteries/accumulators)

8 pcs



Scrap metal

2 tons



Household waste

480 tons



Scrap tires

60 pcs

Usage Purpose:

60% of the total industrial waste is separated at the source, sorted, and supplied to recycling and reuse plants.

Water management

Recycled Water System Development



Pipeline length

18 meters



Water delivery height

3.8 meters



Water supply capacity

4 tons per second

Usage Purpose:

Recycled water from production is supplied through an open system to public use, including: Green area irrigation
Car wash facilities Construction (e.g., concrete mixing)

Corporate Social Responsibility and Donation Policy



**11 ТӨР БОЛОН ТӨРИЙН БҮС
БАЙГУУЛЛАГА ААНБ ХАМАРСАН**

Total Amount of Donation Provided:

32 MILLION

Donation for Education and Sports

Donated the participation of the junior cycling team of the Songinokhairkhan District Sports Committee in the 8th National Youth Sports Festival.

Social Welfare Initiatives

Established a memorandum of cooperation with the Christina Noble Children's Foundation and Narkhan Ger Village Orphanage.

Youth Sports Development

Supported the “Wanpaku Sumo” project, jointly organized by JCI Tokyo and JCI Mongolia, which has been held in Mongolia for the 7th consecutive year.

Corporate Governance and Management Structure

ISO 14001, ISO 45001 standards

To ensure long-term sustainable development, occupational safety, and reduced environmental impact, the company is progressively implementing an integrated management system aligned with ISO 14001 and ISO 45001 standards.

This system is being embedded across all operational stages, emphasizing evidence-based decision-making, monitoring and analysis, and continuous improvement.



Implementation Progress:

41%

-  **Current State Assessment Completed**
Risk, opportunity, and stakeholder assessment conducted
-  **Standards Training Delivered**
For the management team and key personnel
-  **Documentation Structure Planned**
Foundation for the management system's documentation

**THANK YOU FOR
YOUR ATTENTION!**