

PREMIUM NEXUS JSC

Consolidated Financial Statements

For the year ended 31 December 2025

(With Independent Auditors' Report Thereon)

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Management's Responsibility Statement

The Group's management is responsible for the preparation of the financial statements.

The consolidated financial statements of Premium Nexus JSC (the "Company") and its subsidiaries (together the "Group") have been prepared to comply with International Financial Reporting Standards. The Group's management is responsible for ensuring that these financial statements present fairly the state of affairs of the Group as at 31 December 2025 and the financial performance and cash flows for the period then ended on that date.

The Group's management has responsibility for ensuring that the Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and which enable it to ensure that the financial statements comply with the requirements set out in Notes 2 to 6 thereto.

The Group's management also has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Group's management consider that, in preparing the financial statements including explanatory notes, it has used appropriate policies, consistently applied and supported by reasonable and prudent judgment and estimates, and that all applicable accounting standards have been followed.

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issuance by the Group's Board of Directors.



Chinzorig Ganbold
Chief Executive Officer

A blue ink signature of Bat-Erdene Gansukh.

Bat-Erdene Gansukh
Chief Financial Officer

Ulaanbaatar,
Mongolia

Date: 3 April 2026



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Independent Auditors' Report

To: The Shareholders and Board of Directors of Premium Nexus JSC

Opinion

We have audited the consolidated financial statements of Premium Nexus JSC (the "Parent Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mongolia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters, Continued

Revenue recognition

Refer to Note 25 to the consolidated financial statements and the accounting policies in Note 3.

Area of focus	How our audit addressed the area of focus
<p>Whilst revenue recognition and measurement are not complex for the Group, there may be a deliberate, systematic misrepresentation of sales revenue due to the high degree of competition in the retail industry, especially revenue recognition over sub-franchise stores and sales to end customer for certain components</p> <p>As a publicly listed entity in the securities market, the Group is under pressure on its financial performance from both inside and outside stakeholders. Consequently, there might be pressure to meet performance targets. This could lead to a high inherent risk relating to occurrence of the revenue, specially relates to the existence of sub-franchise stores and sales to end customer for certain components.</p> <p>Due to these factors, we have considered revenue recognition over sub-franchise stores and sales to end customer for certain components to be a key audit matter relevant to our audit of the consolidated financial statements.</p>	<p>Our audit procedures over revenue included, among others:</p> <ul style="list-style-type: none"> - We have assessed selected controls which management has in place over the sales and revenue recognition process over sub-franchise stores, focusing on controls over the existence and accuracy of revenue recognition. - We have performed audit procedures over sales between the Group and sub-franchise stores by sending confirmation letters to the owners of sub-franchise stores. - We performed audit procedures over sales between certain components of the Group and its customers by sending confirmation letters. - We have conducted inquiries of management and those charged with governance, relating to instances of fraudulent revenue recognition and any relevant significant unusual transactions during the year. - We have assessed the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements, Continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements, Continued

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Sang-Yong Cho, and the Executive Director of the audit firm is Soyolmaa Gungaanyambuu.



Signed by:

Soyolmaa Gungaanyambuu
Executive Director

Approved by:

Sang-Yong Cho
Partner

This report is effective as at 3 April 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any. Furthermore, this report is intended solely for the use of the shareholders of the Group. To the fullest extent permitted by law, we do not assume responsibility towards or accept liability to any other party in relation to the contents of this report.

Premium Nexus JSC
Consolidated Statements of Financial Position

<i>In thousands of MNT</i>	Notes	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
Property, plant and equipment	9	167,930,905	118,133,460
Right-of-use assets	10	79,127,259	60,568,629
Intangible assets and goodwill	11	45,406,045	39,774,043
Finance lease receivables	12	7,892,552	10,031,970
Loan issued	13	-	47,049
Prepayments	15	13,770,506	2,580,879
Trade and other receivables	16	2,810,582	2,381,209
Deferred tax assets	31	5,351,900	1,985,220
Total non-current assets		322,289,749	235,502,459
Current assets			
Loan issued	13, 36	-	27,599
Inventories	14	67,459,514	47,194,508
Prepayments	15	8,191,953	7,326,359
Trade and other receivables	16, 36	14,713,477	10,329,858
Cash and cash equivalents	17, 36	21,731,870	10,431,533
Finance lease receivables	12, 36	3,946,319	3,119,136
Total current assets		116,043,133	78,428,993
TOTAL ASSETS		438,332,882	313,931,452
EQUITY			
Share capital	18	111,425,203	111,425,203
Treasury shares	18	(5,050,065)	-
Share premium	18	33,133,863	45,757,916
Other equity		318,731	318,731
Accumulated deficit		(42,717,181)	(63,586,419)
Equity attributable to owners of the Group		97,110,551	93,915,431
Non-controlling interest	34	17,115,840	8,873,378
TOTAL EQUITY		114,226,391	102,788,809
LIABILITIES			
Non-current liabilities			
Long-term lease liabilities	10	73,132,162	64,535,185
Long-term borrowings	19, 36	77,573,209	23,389,243
Government grants	20	1,726,863	498,904
Other long-term liabilities		791,139	1,834,721
Contract liabilities	24	6,926	43,388
Deferred tax liabilities	31	4,440,499	4,598,558
Total non-current liabilities		157,670,798	94,899,999
Current liabilities			
Lease liabilities	10, 36	28,635,583	17,695,275
Borrowings	19, 36	40,182,559	24,733,230
Government grants	20	1,325,885	627,087
Other taxes payable	22	3,403,436	2,138,926
Trade and other payables	23, 36	89,944,437	66,899,736
Contract liabilities	24	2,537,727	1,457,762
Current income tax payable		406,066	2,690,628
Total current liabilities		166,435,693	116,242,644
TOTAL LIABILITIES		324,106,491	211,142,643
TOTAL LIABILITIES AND EQUITY		438,332,882	313,931,452

The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements.

Premium Nexus JSC
Consolidated Statements of Profit or Loss and Other Comprehensive Income

<i>In thousands of MNT</i>	Note	2025	2024
Revenue	25	796,417,298	598,378,660
Cost of sales	26	(690,579,107)	(518,272,786)
Gross profit		105,838,191	80,105,874
General, administrative and selling expenses	27	(61,106,994)	(34,803,106)
Impairment loss on financial assets	16	(474,956)	(566,913)
Other gains, net	28	3,107,771	21,864,014
Other income		822,982	628,384
Operating profit		48,186,994	67,228,253
Finance costs	29	(24,565,300)	(19,438,179)
Finance income	30	2,107,542	2,562,377
Profit before income tax		25,729,236	50,352,451
Income tax benefit/(expense)	31	1,434,762	(2,949,957)
PROFIT FOR THE YEAR		27,163,998	47,402,494
Other comprehensive income		-	-
Total comprehensive income for the year		27,163,998	47,402,494
Attributable to:			
Equity holders of the parent		24,699,481	46,598,361
Non-controlling interest	34	2,464,517	804,133
		27,163,998	47,402,494
Earnings per ordinary share for profit from continuing operations attributable to the owners of the Group, basic and diluted (in MNT per share)	32	22.17	42.45

The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements.

Premium Nexus JSC
Consolidated Statements of Changes in Equity

<i>In thousands of MNT</i>	Notes	Share capital	Treasury shares	Share premium	Other equity	Accumulated deficit	Total	Non-controlling interest	Total equity
Balance at 1 January 2024	18	81,776,864	-	13,820,503	318,731	(110,184,780)	(14,268,682)	-	(14,268,682)
Profit for the year		-	-	-	-	46,598,361	46,598,361	804,133	47,402,494
Issue of ordinary shares		29,648,339	-	32,020,206	-	-	61,668,545	2,367,049	64,035,594
Acquisition of subsidiaries with NCI	33, 34	-	-	-	-	-	-	5,702,196	5,702,196
Transaction cost		-	-	(82,793)	-	-	(82,793)	-	(82,793)
Balance at 31 December 2024	18	111,425,203	-	45,757,916	318,731	(63,586,419)	93,915,431	8,873,378	102,788,809
Profit for the year		-	-	-	-	24,699,481	24,699,481	2,464,517	27,163,998
Acquisition of own shares		-	(5,050,065)	(12,624,053)	-	-	(17,674,118)	-	(17,674,118)
Acquisition and sales of subsidiaries with NCI	33, 34	-	-	-	-	(3,830,243)	(3,830,243)	5,777,945	1,947,702
Balance at 31 December 2025	18	111,425,203	(5,050,065)	33,133,863	318,731	(42,717,181)	97,110,551	17,115,840	114,226,391

The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements.

Premium Nexus JSC
Consolidated Statements of Cash Flows

<i>In thousands of MNT</i>	Note	2025	2024
Cash flows from operating activities:			
Profit before income tax		25,729,236	50,352,451
Adjustments for:			
Depreciation	9	24,027,514	19,174,982
(Losses)/gain on disposals of property, plant and equipment, net	28	(287)	(7,492)
Write-off of property, plant and equipment and intangible assets	9, 11	456,717	105,233
Amortisation of intangible assets	11	1,733,298	1,282,756
Amortisation of government grants	20	(634,941)	375,324
Impairment loss on financial assets	16	474,956	566,913
Depreciation of ROU assets	10	21,129,118	12,649,118
Gain on disposals of ROU assets	28	(1,008,164)	(1,899,749)
Foreign exchange differences	21, 28	361,232	(45,856)
Gain on disposals of investments	28	(2,938,952)	-
Gain on bargain purchase	28	-	(19,476,657)
Finance income	30	(2,107,542)	(2,190,139)
Finance costs	29	23,931,855	18,861,121
		91,154,040	79,748,005
Changes in working capital:			
Inventories	14	(20,265,006)	(14,263,111)
Prepayments	15	1,715,285	(4,521,123)
Trade and other receivables	16	(3,698,331)	(1,516,398)
Other tax payables	22	1,260,277	178,483
Trade and other payables	23	28,740,219	11,530,289
Contract liabilities	24	1,043,503	1,202,403
		99,949,987	72,358,548
Cash generated from operating activities			
Interest paid for borrowings	21	(8,171,946)	(7,025,530)
Income taxes paid		(5,812,483)	(1,014,039)
Interest paid for lease liabilities	21	(15,209,417)	(11,916,941)
Interest received		1,115,143	2,190,139
		71,871,284	54,592,177
Net cash generated from operating activities			
Cash flows from investing activities:			
Purchase of property, plant and equipment	9	(87,702,854)	(36,332,729)
Proceeds from disposals of equipment	9	435,871	1,169,847
Purchase of intangible assets	11	(4,829,000)	(1,821,912)
Receipt from finance lease receivables	10	-	2,418,645
Purchase of subsidiary		(500,000)	-
Proceeds from sale of subsidiary	28	-	1,034,381
		(92,595,983)	(33,531,768)
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	2,367,049
Proceeds from borrowings	21	584,523,472	63,371,715
Repayments of borrowings	21	(513,271,357)	(66,526,553)
Payments of finance lease liabilities	21	(21,469,359)	(13,085,709)
Receipt of loan receivable	13	74,648	400,000
Purchase of treasury shares		(17,674,118)	-
		32,183,286	(13,873,498)
Net cash generated from/(used in) financing activities			
Effect of exchange rate changes on cash and cash equivalents		(158,250)	(135,962)
Net increase in cash and cash equivalents		11,458,587	7,586,910
Cash and cash equivalents at the beginning of year	17	10,431,533	2,980,585
Cash and cash equivalents at the end of the year	17	21,731,870	10,431,533

The accompanying notes on pages 5 to 49 are an integral part of these consolidated financial statements.