



Premium Nexus JSC

Annual Report 2025

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Forward-Looking Statement Disclaimer

- › This report of Premium Nexus JSC contains forward-looking statements. These statements can be identified by terms such as “we expect,” “we estimate,” “we aim,” “we plan,” or similar expressions, as well as statements written in the future tense.
- › Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those anticipated. Therefore, undue reliance should not be placed on these statements.
- › The Company’s business operations and performance may be affected by risks, uncertainties, and other factors described in the “Management Discussion and Analysis” section of this report. Considering these risks and uncertainties, it would be inappropriate to interpret forward-looking statements as definitive outcomes.
- › Furthermore, the Company undertakes no obligation to update or revise any forward-looking statements contained in this report to reflect new information, future events, or other circumstances.



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About the Company

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Chairman Greetings

Dear Esteemed Investors,

2025 marks another significant milestone for Premium Nexus JSC as we continue to advance into the next phase of our growth. Building on the strong foundation established in previous years, we remain steadfast in our commitment to enhancing accessibility and convenience in everyday retail, while delivering sustainable long-term value for our shareholders.

Our progress reflects the collective efforts and continued trust of our customers, vendor partners, suppliers, franchise partners, and investors. Together, we are shaping a more integrated retail ecosystem and strengthening our role as a key contributor to the evolution of modern commerce in Mongolia.

During the year, we focused on scaling our operations efficiently while reinforcing strong governance and sustainable growth principles. We have enhanced operational effectiveness, expand our footprint, and further aligned our practices with the expectations of a transparent and market-oriented public company.

Looking ahead, we remain committed to disciplined expansion, operational excellence, and the continued strengthening of our governance and sustainability frameworks. The foundation we are building today positions Premium Nexus JSC for sustained long-term growth and enhanced value creation for all stakeholders.

Thank you for your continued trust and confidence. Together, we are shaping a stronger, more accessible, and sustainable future for Premium Nexus JSC.

Sincerely,
Gary Stephen Biondo
Chairman of the Board of Directors Premium Nexus JSC



Chief Executive Officer Greetings

Dear valued investors, business partners, employees, and customers,

In 2025, we successfully expanded the CU convenience store network to 545 locations, serving a total of 72 million customers throughout the year. During the reporting period, we opened 100 new stores and strategically relocated 17 stores to higher-performing locations, further enhancing the efficiency and optimization of our network. Today, we collaborate with over 500 suppliers to offer approximately 2,000 products and services, serving more than 200,000 customers daily.

We also increased the annual production capacity of the Chinggis Shar Airag brewery to 2.5 million liters. In line with our long-term growth strategy, we have initiated the Chinggis Beer 2.0 project, which aims to expand capacity by an additional two to three times. Furthermore, we introduced Pilsner Urquell—the world’s first pilsner—to the Mongolian market and successfully launched new variants under the Asahi Super Dry brand.

By strengthening the value of our proprietary brands and introducing industry-leading innovations, we have advanced our business platform to a new stage of development. As a result, we achieved total revenue of MNT 796 billion and recorded a net profit of MNT 27 billion. These results reflect the strength of our integrated ecosystem and the meaningful value our brand continues to create for society. I would like to extend my sincere appreciation to our employees, partners, investors, and loyal customers for their continued trust and contribution to this shared success.

We remain committed to strengthening our position as a brand that is deeply embedded in customers’ daily lives—reliable, accessible, and responsive to their needs. United by trust and shared values, we will continue to grow together with all our stakeholders.

Guided by our mission to “make everyday life easier through global standards,” Premium Nexus JSC will continue to uphold the trust of our shareholders and remain focused on delivering sustainable growth and long-term value creation.

Sincerely,
Chinzorig Ganbold
Chief Executive Officer Premium Nexus JSC



Corporate History

2015



- > Launched Mongolia's first convenience store network, Central Express, with three initial locations.

2017



- > Established Central Express CVS LLC.

2018



- > Signed a master franchise agreement with BGF Retail Co., Ltd. (South Korea), securing the CU brand franchise rights.
- > Received Mongolia's first "Convenience Store" MNS certification

2019



- > Expanded the CU network to 50 store within one year.
- > Launched the CU loyalty program and introduced the CU mobile application.

2020



- > Ranked 97th and selected for the first time among the Top 100 Enterprises in Mongolia.
- > Became the first retail chain in Mongolia to reach 100 stores.
- > Commissioned Mongolia's first public food production facility meeting international GMP and HACCP standards.
- > Officially launched the CU franchise program.

2021



- > Commissioned a cold chain distribution center.
- > Successfully completed the IPO of the CU brand.

2022



- > Central Express CVS JSC completed the acquisition of 12 Circle K stores from Circle Chain LLC.
- > Achieved MNT 1 billion in daily sales.
- > Became the first chain in Mongolia to reach 200 stores.
- > Ranked 39th and selected for the second time among the Top 100 Enterprises in Mongolia.
- > Implemented an integrated IT system across the network, localizing advanced South Korean systems.
- > Opened the first CU store in rural provinces.

Corporate History

2023



- › Ranked 11th and selected for the third time among the Top 100 Enterprises in Mongolia.
- › Became the first retail chain in Mongolia to reach 300 stores.
- › President Ukhnaagiin Khurelsukh visited the food production facility as part of the national "Food Supply and Security" campaign.

2024



- › Achieved operational profitability.
- › Ranked 8th and selected for the fourth time among the Top 100 Enterprises in Mongolia.
- › Became the first retail chain in Mongolia to reach 400 stores.

2025



- › Opened the 500th store in Tsonjinboldog, Tuv Province.
- › Upgraded from Tier II to Tier I on the Mongolian Stock Exchange
- › Awarded "**Convenience Store of the Year - Mongolia**" at the 2025 Retail Asia Awards
- › Ranked **7th** among the **Top 100 Enterprises in Mongolia**.

Premium Nexus Ecosystem and Its Competitive Advantages

Internationally Standardized Food

Across all stages of the food value chain, we implement rigorous food safety and quality control measures aligned with international standards and best practices. As a result, domestic manufacturers are able to achieve HACCP certification, elevating industry standards and creating opportunities to lead the market.

Logistics and Integrated Distribution Efficiency:

Given Mongolia's current infrastructure conditions, logistics costs account for approximately 30% of the total product cost, which is 2-3 times higher than the global average. By strengthening and optimizing its logistics infrastructure, Premium Nexus aims to reduce these inefficiencies and significantly enhance overall distribution efficiency.

Aligned Interests of Investors

By integrating businesses that support and compliment the CU convenience store network under a unified structure, Premium Nexus creates meaningful synergies. This integration allows investors to fully benefit from the value generated across the ecosystem.

High Standards and Broad ESG Practices

As part of the CU ecosystem, suppliers—particularly small and medium-sized enterprises—gain access to Premium Nexus's internationally aligned ESG (Environmental, Social, and Governance) standards. This enables them to enhance their own operations while contributing to a more sustainable and responsible business environment.

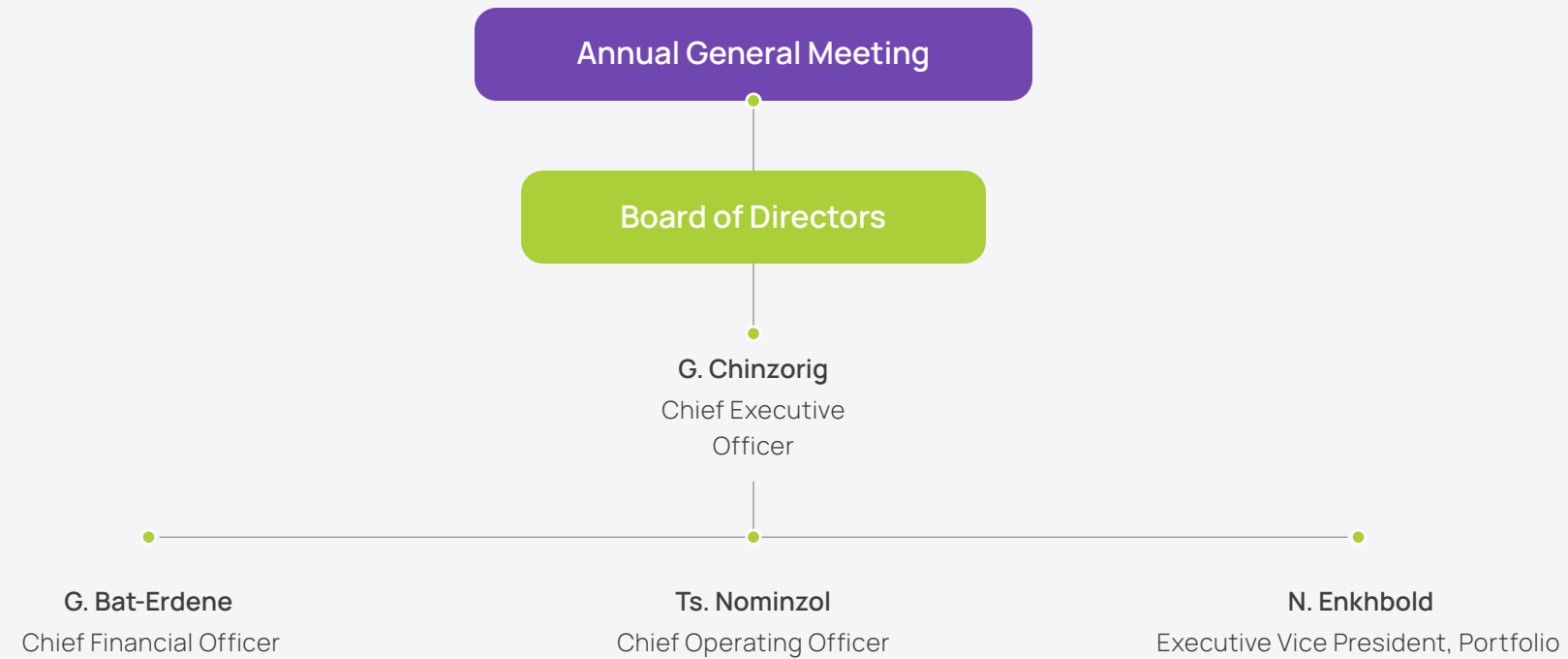
Customer Satisfaction:

Through close collaboration between CU convenience stores and manufacturers, products are developed and tailored to better meet customer needs. This approach enhances customer satisfaction and helps build a strong base of loyal customers.

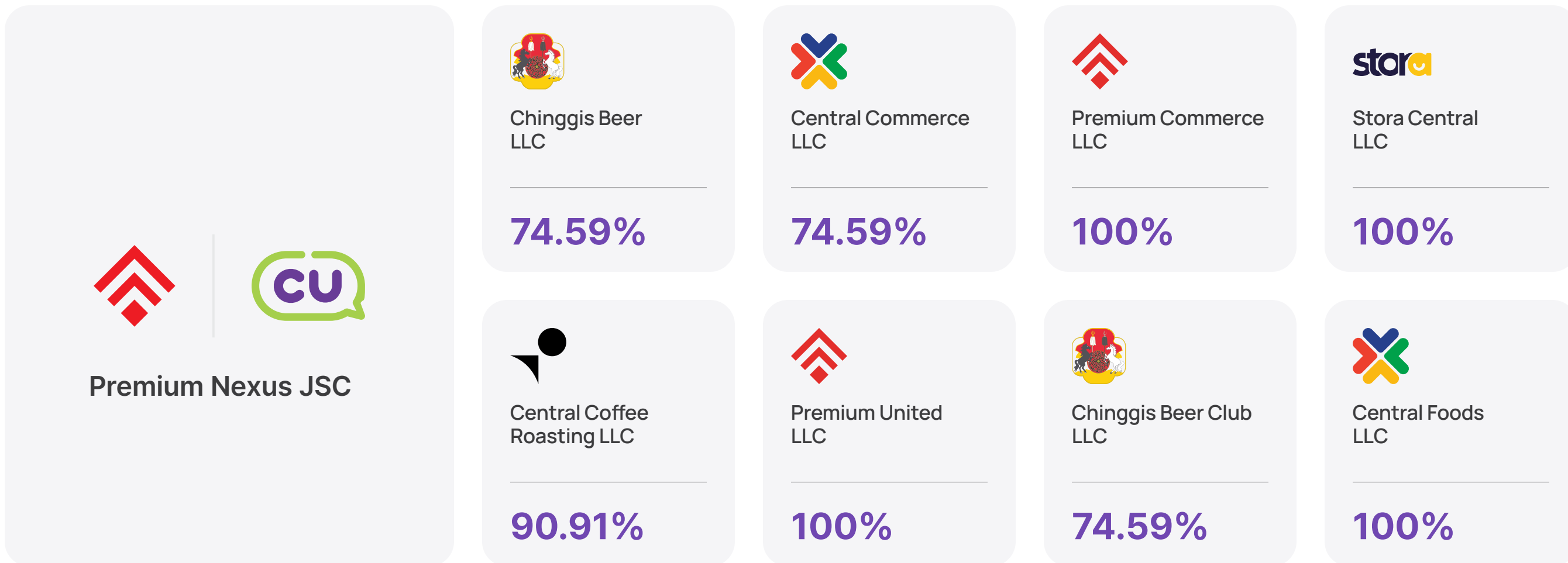
Employee Growth and Satisfaction:

Employees benefit from being part of one of Mongolia's leading companies, with clear pathways for career advancement. They also gain access to continuous learning and development opportunities, allowing them to grow professionally while contributing to the Company's success.

Corporate Governance



Business Structure



CU convenience store business

- > Vision and Mission
- > Operational Highlights and Competitive Advantages
- > Strategic Objectives
- > Operational Performance
- > Key Highlights
- > Potential Risks

Vision and Mission



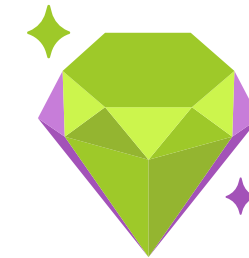
Mission

Simplifying everyday life through world-class services



Vision

To be globally recognized for our services



Core Values and Business Principles

- > Achievement-Driven
- > Growth- Oriented
- > Customer-Centric
- > Trusted Partner

An Integral Part of Everyday Social Infrastructure

CU is more than a point of sale; it serves as an essential part of everyday social infrastructure. Simplifying customers' lives by meeting their needs in one place—conveniently, quickly, and reliably.

Our network of 545 convenience stores, strategically located in close proximity to customers and operating 24/7, ensures continuous access to essential products and services. Through this presence, CU has become deeply embedded in customers' daily routines and continues to evolve as a trusted, indispensable part of modern life.

Beyond ensuring the consistent and reliable delivery of products and services, we are continuously strengthening our integrated supply chain, logistics, and technological capabilities to maintain the highest standards of customer satisfaction. We remain committed to developing comprehensive solutions that address the full spectrum of our customers' everyday needs.



Strategic Objectives

Market Expansion

Ulaanbaatar

In 2025, we opened **47 new stores in Ulaanbaatar** to bring our 24-hour services closer to customers. As a result, the total number of customers in the city increased by 15.6%, reflecting strong demand and continued urban growth.

Regional Areas

In regional markets, we have implemented international service standards and strengthened food safety practices. Our expansion also contributes to local economic development by improving tourism infrastructure, creating employment opportunities, supporting local entrepreneurs, and promoting hygiene and environmental standards.

During 2025, we **expanded into 16 regions**, opening **53 new stores** and significantly increasing our nationwide coverage. This growth has enhanced our brand visibility and strengthened our sales potential in local markets, establishing a solid foundation for future expansion.

We aim to **maintain our leading position**, continue driving industry development, and reinforce our role as a market leader.

Number of Customers

(Thousands)	2024	2025	Growth
Ulaanbaatar	54,212	62,716	15.6%
Regional areas	4,529	8,747	93.1%
Total	58,741	71,463	21.6%

Number of Stores

	2024	2025	Өсөлт
Ulaanbaatar	396	443	11.8%
Regional areas	49	102	108.1%
Total	445	545	22.5%

Strategic Objectives

Franchise Business Operations

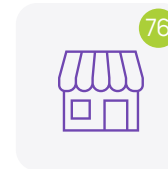
Since 2020, CU has operated a **franchise program** designed for individuals seeking to own a business and for small and medium-sized enterprises aiming to expand.

Through this program, aspiring enterprises can acquire established stores with strong brand recognition creating accessible pathways to business ownership. As a result, the number of CU franchisees has grown steadily year over year.

In 2023, in collaboration with the **Credit Guarantee Fund** and **Capitron Bank**, we launched a dedicated franchising program offering **guaranteed business loans at an annual interest rate of 8.8%** to support female entrepreneurs. This initiative has contributed to increasing participation and inclusivity within business community.

Beginning in 2024, we expanded the franchise model into regional and rural markets, providing local entrepreneurs with sustainable and profitable business opportunities. This expansion plays a meaningful role in regional economic development by creating employment opportunities and supporting the growth of local businesses

As of 2025, the total number of franchise stores reached 76, reflecting continued growth and strengthening of our network.



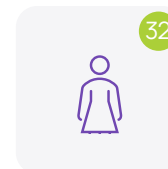
Total Franchise Stores

Franchise Stores in Ulaanbaatar: **71**
Franchise Stores in Regional Areas: **5**



Total Franchisees

Franchisees with Two Stores: **8**
Franchisees with Three Stores: **2**



Approved Loan Applications

To support female entrepreneurs, we have successfully launched joint loan products in collaboration with third-party organizations, providing tangible support for women in business.

Historical Growth of Franchise Stores

	2023	2024	2025
Ulaanbaatar	47	70	71
Regional areas	0	3	5
Total	47	73	76

Strategic Objectives

Store Appearance Improvement

To create a more comfortable, safe, and visually appearing environment for customers, we have implemented a range of enhancements to store design and layout. New stores now feature modern, warm gray matte flooring to reduce slipping risks while maintaining a contemporary aesthetic. We have upgraded wall and ceiling materials, improved lightening system for longer lifespan and reduced glare, and introduced minimalist furniture and fixtures to create a clean and modern atmosphere. Store layouts have been carefully optimized to improve customer flow, resulting in spaces that feel more spacious, organized, and inviting. These improvements are also being progressively applied to renovation of existing stores.

To meet the evolving needs of customers in both Ulaanbaatar and regional areas, all stores operate 24/7 and feature consistent, modern interior design standards. In addition, restrooms are equipped with fixtures from leading global hygiene brands, designed to reduce water consumption by 30-70%, improve energy efficiency, and meet international environmental standards.



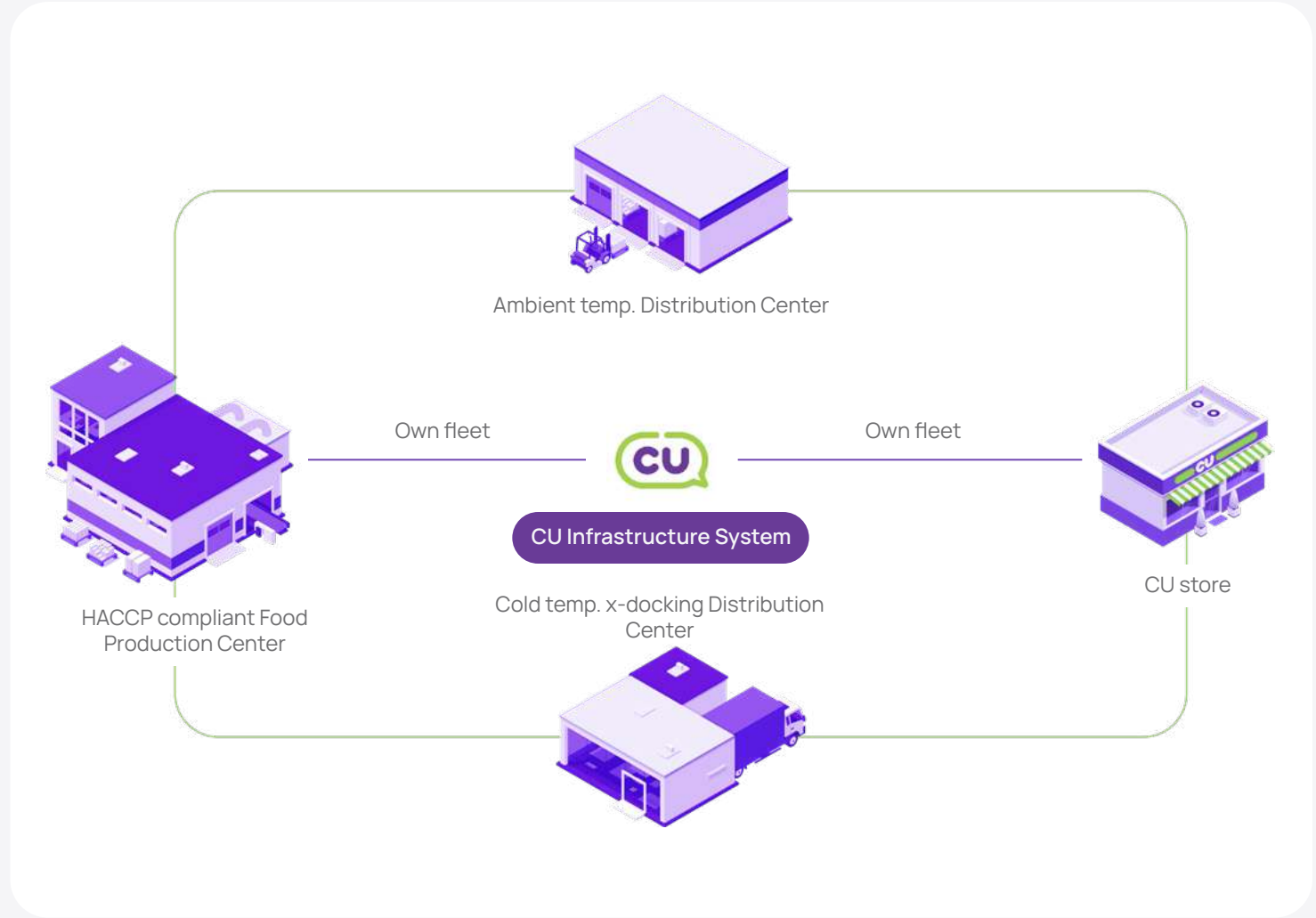
Strategic Objectives

Infrastructure

Supply Chain

The centralized distribution center is a critical component of CU's operational infrastructure, with 99.9% of all products delivered to stores through this integrated system. Products are prepared under stringent hygiene and quality control standards, based on store-level demand, and distributed using a dedicated fleet of specialized delivery vehicles.

Temperature-sensitive and delicate products—such as frozen foods and ice cream—are managed through a dedicated cold chain distribution system. These items are transported using specialized vehicles equipped with advanced refrigeration and freezing technologies, ensuring that product quality and safety are maintained throughout the entire delivery process.



Strategic Objectives

Infrastructure

Integrated Logistics Solutions

We operate centralized distribution centers that fully meet international standards for food storage and are designed to efficiently manage products across varying temperature conditions. Our logistics infrastructure includes dry distribution centers, cold chain warehouses, and specialized temperature-controlled vehicles ensuring proper handling and product integrity throughout the supply chain.

DRY DC

In 2025, the dry distribution center achieved a 99.3% fulfillment rate, while successfully managing a 22% increase in workload compared to the previous year. To further enhance operational efficiency, we developed infrastructure connecting Distribution Centers A and B and invested in conveyor system to enable two-way material flow, resulting in improved productivity and reduced labor hours.

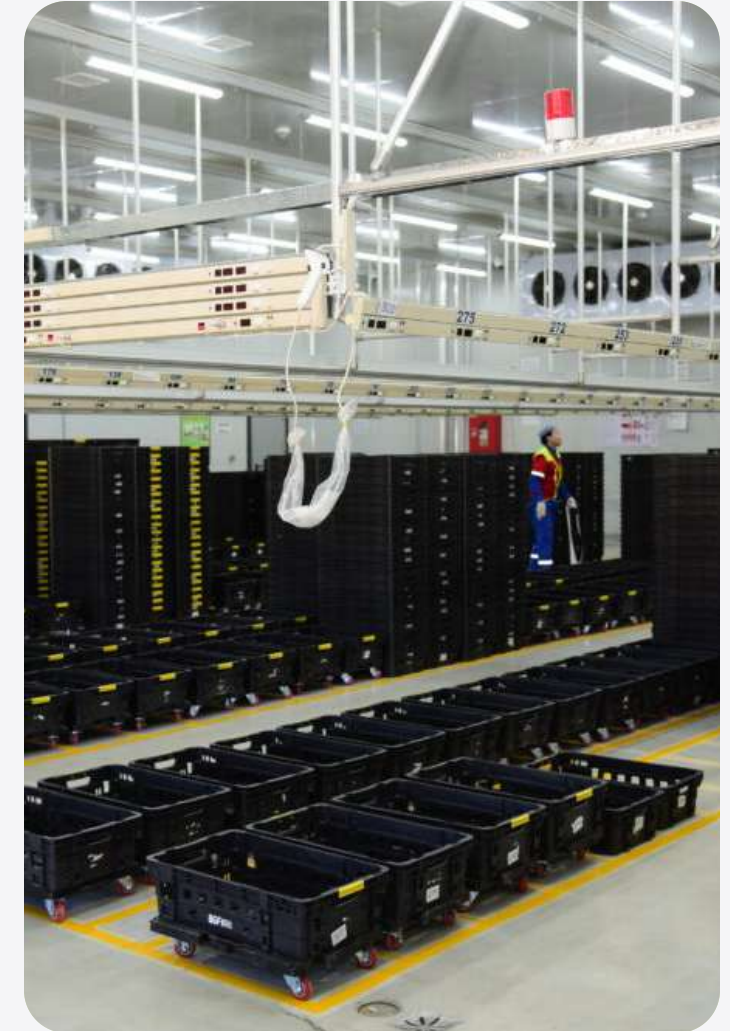
COLD DC

The cold distribution center operates on a two-shift system to meet demand. During peak periods, we implemented additional measures such as leasing supplementary frozen storage capacity and preparing orders one day in advance. These initiatives ensured timely delivery of temperature-sensitive products and contributed to an overall order fulfillment rate of 99.98%.

Dry DC



Cold DC

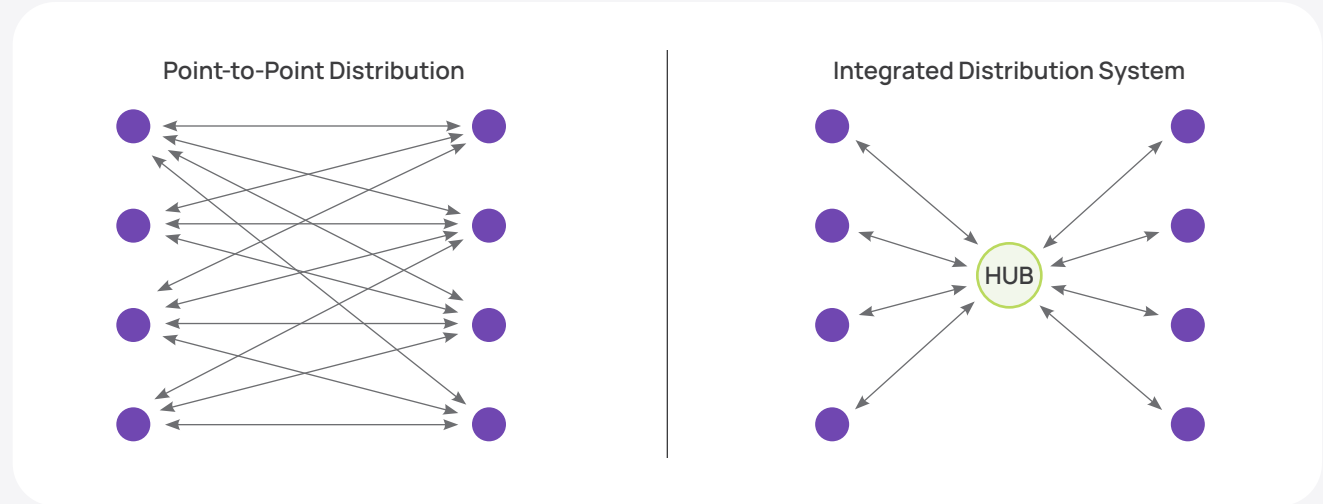


Strategic Objectives

Infrastructure

Integrated Distribution System

- > In terms of transportation operations, the distribution to all branches within Ulaanbaatar is fully managed by our own fleet, while regional distribution is conducted under our full supervision in collaboration with subcontracted partners.
- > Leveraging the advantages of our proprietary fleet, we have introduced compartmentalized vehicle configurations that enable the simultaneous delivery of frozen and chilled products. This approach not only helps alleviate road congestion but also enhances overall cost efficiency.
- > Through our integrated distribution system – combining both dry and cold storage facilities – approximately 85% of total store orders are delivered during off-peak hours (10:00 PM and 7:00 AM). This strategy has significantly optimized logistics operations, reducing the required number of delivery vehicles by up to tenfold.
- > In addition, we have established an in-house automotive maintenance workshop with full capability for vehicle cleaning, servicing, and scheduled maintenance, ensuring the reliability and efficiency of our transportation fleet.

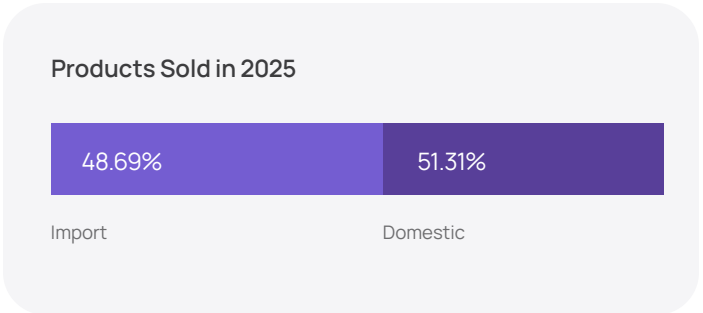
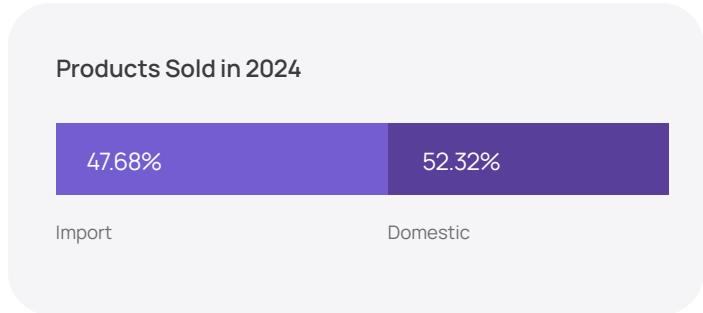


Strategic Objectives

Product and Service Standards & Differentiation

Product Management Operations

- > We source and sell well-established, in-demand products that are widely recognized by consumers, partnering with both domestic and international suppliers.
- > To stimulate new consumer demand, we collaborate closely with domestic manufacturers to co-develop innovative, trend-driven products, bringing new offerings to market that align with evolving customer preferences.
- > In addition, we import select globally trending products under exclusive distribution rights, enabling us to introduce unique and differentiated products to the market.
- > In terms of product origin, 48.69% of our total assortment consists of imported products, while 51.31% is sourced domestically.
- > Notably, only 2.5% of total products are directly imported by the Company. The remaining 97.5% is procured from domestic distributors and suppliers and delivered to consumers through our CU store network. This highlights CU's role as a key retail platform, primarily distributing products that have already been imported and supplied by local partners.



	Domestic		Change	Import		Change
	2024	2025		2024	2025	
Products Sold	52.32%	51.31%	-1.01%	47.68%	48.69%	1.01%

6,408
Different products

563
Suppliers

In 2025, the company purchased and sold 6,408 different product items from 563 suppliers.

Strategic Objectives

Product and Service Standards & Differentiation

Featured Products



Japanese Sando

We introduced a new Japanese-style product line, including soft crustless sandwiches, expanding our fresh food offering.



Budget-Friendly meal boxes

We launched a wide range of soups and Ready-to-eat meals at competitive price points making convenient and affordable meal options more accessible to customers.

Through continuous innovation and development, we are opening up opportunities for our customers to experience new flavors.



Brand Partnerships (Buldak, Golden Curry)

We have established official collaborations with globally recognized brands, including Samyang (Buldak spicy sauce) from South Korea and Golden Curry seasoning from Japan. Through these partnerships, we have developed some of the first locally produced food products under internationally licensed brands.

By leveraging the strong identity and global recognition of these brands, we are able to create innovative, trend-driven products that enhance consumer appeal and attract new customer segments.

Strategic Objectives

Product and Service Standards & Differentiation

Featured products



To expand traditional flavor for younger customers, we developed products with packaging and formats tailored to the convenience store environment, making them more accessible and appealing for daily consumption.



To encourage healthier choices, we successfully introduced easy-to-consume, small- packaged fruit products, increasing the share of fruit in customers' everyday purchases.



Half & Half kimbab

We introduced a dual-flavor kimbab, offering two distinct tastes in a single package, providing customers with greater variety and convenience.



L-size Americano

The GET brand launched a new product line designed to save time and seamlessly fit into customers' daily routines, reinforcing its role as a convenient lifestyle solution. To better serve our loyal customers, we also introduced large-sized Americano, responding to demand for greater value and convenience.



The Company continues to develop and market branded food products designed for daily consumption, with a focus on innovative, fresh offerings in optimally sized packaging at affordable price points. This approach is aimed at encouraging frequent purchases and enhancing overall customer convenience.

Strategic Objectives

Product and Service Standards & Differentiation

Featured products



We introduced a wine-based highball developed in collaboration with renowned Korean artist G-Dragon, is now exclusively available at CU stores.

By expanding our ready-to-drink (RTD) cocktail portfolio, a category expected to see strong future growth, we enabled Mongolian consumers to access global trends while strengthening our competitive differentiation.

The well-established Chinggis brand, with 28-year heritage, launched its “Chinggis Premium Pilsner” in a 500 ml can.

Previously available only in draft format, the product is now conveniently packaged, allowing consumers to enjoy it anytime through CU stores.



We introduced Oshee, Poland's No.1 vitamin-enhanced sports water, offering a light, water-like refreshment enriched with magnesium and vitamin B6, making it an ideal choice for daily recovery and active lifestyle. As a functional beverage with a smoother effect than traditional energy drinks, it provides sustained energy support while placing less strain on the body. In addition, to promote natural vitamin intake, we have expanded our range of chilled NFC (Not From Concentrate) juices, sourced directly from fruit. These products are exclusively available through the CU convenience store network.



We offer three types of floral bouquets designed for both everyday occasions and special celebrations. By expanding our point-of-sale network, these products are now available in 100 CU stores, allowing us to better serve our customers and meet a wider range of needs.



To introduce new usage occasions and expand our assortment in the cosmetics category, we have implemented dedicated merchandising displays in 51 selected stores. This initiative enhances the in-store experience and encourages the development of new purchasing behaviors within the convenience retail environments.

Strategic Objectives

Increasing Loyal Customers

CU Application Features

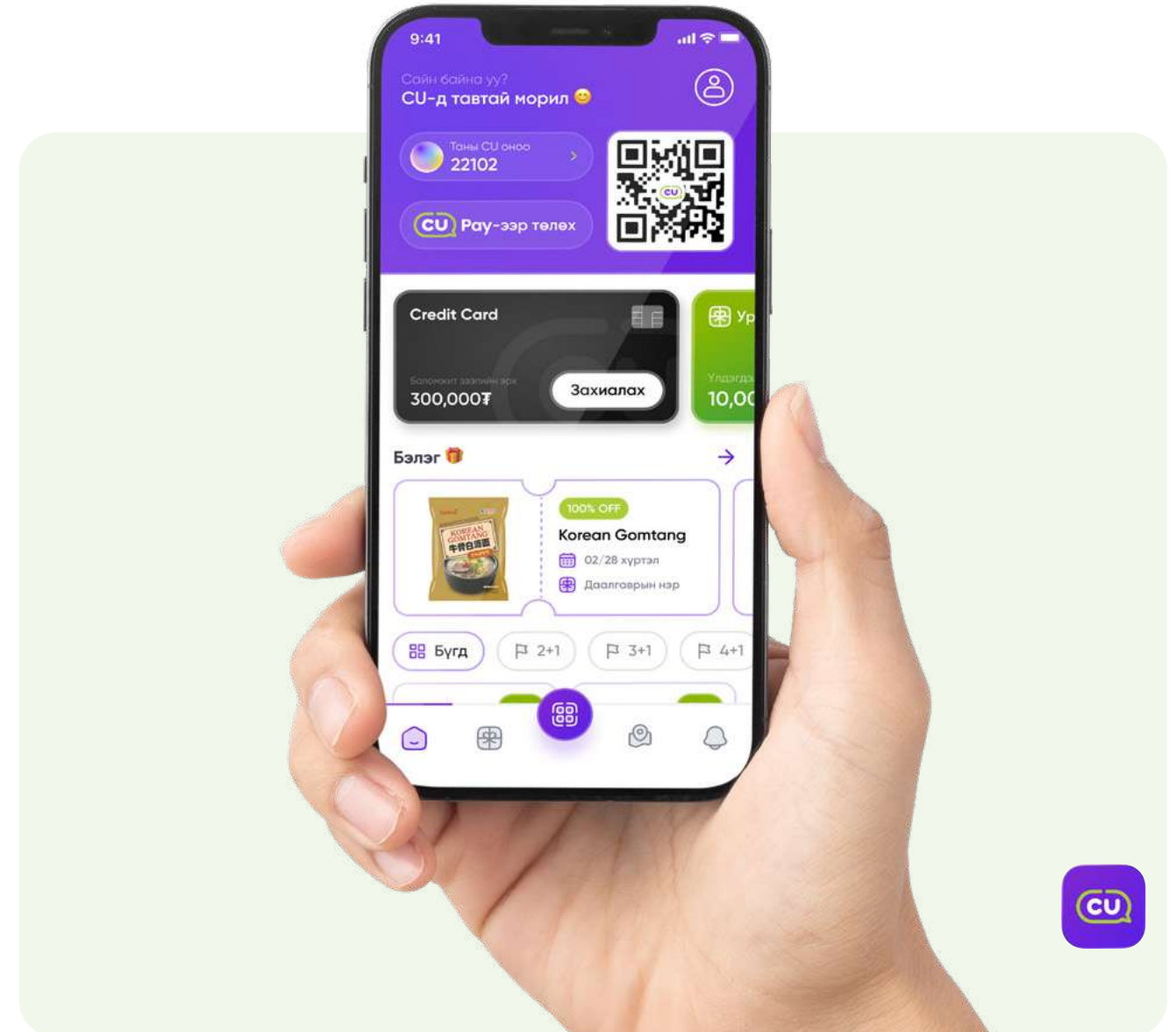
The CU loyalty program enhances long-term customer value by rewarding users with loyalty points, offering purchase frequency-based incentives, and providing a range of digital services. This program is delivered through the CU mobile application.

CU App Key Metrics

In 2025, the CU App was upgraded to improve its useability and intuitive interface. As a result, approximately 50% of all transactions were conducted by registered users.

The total number of registered users reached 1.3 million, with an average of 400,000 monthly active users.

Number of Users			
	2024	2025	Growth
CU App Users	1 million	1.3 million	31%
Active users	269,723	400,517	48.5%



Strategic Objectives

Increasing Loyal Customers



Финко Beep Virtual credit card

The BEEPxCU credit card was successfully launched in May 2025, reaching approximately 4,000 cardholders by year-end.

Golomt Virtual Credit Card

As of December 2025, Golomt's virtual credit card had approximately 15,000 cardholders.



Photoism

In collaboration with Seobuk Ltd. (South Korea), Photoism self-service photo kiosks were introduced under a franchise agreement. These kiosks are currently installed and operational at Hunnu 2222 Complex, CU Store #64, and Sakura Tower branch.



Subscription

To reward loyal CU App users, the Company introduced a subscription feature that enables customers to pre-purchase all GET coffee varieties at discounted prices.

Delivery

Premium Nexus relaunched its digital food delivery service in 2025 to provide convenience, save customers' time, and deliver added value. The service is operated as a minimum viable product within a 500-meter radius of three stores, offering 30-minute delivery.

Ticket Sales

CU stores now offer ticket purchasing services for entertainment and events, further expanding in-store offerings and enhancing customer convenience.

Strategic Objectives

Implementing Technological Advancements

Implementation of ISO/IEC 27001 Information Security Management System (ISMS)

In 2025, the Company implemented the ISO/IEC 27001 Information Security Management System (ISMS), establishing comprehensive information security policies, procedures, and control mechanisms. These have been systematically integrating them into daily operations and technological solutions, elevating the Company's information security management to a new level.

Under this framework, technological safeguards and controls are continuously enhances to mitigate risks, while processes supporting service continuity and operational resilience are further strengthened.

As a result, the Company's ability to ensure confidentiality, integrity, and availability of information has been significantly reinforced, providing a strong foundation for reliable service delivery and strengthening the trust of customers, clients, and partners.



Updates Implemented in the EBarimt 3.0 System

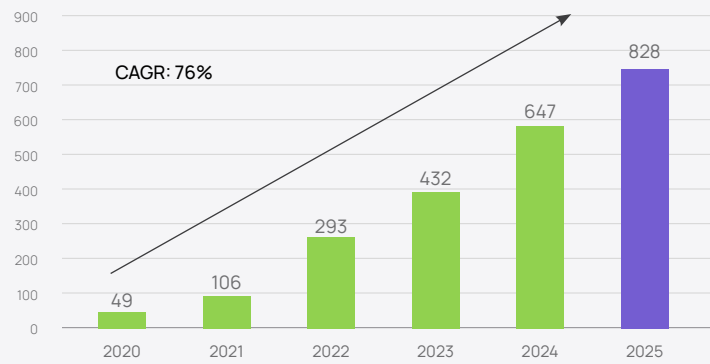
In 2025, the eBarimt system operated continuously and reliably, issuing approximately 72 million receipts to users.

Starting from September 2025, the system was upgraded to enable the automatic registration of eBarimt receipts for bank card transactions, in full compliance with regulatory requirements. Since implementation, over 1.5 million transactions have been automatically recorded, ensuring full alignment with Mongolian legal and regulatory standards.

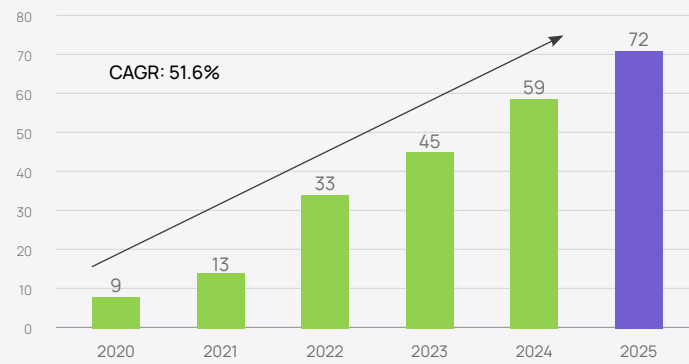


Operational Performance

Number of customers (millions)

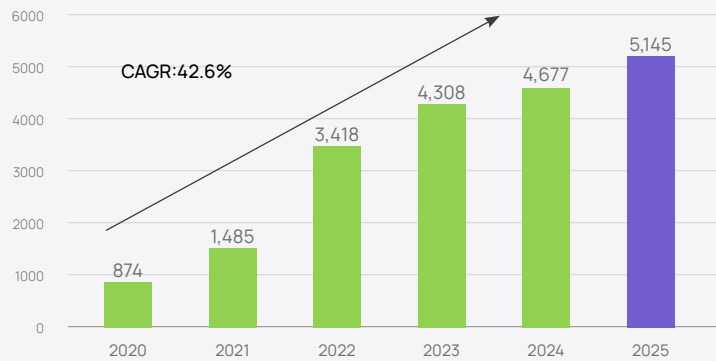


Total Network Sales (in Billion MNT)

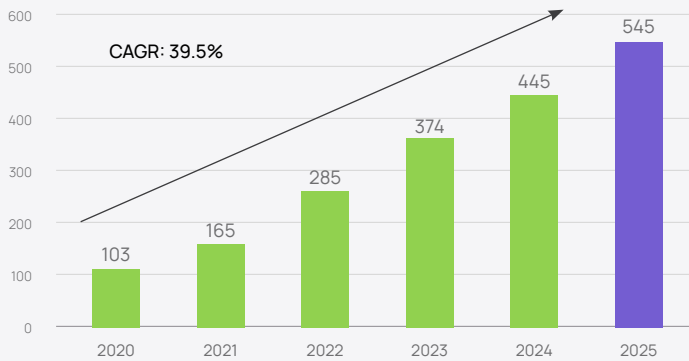


Number of Employees*

*Number of employees, representing the unduplicated total of social insurance contributors during the reporting period.



Number of stores



Operational Performance

Comparable Store Performance

The performance of 364 stores that operated continuously from the end of 2023 through the end of 2025 was analyzed on a comparable basis between 2024 and 2025. Based on average daily metrics, the number of customers increased by 7%, while the average basket size grew by 4%, resulting in an 11% increase in average daily sales.

Total Store Performance

Across the full store network— including 445 stores in 2024 and 545 stores in 2025—the total number of customers decreased slightly by 1.5%, while the average basket value increased by 5.8%, resulting in an overall 4.1% growth in average daily sales.

The temporary decline in system-wide customer traffic is primarily due to the rapid expansion of new stores, which typically require a maturation period before reaching stable performance levels. Accordingly, store performance and growth are more accurately assessed based on comparable store metrics.

Comparable Store Performance	
	2025
Daily Average Sales Growth	11%
Daily Average Customer Growth	7%
Basket Value Growth	4%

- Number of Comparable Stores: 364 (stores that operated full-year in 2024 and 2025)

Total Store Performance	
	2025
Daily Average Sales Growth	4.1%
Daily Average Customer Growth	-1.5%
Basket Value Growth	5.8%

- Number of Total Stores: 445 → 545

Key Highlights

2025 Achievements and Awards



Ranked 7th in Mongolia's Top 100 Enterprises

Premium Nexus JSC has been included in Mongolia's Top 100 Companies for the fifth time, achieving the following rankings:

- 25th in sales revenue
- 65th in total taxes paid
- 2nd in number of insured clients
- 42nd in profit
- 51st in total assets

Best for Youth – Top Employer for Young People

The “Good Workplace Awards 2025”, held for the fourth consecutive year, recognizes leading Mongolian companies for employee-friendly policies, staff development, and excellence in human resource management. Premium Nexus JSC was honored with the “Best for Youth” award, recognizing it as one of the most youth-friendly employers.

In terms of workforce composition, employees under the age of 30 account for 91.2% of the Company's total staff, highlighting the pivotal role of young talent as a key driver of the organization's growth and innovation.



National Quality Forum 2025 – Best Service

Held under the patronage of the Deputy Prime Minister of Mongolia, the “National Quality Forum – 2025”, organized for the 10th consecutive year to promote quality, innovation, and organizational competitiveness, awarded Central Foods LLC in the Best Service category.

Key Highlights

2025 Achievements and Awards

Successfully opened its 500th store

Premium Nexus JSC, a leading company in Mongolia's retail sector, marked the 7th anniversary of introducing the CU brand in Mongolia by opening its 500th store in Tsonjinboldog, Tuv Province.

According to legend, this site holds historical significance. It is said that in 1177, Chinggis Khaan, together with his brothers, visited Tooril of the Khereid tribe and on their return journey, discovered a whip at this location – an event regarded as symbolic. In Mongolian tradition, finding a whip is considered an auspicious omen, representing the promise of great achievements in the future.

Opening the 500th store at such a meaningful and historic location symbolizes not only CU's continued growth and the dedication of its team, but also represents a significant milestone in advancing Mongolia's modern retail industry to a new level.



Awarded “Convenience Store of the Year – Mongolia” at the Retail Asia Awards

- › Premium Nexus JSC successfully introduced the CU brand to Mongolia in 2018 and has since developed the country's largest retail chain, with over 480 stores and more than 3,500 employees.
- › CU serves over 200,000 customers daily, offering a customer-centric environment that includes more than 400 public restrooms and flexible spaces designed to accommodate students and everyday needs.
- › By introducing technology-driven services such as the CU App and CU Pay, CU has helped usher in a new digital era to Mongolia's retail sector, setting a strong benchmark for innovation..

This prestigious award recognizes excellence and innovation in the retail sector across the Asia Pacific region. It reflects the successful efforts of Premium Nexus JSC in introducing and establishing the convenience store culture in the Mongolian market, as well as the strong results of its business growth and commitment to socially responsible practices.

Premium Nexus JSC has moved its listing from Tier II to Tier I

On September 5, 2025, pursuant to Order No. A/358 issued by the Chief Executive Officer of the Mongolian Stock Exchange, Premium Nexus JSC was officially reclassified from Tier II to Tier I.

This upgrade is a result of the Company's improved financial performance, enhanced transparency, and consistent adherence to the highest standards of corporate governance.



Key Highlights

Introduced Delivery Service

Delivery services have become an integral part of consumers' daily lives. In response to this trend, CU convenience stores relaunched their delivery service in September 2025.

Originally introduced during the COVID-19 pandemic, the service was temporarily suspended and has now been reintroduced in selected areas.

Customers can conveniently place orders through the CU App and track deliveries in real time, significantly enhancing convenience and overall user experience.

The Company also plans to gradually expand its delivery coverage and increase service locations, representing an important step in the development of its digital service ecosystem.

As the colder season approaches, this service is particularly beneficial for stay-at-home parents and busy consumers, offering a timely and customer-centric solution.



Key Highlights

Community Engagement Initiatives

Invested MNT 1 Billion In The Healthcare Sector

In 2025, CU, the brand of Premium Nexus JSC, invested MNT 1 billion to upgrade and renovate the restrooms and surrounding facilities of ten hospitals, with the aim of improving public health accessibility and environmental standards. The renovation projects have now been successfully completed and officially handed over.

Through its network of more than 500 CU convenience stores, the brand has consistently provided clean, comfortable, and publicly accessible restrooms free of charge. This initiative reflects the Company's ongoing commitment to delivering a tangible and positive social impact.



Premium Nexus JSC and its CU brand became the Title Partner of the Mongolian Volleyball Federation

Premium Corporation and the Mongolian Volleyball Federation have entered into a four-year partnership agreement, under which Premium Nexus JSC and its CU brand will serve as the Federation's Title Partner.

Through this collaboration, Premium Corporation and the CU brand will actively support youth and adolescents in utilizing their free time productively, promoting both physical and mental well-being, and fostering a culture where sports become an integral part of daily life.



Under the partnership agreement, a total of MNT 7 billion in financial support will be provided over four years, with funding allocated to key development initiatives within the sport.

This partnership represents a milestone in Mongolia's sports development, marking the first long-term, large-scale financial collaboration between a private company and a national sports federation. It is expected to significantly strengthen the development of volleyball, elevate the sport to a new level, and support its sustainable growth.

Key Highlights

Child Protection and Child-Focused Initiatives

“365 Care and Love” Campaign

The Department of Crime Prevention of the Mongolian Police, in collaboration with the CU and GS25 brands, launched the “365 Care and Love” Campaign. This initiative will continue throughout 2026, with CU actively contributing to efforts aimed at preventing harmful habits among adolescents and raising awareness of their negative effects.

As part of the campaign, CU convenience stores have implemented an automated public announcement system across all branches to remind customers of age restrictions on sale of regulated products.



The ICU Project Expands Its Activities in Collaboration with the Police 102 App

Since 2021, the CU brand has been successfully implementing the “CU Here to Help You” child protection project under the ICU program. Through this effort, 14 children who were separated from their parents were safely cared for at CU stores and reunited with their families in close collaboration with the police.

Starting from May 2025, the initiative has been further enhanced through integration with the Police 102 App. This enables real-time broadcasting of information about missing or lost children across POS screens in all CU stores, facilitating rapid public awareness and support.

“Magic Box” Library Opens in Chingeltei District with Support from CU Brand

Since 2020, Premium Nexus JSC – CU brand has been continuously implementing child protection initiatives and programs. As part of these ongoing efforts, of the Company invested MNT 200 million to establish the “Magic Box” Library, creating warm, safe, and functional space for children. The libraries have been fully equipped and officially handed over at two locations in Chingeltei District, providing children with an environment that supports learning, development, and well-being.



Potential Risks

Supply Chain Disruption Risk

With **545 CU convenience stores** serving over **72 million** transactions annually, ensuring consistent product availability depends on a large and complex infrastructure. One of the significant risks to this system is potential supply chain disruption. As the scale of operation grows, both the impact of disruptions and the cost of lost opportunities increases. To mitigate this risk, **Premium Nexus JSC** manages **99.99% of its products** through its centralized distribution center, ensuring efficient inventory control and reliable supply through integrated product management system.

Competitive Risk

The retail market is becoming increasingly competitive, with a growing number of grocery and convenience stores opening in close proximity. This may lead to reduced customer traffic per store and increased pressure on sales performance. To maintain its competitive edge, the Company implements a **market dominance strategy**, focusing on high-traffic locations and optimizing store spacing (typically 150–200 meters apart) to maximize customer accessibility and efficiently capture demand.

Brand Reputation Risk

As an international franchise operator, the Company faces the risk that service standards may decline, potentially impacting brand reputation and customer trust. To address this, the Company conducts regular **QSC (Quality, Service, Cleanliness) training** for frontline staff, maintains an open customer feedback and complaint system, and operates a dedicated customer service center to ensure timely resolution of issues.

In addition, approximately **90% of suppliers** have been supported in implementing **HACCP**, while the Company continuously monitors critical control points across the supply chain to maintain product quality and protect brand reputation.

Legal and Regulatory Risk

Changes or inconsistencies in the legal and regulatory environment may create uncertainty for medium- and long-term business planning. To mitigate this risk, the Company ensures that its operations, strategies, and development plans are fully aligned with applicable laws, standards, and regulatory requirements, enabling a structured and compliant approach to business growth.

Risk of Skilled Workforce Shortage

In the retail sector, increasing competition creates a risk of shortage of skilled labor. To mitigate this, the Company strengthens its employer branding, develops a talent pool aligned with its core values, and continuously expands this pipeline. In addition, targeted workforce development programs are implemented to ensure alignment with evolving business needs.

Food Safety Risk

CU convenience stores face food safety risks, including temperature control failures, expired products, incorrect labeling, and supplier quality issues. These risks may negatively impact consumer health, as well as the Company's reputation and regulatory compliance. To mitigate these risks, CU enforces **continuous temperature monitoring**, regular staff training, strict adherence to operational standards, and routine product inspections. The Company also collaborates closely with suppliers that comply with **HACCP and other relevant food safety standards**.

Potential Risks

Occupational Health and Safety

Fire and electrical hazards are classified as critical risks, with a relatively high likelihood due to factors such as electrical overloads, short circuits, and improper storage of flammable materials. To prevent and mitigate these risks, the Company ensures the reliable operation of automated fire detection and alarm systems, maintains readiness of firefighting equipment, and conducts regular employee training and emergency drills. Scheduled inspections, maintenance, and servicing of electrical systems are also carried out to ensure safe and continuous operations.

Occupational Health

Employees may face health risks related to prolonged standing, repetitive movements, psychological stress from frequent customer interactions, and potential commuting-related incidents. To address these risks, the Company implements measures such as improving work schedules and rest periods, providing guidance on safe commuting practices, conducting preventive and periodic health check-ups, and updating standard operating procedures. These measures are being implemented progressively across the organization to enhance employee well-being.

Occupational Safety – Security Risk

Risks related to external threats, theft, violence, and public safety are considered high, as they may directly impact the safety of employees and customers, as well as the protection of company assets, and operational continuity. To mitigate these risks, the Company ensures the effective operation of surveillance systems, alarm systems, and security equipment, maintains trained security personnel, and regularly updates incident response procedures and guidelines to strengthen preparedness and protection.

Subsidiaries

- > Central Foods LLC
- > Central Coffee Roasting LLC
- > Central Commerce LLC
- > Chinggis Shar Airag LLC
- > Stora Central LLC

Central Foods LLC

> Throughout 2025, the food production facility operated continuously without interruption, maintaining daily production. Average output increased from 38,500 units per day in 2024 to 50,800 units per day in 2025, representing a 32% year-on-year growth.

> Key investments made in 2025 included:

- An automated rice dosing machine with a capacity of 2,000 units per hour
- A Multivac automated MAP packaging machine with a capacity of 1,800 packaged meals per hour
- An automated kimbap rolling and cutting line capable of producing up to 30,000 units per day
- Installation of a second meal mixer kettle

These equipments significantly increased production capacity while enhancing product quality and operational efficiency. In addition, the factory replaced its coal-fired furnace with a gas-powered system, providing both heating and hot water. This transition improved workplace safety by reducing manual mechanical processes and lowered carbon emissions, supporting more environmentally sustainable operations.

> Product Development

- Introduced 19 new product lines in 2025
- Improved 7 existing products

In close collaboration with the Head Office Product Management Department, the factory continuously conducts research and development to deliver products that align with customer preferences and market demand.



Central Foods LLC

Achievements of Central Foods in 2025

- The food production facility, which has operated as in-house laboratory since its establishment for internal quality control, successfully implemented the ISO/IEC 17025:2017 standard in 2025 and obtained accreditation certification from the National Accreditation Council.
- At the annual National Quality Forum, the Company's performance was recognized with the "Best Service Provider" for 2025.
- During the annual event organized by the Food Industry Association, the Company was honored with the title of "Leading Food Manufacturing Company of Mongolia", reflecting its strong performance and industry leadership.



National Quality Forum – "Best Service" Award



ISO/IEC 2017 Accredited Laboratory Certificate



"Mongolia's Leading Food Factory" Award

Central Coffee Roasting LLC

› For Central Coffee Roasting LLC, 2025 was not only about roasting and selling coffee, but also about actively cultivating coffee culture, experience, and community in Mongolia. In line with this vision, the Company successfully implemented several key initiatives.

Official Launch of the Origin Brand

To deliver freshly roasted coffee directly to consumers, the Company officially launched the Origin brand.

Under this brand, two blended varieties and two single-origin coffees have been introduced, featuring distinctive packaging and design. These products are distributed to end consumers through CU convenience stores and other retail chains, expanding accessibility and brand presence.



Origin Brand Barista Championship in Mongolia

The Origin Brand Barista Championship brought together Mongolian baristas, coffee professionals, and enthusiasts in a large-scale industry event modeled after the World Barista Championship. The event was organized in collaboration with the Mongolian Barista Association and held at the Shangri-La Center. The competition featured an esteemed panel of international judges, including the President of the Korean Barista Association, SCA-certified judges, Italian coffee experts, and industry traders. More than 100 Mongolian baristas participated, demonstrating their skills, creativity, and technical expertise. The championship successfully identified and recognized Mongolia's top baristas, representing a significant milestone in the development of the country's coffee culture and industry.

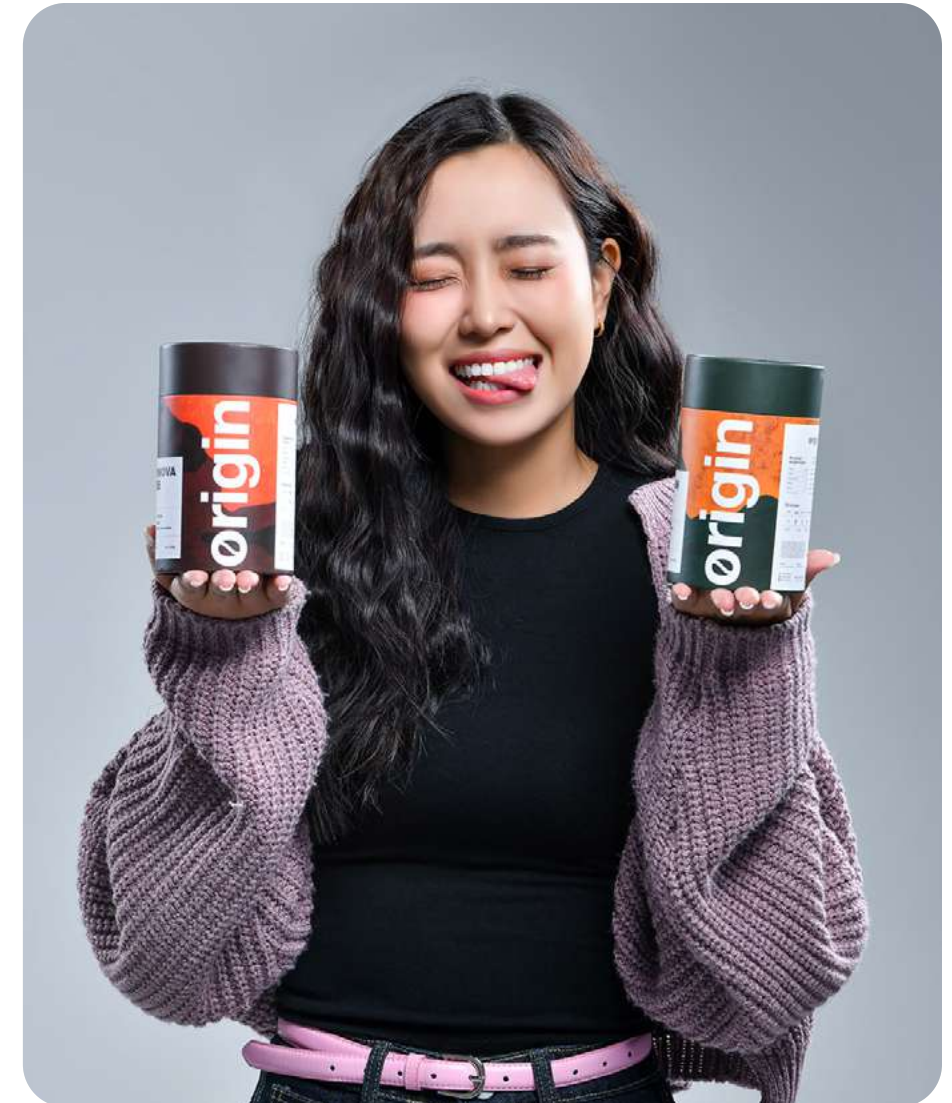


Central Coffee Roasting LLC

Accessibility and Market Expansion

The coffee market in Mongolia continues to grow, with consumers increasingly favoring freshly roasted domestic coffee. In response to this rising demand, the Company has focused on expanding accessibility and availability for a broader consumer base. To achieve this, we have expanded the reach of our high-quality coffee products across convenience stores, retail chains, and HoReCa channels, ensuring direct and convenient access for consumers. In addition, we have strengthened our network of partnerships by collaborating with various businesses and service providers to distribute Origin brand products more widely.

Looking ahead, we remain committed to support the sustainable development of Mongolia's coffee industry by continuing to expand market access while also enhancing the knowledge and skills of industry professionals.



Central Commerce LLC

Chinggis Premium Pilsner 500ml

In the first half of 2025, the Chinggis brand introduced a new canned format to enhance accessibility and expand its reach into the **off-trade channel**. Efforts focused on gradually increasing product awareness, broadening distribution channels, and driving revenue growth.

Chinggis Original

To strengthen partnerships and support consistent sales growth, the Company implemented quarterly incentive programs targeting 45 key customers. In parallel, brand visibility was enhanced through regular beer events and promotional activations, combining marketing initiatives with consumer engagement.



Asahi Super Dry x BLACKPINK International Integrated Campaign

Central Commerce LLC participated in a global campaign led by Asahi Global, in which the internationally renowned K-POP group BLACKPINK was appointed as brand ambassador for Asahi Super Dry. The campaign was launched simultaneously across Japan, South Korea, China, Hong Kong, Taiwan, and Mongolia, making a significant step in influencing the East Asian beer market.

As part of the Mongolia campaign, the following activations were executed:

- Limited Edition Asahi Super Dry products
- Asahi Super Dry x BLACKPINK branded merchandise
- Sweepstakes and promotional campaigns

Introduction of New Brands and SKUs to the Market

- The Company secured distribution rights and officially introduced Pilsner Urquell, the world's first pilsner, to the Mongolian market. In addition, the Asahi Super Dry brand expanded its product lineup with new packaging formats—2L and 135ml—tailored to diverse consumer needs and consumption occasions.

These initiatives have diversified the Company's brand portfolio, offering consumers a broader selection while creating new opportunities to increase sales, expand market share, and strengthen competitive positioning. At the same time, they contribute to introducing internationally recognized brands to the Mongolian beer market.



Chinggis Shar Airag LLC

Founded in 1997, Chinggis Shar Airag LLC is a leading national enterprise that successfully established the “Chinggis Beer” brand within Mongolia’s beer industry. Through long-term collaboration with trusted European suppliers of high-quality raw materials, the Company produces premium pilsner-style beer characterized by noble hops, a balanced bitterness, clear filtration, and a crisp, refreshing taste, maintaining consistently high quality.

In 2025, Chinggis Shar Airag LLC increased its production capacity to **2.5 million liters per year**, with plans to expand capacity by an additional 2–3 times in the future. of the Company is also working to diversify its packaging formats to meet evolving consumer demand.

Capacity Expansion and Production Development

To bring fresh, live beer closer to consumers, the Company installed a 2-liter canning line from Italy’s GAI brand, enhancing both the production efficiency and product quality

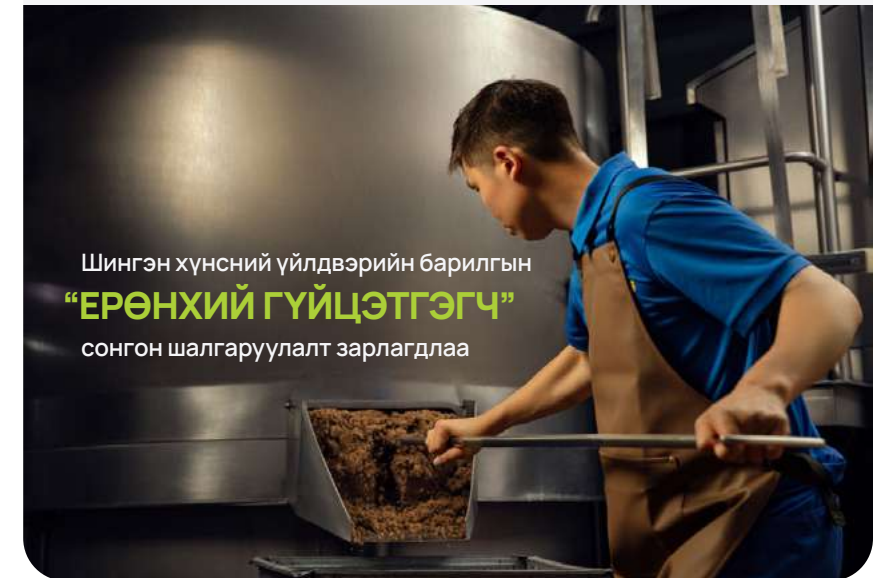


Historic Achievement

With the expansion of its production capacity, the factory reached a historic milestone in its 28-year history by successfully completing its 1,000th production batch of the year, setting a new operational record.

Future Development

As part of the ongoing capacity expansion project, the Company has announced a Request for Proposal for the General Contractor, making the next phase of its growth and infrastructure development.



Stora Central LLC

Technology Development and New Market Connectivity

•In the first quarter of 2025, the Company officially integrated with Alibaba Group’s Taobao platform, introducing system enhancements that allow users to access real-time search results, faster processing speeds, detailed product information, and quality indicators when sourcing goods through the Stora platform.

•The Company also established an official partnership with JingDong (JD.com), one of the China’s largest e-commerce platforms, signing agreements for both system integration and logistics collaboration with JD Logistics.

•To broaden access to U.S. products, Stora expanded its partnership with leading global brands such as Apple, Sephora, Alo, and Victoria’s Secret. Consumers now can purchase these products through installment and credit payment options, improving accessibility and product variety.



Enhanced Logistics and Delivery Efficiency

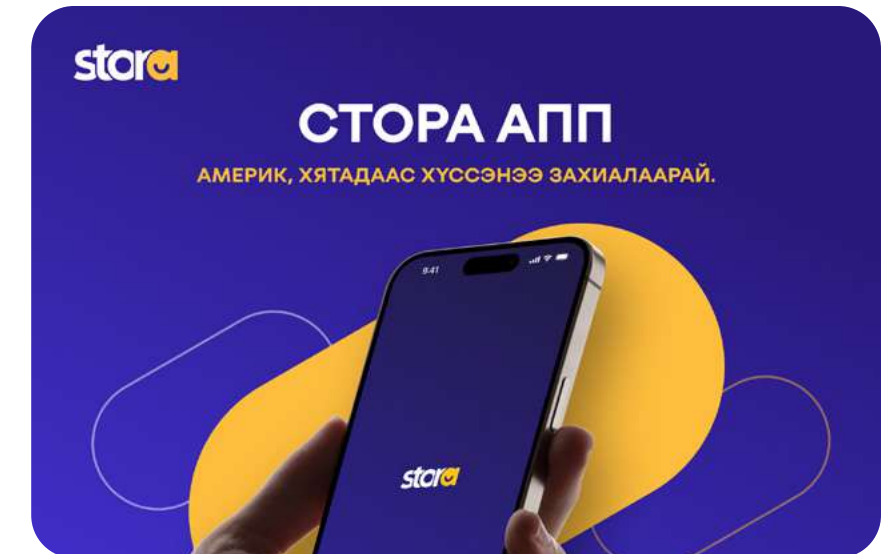
•To optimize the handling of fast-moving consumer goods, the Company established its own warehouse in Erenhot, China, enabling more efficient sorting, handling, and transportation of customer orders while reducing the risk of damage. This development has also shortened delivery times from China to Mongolia.

•For shipments from the United States, delivery times have been significantly reduced from 12–16 days to approximately 5–8 days from the time of order placement-greatly enhancing speed and convenience for consumers.

Expanded Payment Solutions

•Stora Central LLC integrated Golomt Bank’s consumer credit services into its platform, offering customized service features such as interest-free financing for up to 14 days, meaning no interest accrues until the customer receives the product.

•In addition, the Company expanded its installment payment offerings through a partnership with Pocket Zero, enabling customers to order products from international markets without upfront payment, further improving affordability and access.



Sustainability

- > Sustainable Development Policies and Strategies
- > Environment
- > Social
- > Governance

Sustainability Policy and Strategy

On July 4, 2025, by Resolution No. 26 of the Board of Directors, Premium Nexus JSC approved its “Environmental and Social Protection Policy”, defining the company’s sustainable development policies and objectives and establishing regulatory procedures to ensure their implementation. Based on the management’s attention to sustainability, the company has identified sustainable development as a core element of its ongoing policies and strategy. Relevant policy documents have been developed, leadership at the management level has demonstrated commitment, and the company’s Code of Ethics has been updated along with the Whistleblowing Procedure and Complaint Handling and Resolution Procedures. The company’s operational goals and objectives have been aligned with the 17 Sustainable Development Goals (SDGs), with planning and implementation processes established to ensure results are reported transparently and openly to all stakeholders.



Capacity Building Activities

Although a unified sustainable development training program has not yet been launched, thematic training sessions were conducted on labor relations, occupational health and safety, environmental protection, and supply chain sustainability. Relevant information on these activities is provided in the corresponding sections.

Monitoring

The ESG Committee under the Board of Directors is responsible for developing policies, strategies, and regulations related to ESG, overseeing their implementation, and reviewing internal control and risk management activities.

Reporting and Assurance

Since 2021, Premium Nexus JSC has prepared ESG reports (even prior to becoming a publicly listed company), had them assured by an independent third party, and made them publicly available.

Memberships and Partnerships

The company collaborates with the Mongolian Chamber of Commerce and Industry and actively engages with national and international initiatives, including the UN Guiding Principles on Business and Human Rights, to implement sustainable development goals and objectives with government and international support.

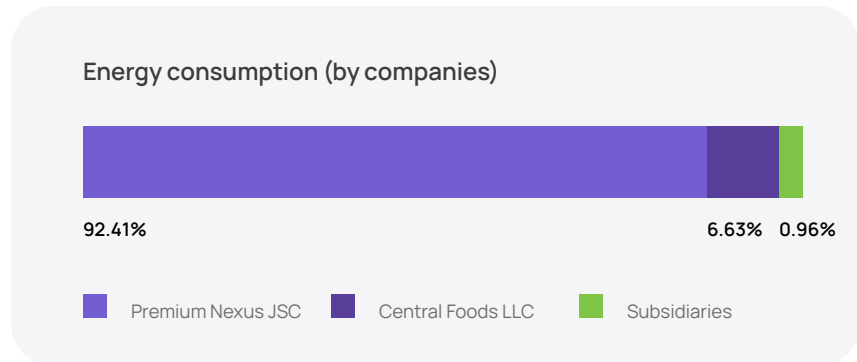
Environment

Energy

Premium Nexus JSC operates its food production center, centralized warehouse, beer and coffee production and distribution centers, offices, and 544 convenience store branches across urban and rural areas. All facilities have agreements with Electricity Distribution Network JSC for electricity supply, and payments totaling MNT 10,791,038,632 were made on time.

During the reporting year, the company consumed 23,594,880 kWh of energy, of which 35,615,662 kWh was electricity and 2,879,438 kWh was thermal energy. Compared to the previous year, electricity consumption in 2025 increased by 49.22%, due to the addition of 99 new store branches and higher energy use from other subsidiary operations.

Over 90% of total electricity consumption comes from the network of convenience stores, including both electricity and thermal energy usage. When comparing energy consumption to sales revenue, electricity usage increases proportionally as sales revenue grows.



Transportation Management

Since 2024, the delivery service has been operating during early morning hours from 04:00 to 08:00. Through the cold-chain distribution center located in the eastern part of the city, 80,000–100,000 food products are transported daily using refrigerated vehicles, while the standard distribution center in the southwest delivers daily food products to branch stores using conventional trucks.

As a result of this optimized delivery scheduling, the number of vehicle trips has been significantly reduced, deliveries are conducted during non-peak traffic hours, and transportation time has been shortened fourfold. This approach has also reduced fuel consumption growth by 80% and significantly lowered air pollution and greenhouse gas emissions.



By using the CU app in its network of convenience stores, the company has reduced paper consumption, contributing to the conservation of natural resources and the reduction of greenhouse gas emissions. Calculating the overall greenhouse gas intensity, the operation emits approximately 1.62 kg CO₂e per customer served and 45.15 kg CO₂e per MNT 1,000,000 in sales.

By linking your E-Barimt registration, your purchases are automatically recorded without the need to print paper receipts, enabling a more environmentally friendly customer experience.

Environment

Waste Survey 2025

In districts where municipal waste services operate, waste often accumulates in convenience stores because collection is not performed according to the scheduled days. To address this issue, in 2025 the company initiated a study on the possibility of sorting waste at the source in branch stores, the food production center, and distribution centers, as well as transporting the pre-sorted waste separately. As part of this initiative, an agreement was signed with the Governor’s Office of Bayangol District, Ulaanbaatar, to improve waste management practices.

Per customer

30g /day
545 stores
2,275.09 tons per year
6,233 kg/ day

The average daily waste generated per store is approximately 13 kg.

Approximately 64% of total waste can be recycled as follows. Of this:

Recyclable raw materials
Utilize food waste as compost fertilizer

Cardboard / Paper 26%	Plastic bags 4%
Food waste 17%	Glass bottles 2%
Packaging waste 8%	Hazardous waste 2%
Plastic beverage containers 6%	Metal containers and cans 1%
	Other waste 33%

Waste Management in Bayangol District, 2025

To implement the Company’s approved 2025 Environmental and Social Responsibility Policy, a waste segregation-at-source system has been established with a focus on recycling and reuse. In this regard, the Company has entered into an agreement with the Governor’s Office of Bayangol District, and has independently managed waste collection and transportation from the logistics stage in cooperation with “Urban Solid Waste Management” LLC.

During the reporting period, a total of 608.3 tons of waste were transported through 618 trips from 71 retail branches in Bayangol District and the distribution center. Of this, 50.6% or 307.6 tons of recyclable materials were diverted from landfill disposal and enabled for reintegration into the circular economy.

In 2025, a total of 307.6 tons of recyclable materials were successfully recovered and recycled. Based on conservative greenhouse gas accounting methodologies using landfill methane emission factors (IPCC 2006/2019), this diversion is estimated to have avoided approximately 266.2 tons of CO₂e emissions. This reduction is equivalent to the annual carbon sequestration capacity of approximately 12,000 trees.

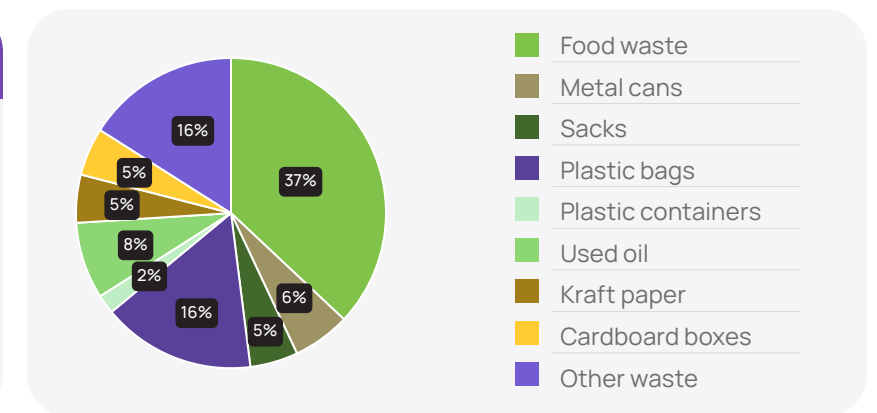
In addition, a pilot initiative to utilize food waste for compost fertilizer production has been launched. This initiative is expected to increase the overall recycling rate of recoverable waste by 17 percentage points, reaching a total recovery rate of 67%, thereby significantly improving the Company’s resource efficiency and environmental performance.

Recyclable raw materials

Paper /kg/	275,334
Plastic bags /kg/	18,251
Cans /kg/	14,014

Landfilled waste

Mixed waste /kg/	390,520
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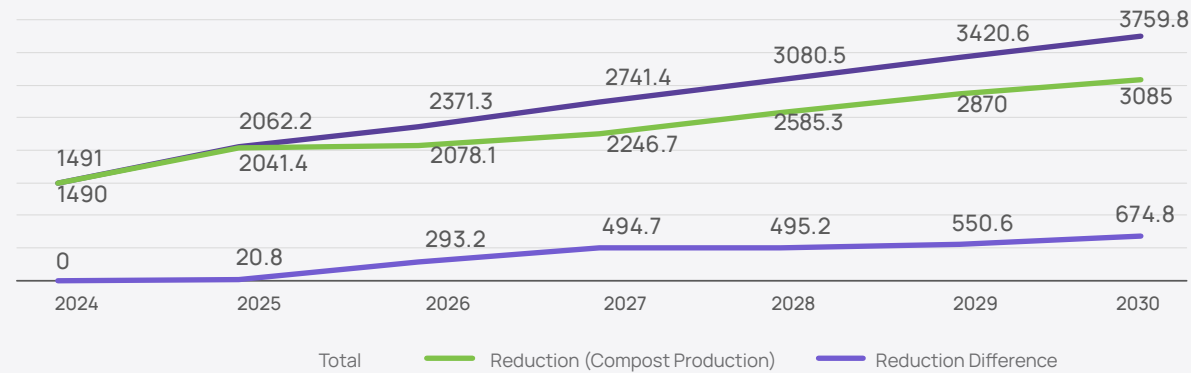


Environment

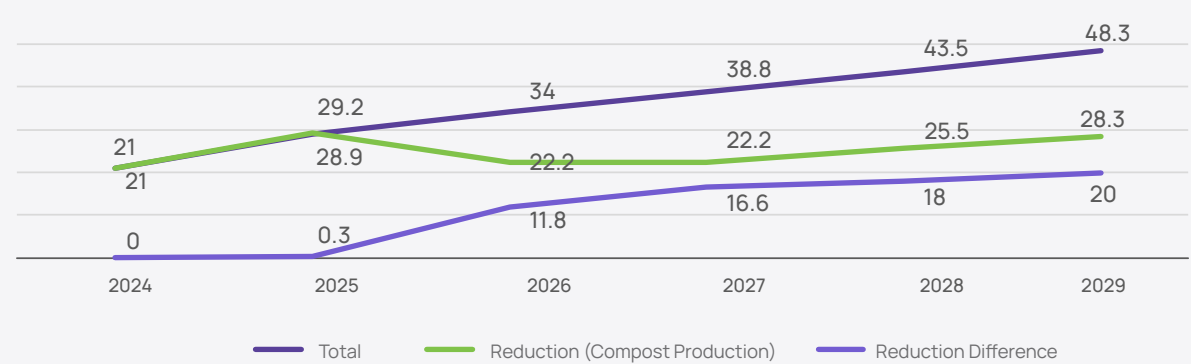
Waste Management – 2025

By implementing source-level waste segregation and recycling initiatives, the Company aims to reduce greenhouse gas emissions from waste by 50% by 2030.

Carbon dioxide emissions /1 metric ton CO₂/



Methane emissions /1 metric ton CH₄/



Waste Management – 2025

Due to irregular waste collection and transport services by district public utility companies (DUCs), which often fail to adhere to scheduled pick-up days, waste tends to accumulate significantly at retail network stores. To address this issue, the Company initiated a waste management improvement program in 2025 by signing an agreement with the Governor's Office of Bayangol District. The initiative focuses on implementing source-level waste segregation at retail stores, food service operations, and distribution centers, as well as assessing the feasibility of segregated waste transportation systems. This marks the beginning of an improved and more structured waste management system.



Social

Human Resources and Diversity, Equity, and Inclusion

As of 2025, Premium Nexus JSC employs a total of 5,145 employees, of which 4,312 are based in Ulaanbaatar and 833 are located across 16 provinces. The Company is actively expanding its regional operations, with a steady increase in the number of employees in rural areas.

The policy to increase the regional workforce is aligned with the following objectives:

- To provide stable income and employment opportunities for local residents, reduce internal migration, and enable families to remain together
- To support youth employment in rural areas and retain skilled human resources within the regions
- To decentralize the labor market and reduce overconcentration in the capital city

These objectives represent an important step toward inclusive social and economic development.

Going forward, Premium Nexus JSC aims to further expand its regional workforce structure and implement a long-term strategy that contributes positively to economic development. In this regard, the Company will continue to train and develop local residents in newly opened retail stores, provide stable employment opportunities, and ensure sustainable income generation at the community level.

Region	Number	Share
Ulaanbaatar	4,312	83%
Arkhangai	51	1%
Bayankhongor	25	0.5%
Bulgan	28	0.5%
Govisumber	24	0.5%
Darkhan	60	1.2%
Dornogovi	39	0.7%
Dornod	37	0.7%
Dundgovi	15	0.2%
Orkhon	112	2.1%
Uvurkhangai	44	0.8%
Umnugovi	59	1.1%
Sukhbaatar	19	0.4%
Selenge	122	2.3%
Tuv	102	2%
Khuvsgul	41	1%
Khentii	55	1%



Human Resources and Diversity, Equity, and Inclusion

Premium Nexus JSC prioritizes the principles of diversity, equity, and inclusive employment as a core element of its human resources policy. The Company maintains a workforce structure that represents individuals across all age groups and social backgrounds, actively promoting inclusive employment opportunities.

Youth employment constitutes a significant share of the workforce. The Company supports the development of future skilled labor through structured training and development programs and serves as an important platform for individuals gaining their first work experience.

Employment of persons with disabilities

Premium Nexus JSC implements an open and supportive policy for hiring and employing persons with disabilities. As of 2024, a total of 129 employees with disabilities are employed within the Company. To support their performance and engagement, the Company provides tailored measures such as flexible working arrangements, opportunities for skills development and career advancement, and an inclusive working environment that fosters motivation, dignity, and growth.

This approach contributes positively to increasing social participation, self-confidence, and overall workplace inclusion, while also fostering awareness and inclusivity among colleagues and customers.

Core principles of diversity, equity, and human resource policy include:

- Fair and transparent recruitment and selection
- Continuous learning and development opportunities
- Diversity and equal opportunity
- Employee satisfaction and engagement

Through these policies, Premium Nexus JSC aims to promote a more inclusive and equitable labor market.

Age group	Number of employees	Share
46–65 years	146	3%
36–45 years	444	9%
26–35 years	1,010	20%
18–25 years	3,483	68%
Under 18	62	1%

Gender Composition and Gender Equality

Indicator	Male	Female
Board of Directors (9 members)	77%	23%
Executive and middle management	46%	54%
Total employees	28%	72%

Talent and Training

Premium Nexus JSC aims to embed its corporate values into day-to-day operations, fostering a work environment that fully supports employees' trust, motivation, and self-confidence. Such a culture provides a strong foundation for unlocking and developing the full potential of the Company's most valuable asset—its people.

The Company focuses on both attracting top talent from the market and developing its internal workforce. Through structured training and development policies, employees are supported in becoming highly skilled, leadership-capable professionals who are recognized and valued within their industry.

Employees are encouraged to perform their duties effectively while continuously adapting to the evolving needs of the business environment through on-the-job training programs. This enables employees to grow and develop within the Company, strengthening their belief in long-term career progression and contributing to the organization's success with strong commitment and motivation.

Premium Nexus JSC has established a training and development system tailored to the skills, needs, and requirements of each employee. Based on individual competency assessments, the Company designs and implements targeted development plans and provides relevant training programs to continuously enhance employee capabilities.

Indicator	Value
Types of training	16
Total training hours	49,317
Total employee participation (duplicated)	17,988
Training hours per employee	2.7
Training cost	MNT 555,844,661



Training and Development Policy

The Company’s training and development policy is aligned with its overall business strategy and is guided by a people-centric approach that supports each employee in achieving their career goals. In 2023, Premium Nexus JSC upgraded its integrated training system and implemented several initiatives aimed at delivering tangible impact on employees’ career growth.

To support career development and continuous learning, the Company introduced a “Paid Training” program, enabling employees to participate in all internal training programs without loss of salary. In addition, for office-based employees, Fridays from 09:00 to 11:00 were designated as “Learning and Development Hours,” which has become an important step in fostering a self-learning culture within the organization.

As of 2025, the Company delivered a total of 16 types of management training programs, amounting to 49,317 training hours, reaching 17,988 employee participations (cumulative). This demonstrates strong organizational support for capacity building and professional development across the workforce.

Furthermore, the Training Center under Premium Nexus JSC obtained official accreditation in 2025 from the Institute for Labor and Social Protection Training, Assessment, and Research, granting it a license to train and certify “Retail Store Basic Staff” professionals. This provides employees working in retail stores with opportunities to gain professional qualifications and improve workplace competence.

In particular, graduates of the training program are able to obtain a nationally recognized qualification as “Retail Store Basic Staff” accredited by the Ministry of Education of Mongolia, thereby expanding opportunities for employment and lifelong learning.

Career Development Programs

Premium Nexus JSC supports sustainable human capital growth and development through a fair and transparent performance evaluation system that enables employees to advance in their careers.

Career grading and performance evaluation:

Employees’ job performance and professional competencies are assessed in a fair and transparent manner. Employees who meet the required evaluation standards are promoted within the company’s career progression framework.

Promoting equal opportunity and diversity:

The Company is committed to fostering a non-discriminatory and equitable workplace culture that supports gender balance, diversity, and the inclusion of different talents and capabilities. Through its talent management policy, the Company ensures fair evaluation of employee competencies, equal opportunities for career advancement, and a stable environment that enhances workforce value and engagement.



Safety and Occupational Health

Premium Nexus JSC is committed to the principle that every employee should arrive at work safely and return home in good health, while ensuring that customers are served in a safe environment. To achieve this goal, the Company has implemented a Health, Safety and Occupational Hygiene (HSE) management system.

The HSE management system is operated based on the PDCA (Plan-Do-Check-Act) cycle. The Company first established its HSE policy on June 3, 2020 under CEO Order No. A/20-29, and currently operates under a total of 14 procedures.

Key HSE Procedures include:

- General HSE Procedure
- Shift handover and pre-start meeting procedure
- Stop Work Authority procedure
- Incident and accident management procedure
- Alcohol, drugs, and psychoactive substances policy
- Risk management procedure
- Lockout/Tagout (LOTO) and energy isolation procedure
- Confined space entry procedure
- Working at height procedure
- High-temperature work procedure
- HSE training and competency assessment procedure
- HSE committee procedure
- Employee health monitoring procedure
- Fire safety procedure

The HSE unit is responsible for implementing and continuously improving the HSE management system and provides professional support to both management and employees. It operates under the direct supervision of the HSE and Environmental Department and consists of a department head, managers, and specialists.

To promote a strong safety culture and prevent occupational incidents, acute poisoning, and work-related illnesses, the Company also extends HSE requirements to contractors and subcontractors. Compliance is incorporated into contractual agreements, and performance is evaluated based on defined safety indicators. This system plays a key role in strengthening employee safety awareness, improving compliance with occupational health and safety standards, and enhancing overall organizational performance.



Safety and Occupational Health

The Company implements a wide range of measures aimed at ensuring employee safety, including the following: All retail stores are equipped with surveillance cameras to enhance security and monitor safety conditions.

The Company has established a contract with a professional security service provider. In the event of an emergency or security threat at any store, a dedicated emergency alarm button can be activated, and this security response team arrives within 10 minutes.

A mobile application, "HSE Bukhbat," has been introduced to disseminate safety procedures and guidelines, as well as to enable hazard reporting and safety communication among employees.



Under the "Let's Promote a Culture of Safe Operations Together" initiative, monthly awareness and engagement activities were conducted in 2025 to strengthen a positive occupational health and safety culture. As part of this program, safety leaders and outstanding employees were recognized and rewarded with vouchers and other incentives. In addition to accident insurance, the Company maintains comprehensive general liability insurance covering bodily injury, health impacts, and fatalities affecting third parties and related parties, as well as property damage and losses.

For contractors and subcontractors, HSE requirements mandate that partner companies provide appropriate insurance coverage for their employees, including personal accident insurance, driver liability insurance, professional driver insurance, and insurance for vehicles and equipment.

Emergency Preparedness

Premium Nexus JSC has developed comprehensive disaster risk assessments and emergency response plans for its facilities in collaboration with relevant emergency management authorities.

Each retail store is equipped with fire safety equipment, including:

- 2 fire extinguishers
- Fire blankets
- Carbon monoxide detectors

All equipment is regularly inspected and recorded through maintenance checklists to ensure operational readiness and safety compliance.

In addition, the Company's food production facility is equipped with a fully automated fire protection system. The gas installation system includes sensors that automatically shut off supply in the event of a gas leak.

These measures significantly reduce operational risks, ensure employee safety during emergencies, and maintain business continuity and preparedness in critical situations.

Development of Food Product Suppliers

Since 2022, CU convenience store chain has initiated a program aimed at strengthening the capabilities of prepared food suppliers. Under the “Grow Together” program, implemented in four phases, the Company has worked closely with its food product suppliers to improve workplace conditions and promote consistent hygiene practices, with a focus on implementing the HACCP (Hazard Analysis and Critical Control Points) food safety standard.

In 2023, a total of 6 suppliers implemented HACCP standards. By 2024, 11 domestic manufacturers had obtained HACCP certification. Through the implementation of this standard, these companies are now able to ensure product quality and safety across all stages—from raw material sourcing, production, storage, and distribution to final delivery—under strict monitoring and control systems, thereby providing safe and reliable food products to consumers. In 2025, CU convenience store chain has begun preparatory work to certify an additional 5 suppliers under the HACCP standard, with the target of achieving full compliance.

Currently, CU collaborates with 16 domestic manufacturers that have implemented HACCP standards.

Food Safety Risk Reduction Measures

In 2025, CU convenience store chain has strengthened its food safety risk management across key control points, including prepared food suppliers, delivery vehicles, and retail stores. As a result of these efforts, customer complaints have decreased by 15% compared to 2024.

This improvement demonstrates the effectiveness of CU’s food safety management system and highlights its commitment to enhancing product quality while systematically reducing operational risks across the supply chain.



Urban Improvement Activities

For the past five years, CU convenience stores have been offering the following services to millions of customers without requiring any purchase, contributing to a new level of food service culture and standards in both the capital city and regional areas where the stores operate.



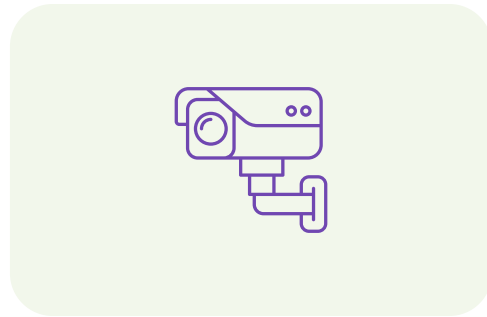
Restroom facilities:

Public restroom services have been independently provided in both the capital city and regional areas, addressing a long-standing urban challenge and significantly improving the comfort and livability of citizens.



External environment maintenance:

CU stores are required to maintain a well-organized and clean environment within a 50-meter radius of each store, including proper lighting and measures to prevent slip-and-fall hazards.



24-hour surveillance:

CCTV footage is recorded and stored for up to one month. In cases such as lost belongings, theft, or other incidents, footage has been reviewed with the authorization of relevant authorities and used as supporting evidence.



Free Wi-Fi access:

It also provides services comparable to coffee shops, not only in city center areas but also in suburban and peri-urban districts.



Postal services:

Stora parcel pick-up points have been established at designated locations. In addition, the Company is cooperating with relevant government authorities to install public service kiosk stations.

Governance

Shareholders

The governance structure of Premium Nexus JSC is aligned with the relevant laws and regulations of Mongolia. It is designed to define the Company’s core operations, policies, and strategic direction, while ensuring effective management of resources, robust internal controls, sound risk management, and appropriate oversight of executive management.

The Company adheres to the Corporate Governance Code approved by the Financial Regulatory Commission of Mongolia, as well as internationally recognized best practices and principles. These standards are embedded across its operations to ensure a strong governance framework.

The Company considers sound corporate governance to be fundamental to the successful execution of its business strategy, the fulfillment of its obligations to shareholders and other stakeholders, and the protection of their interests. and the Company remains committed to maintaining high standards of ethics, transparency, and fairness.

Shareholders and Shares

The Company received approval from the Financial Regulatory Commission of Mongolia on October 13, 2021, to become a publicly listed company. It subsequently completed its initial public offering (IPO) on the Mongolian Stock Exchange on November 12, 2021 with secondary market trading commencing on November 12, 2021.

As of November 12, 2025, the aggregate shareholding of the Company’s related-party (concerted) shareholders reached 75% of the Company’s total issued shares. In accordance with applicable regulations, the Board of Directors resolved to exercise its right to require minority shareholders to sell their shares back to the Company.

Pursuant to this resolution, an offer price of MNT 350 per share was announced. As part of the mandatory buyback process, a total of 50,500,653 shares were repurchased through Premium Commerce LLC.

As of December 31, 2025, a total of 9,518 shareholders, holding a total of 1,114,252,034 ordinary shares in circulation.



Shareholder Structure (as of 12/31/2025)

Shareholder	Number of shares	Share (%)
A. Gankhuyag	379,556,616	34.06%
A. Ganbold	263,375,296	23.64%
BGFI Retail Co., Ltd	92,600,479	8.31%
Ts. Bayarjargal	88,164,258	7.91%
Premium Commerce LLC	50,500,653	4.53%
Others	240,054,732	21.54%
Total	1,114,252,034	100%

Board of Directors

The Board of Directors is responsible for defining the Company’s core business direction, policies, and strategic objectives in alignment with shareholders’ interests, with the aim of creating sustainable long-term value for both shareholders and stakeholders. The Board also provides oversight and strategic guidance to executive management in the execution of the Company’s goals, plans, and operations. The Board consists of 9 members, including 6 non-independent members and 3 independent members, ensuring a balanced and effective governance structure.

Board Remuneration

In the 2025 financial year, independent members of the Board received monthly remuneration ranging from MNT 3.0 million to MNT 3.2 million. Details regarding the shareholdings of Board members and executive management are presented in the table below.

Board Members’ Shareholding in the Company (as of December 31, 2025)

Board Member	Number of Shares	Share (%)
Gari Biondo (Chair, Independent)	-	-
A. Gankhuyag	379,556,616	34.06%
A. Ganbold	263,375,296	23.64%
G. Chinzorig	6,842,227	0.61%
G. Bat-Erdene	28,653,097	2.57%
Ch. Munkhchimeg	-	-
B. Bat-Erdene	-	-
Ö. Erdenechimeg (Independent)	-	-
V. Ganzorig (Independent)	-	-

Board of Directors Training and Development

The Company provides a structured induction program for newly appointed Board members, covering key areas such as financial reporting, business operations, and the roles and responsibilities of Board members.

In 2025, members participated in the following training programs: Information Security and Microsoft 365 training conducted by Empasoft Academy, Compliance, Corporate Governance and Tax Planning training organized by BZ Consulting Legal Partnership, and Compliance – Leadership for Executives training organized by the Mongolian Non-Bank Financial Institutions Association.

Board of Directors



Gary Stephen Biondo
Chairman of the Board
(Independent)

Gary Stephen Biondo is the Chair of the Board of Directors (Independent) of the Company. He also serves as Chairman of the Board of the International School of Ulaanbaatar, Chairman of the Board of the American Chamber of Commerce in Mongolia (AmCham Mongolia), and Chief Executive Officer of Edelweiss Art Hotel. He has over 36 years of experience in the hotel and hospitality management sector, with extensive expertise in implementing and overseeing employee training programs, occupational health and safety standards, quality management systems, internal control frameworks, and fire safety and risk management systems. Gary Biondo spent 28 years as General Manager and executive leader within Shangri-La International Hotels and Resorts across various Asian countries with diverse cultural environments. He holds a Bachelor's degree in Classical Literature and Philosophy from Colorado College, United States.



Gankhuyag Adilbish
Member of the Board

Gankhuyag Adilbish is a member of the Board of Directors of Premium Nexus JSC and the Founder of Premium Corporation. He has over 24 years of extensive experience in leading major enterprises in Mongolia. Throughout his career, he has held senior executive positions within MCS Group, including First Vice President of MCS Group, Chief Executive Officer of MCS Holding LLC, Chairman of the Board of MCS Coca-Cola LLC and Unitel LLC, as well as Board Member and Vice President of Finance at Mongolian Mining Corporation (HKEX: 975). He has also served as President of the Ulaanbaatar Chamber of Commerce. Gankhuyag has made significant contributions to elevating the operations of these companies to an international level and expanding their global recognition. He has successfully led large-scale foreign investment initiatives across sectors including energy, mining, light industry, infrastructure, construction, and trade. He holds a Bachelor's degree in Finance and Economics from the National University of Mongolia and a Master's degree in Business Administration from the Quantic School of Business and Technology.



Ganbold Adilbish
Member of the Board

Ganbold Adilbish is a founder of Premium Corporation and a member of the Board of Directors of Premium Nexus JSC, as well as a Board member and Chief Executive Officer of Premium Innova LLC. He has played a leading role in defining and implementing strategic direction and objectives for affiliated and related companies. He has also served as Chief Executive Officer of National Developer LLC, a company engaged in road construction and urban infrastructure development in Mongolia, and as Founder and General Director of Ganbros LLC, a luxury furniture manufacturing company. For his contributions to the development of the construction sector, he was awarded the "Altan Gadas" (Polar Star) Order by the Government of Mongolia. Ganbold holds a Bachelor's degree in Electrical Transport Systems Engineering from Kharkiv National University of Civil Engineering (Ukraine) and the School of Engineering and Technology, Mongolian University of Science and Technology.

Board of Directors



Bat-Erdene Gansukh
Member of the Board

Bat-Erdene Gansukh is a member of the Board of Directors of Premium Nexus LLC, Chief Financial Officer (CFO), and a member of the Board of Directors and CFO at Premium Innov LLC. He began his career as the Director of the Financial Planning Department at MCS Coca-Cola LLC, a leading company in the manufacturing and trade sector. Over the past 20 years, he has worked in various industries including consumer goods manufacturing and sales, mining, energy, manufacturing, and construction. He has managed the financial operations of Mongolian Mining Corporation (HKEX: 975) and Premium Group LLC, and has served as the Deputy Director at MCS Energy LLC and Deputy CFO at Mongolian Mining Corporation. Bat-Erdene holds a bachelor's degree in Business Management and Applied Mathematics from Khan-Uul University.



Munkhchimeg Choijin-Osor
Member of the Board

Munkhchimeg Choijin-Osor is a member of the Board of Directors of Premium Nexus LLC and the Chief Human Resources Officer of Premium Corporation. She has contributed significantly to several major international projects, including the Oyu Tolgoi project (specifically the Concrete Mixing Plant), the Wind Turbine Project, the New Airport Construction Project, and the Shangri-La Hotel and Shopping Mall projects. She played a key role in recruiting skilled human resources and training internationally recognized specialists, ensuring the successful delivery of these projects. Additionally, from 2004 to 2012, she served as the Manager of Administration and Human Resources at MCS Group and Energy Resources LLC in the Ukhuaa Khudag branch. Ch. Munkhchimeg holds a bachelor's degree in Public Administration from the Academy of Management.



Chinzorig Ganbold
Member of the Board

Chinzorig Ganbold is a member of the Board of Directors and the Deputy CEO of Premium Nexus LLC. He has extensive experience in software, business processes, business intelligence, IT master planning, and engineering. His career includes roles such as the Director of the Policy and Planning Department at the Information Technology, Post, and Telecommunications Authority (ITPPA), IT consultant for the Economic Policy Reform and Competitiveness Project of the U.S. Agency for International Development, and a consultant for the Asian Development Bank's Capital Market Development Project and Financial Infrastructure. During his time at the ITPPA, he led and organized the implementation of the E-Governance Program and contributed to developing state policies on telecommunications, internet, postal services, media, and satellite communications in Mongolia. He also played a key role in formulating the regulatory policy for the introduction of 4G mobile network services in Mongolia. Chinzorig holds a bachelor's degree in Computer Science from the School of Engineering and Technology at the National University of Mongolia and a master's degree in Business Administration from the University of Louisville in the United States.

Board of Directors



Bat-Erdene Boldbaatar
Member of the Board

Bat-Erdene Boldbaatar is a member of the Board of Directors at Premium Nexus LLC, the Resident Representative of the Polish Development Fund's Investment and Trade Agency in Mongolia, and the founder of Horizon Partners LLC. He has over 16 years of experience in investment, international cooperation, and trade. He studied in Poland, the United States, and Switzerland, and has held various prestigious roles throughout his career. He worked as a market analyst at Mongolia's first foreign (Japanese) investment bank, as a business and market analyst for Mongolia's first closed-end investment fund (with a \$50 million investment from the International Finance Corporation and the European Bank for Reconstruction and Development), and as the Executive Director of a joint Polish-Mongolian trading company. Additionally, he worked as a consultant for the Asian Development Bank in Mongolia, focusing on the development of the "Private Equity" and "Venture Capital" investment market, and was involved in preparing technical and economic feasibility studies for these initiatives. He is also the founder of an investment, strategy, and management consulting firm. B. Bat-Erdene graduated with a Bachelor's degree in Accounting from the University of Finance and Economics.



Erdenechimeg Ulziisuren
Independent Member of the Board

Erdenechimeg Ulziisuren is an independent member of the Board of Directors at Premium Nexus LLC and the Founder and CEO of Cognos International LLC, a company specializing in research and evaluation in the areas of social, economic, environmental, agriculture, and health sectors. She has been working for 15 years on research, evaluation, and strategy development for various international organizations, including the United Nations Development Program (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the Asian Development Bank (ADB), the World Bank, UNESCO, and the European Union, as well as for government and private sector programs and policies related to Sustainable Development Goals (SDGs). Erdenechimeg is a Founder and President of Mongolian Evaluation Association (MEA), and a member of the Social Impact Measurement and Environment, Society, and Governance (ESG) sector group of the American Evaluation Association, as well as a member of the International Organization for Cooperation in Evaluation (IOCE) and the Asia-Pacific Evaluation Association (APEA) contributing to advancing professionalization of evaluation. Erdenechimeg holds MSc. in Social Research Methods from the London School of Economics (LSE), and MA. in Reproductive Health and Population Studies from Mahidol University in Thailand.



Ganzorig Vanchig
Independent Member of the Board

Ganzorig Vanchig is an independent member of the Board of Directors at Premium Nexus LLC. He is also the Chairman of the Board at Bat Solution Partners LLC, President of the "CEO" Club, Chairman of the Mongolian Down Syndrome Association, Leader of the Mentorship Program for Young Professionals, Board Member of the Mongolian Special Olympics Committee, and a member of the Academy for the "Global Teacher Prize." Additionally, he serves as a moderator for the Syndicate talk show and contributes as a writer for leading information websites. Ganzorig has extensive experience working in the leadership teams of organizations such as Trade and Development Bank, KhasBank, MOSDAK, and Shunkhlai Group. In 2014, he was recognized as a Global Young Leader by the World Economic Forum. He holds a Master's degree in Electronic Business Management from the International University of Japan and a Master's in Business Administration from the University of Notre Dame in Australia. Ganzorig has also participated in professional leadership training programs in countries like the United States (Virginia, Yale), the United Kingdom (Oxford), South Africa (WITS, Cape Town), and Singapore (NUS), focusing on leadership, policy innovation, geopolitics, and change management. He is a certified consultant in Mongolia.

Board Committees

The Company has established Board committees in accordance with Article 81 of the Company Law, and their activities are organized and reported in compliance with applicable laws and regulations.

In addition, the Company places strong emphasis on incorporating international perspectives and best practices, particularly in the area of Environmental, Social, and Governance (ESG). Pursuant to Board Resolution No. 07 of 2022, the ESG Committee was established and has been operating successfully for its fourth consecutive year. As part of the Company’s strategic transformation, the ESG Committee has defined the concept of “Shared Value,” grounded in the principles of fairness, accountability, and transparency, and has developed ESG reporting for investors and stakeholders.

The Committee focuses on monitoring and managing the Company’s impact on greenhouse gas emissions and the environment, and related environmental risks; the impact of operations on human rights and society, and reciprocal effects; and the influence of stakeholders on the Company’s operations and corporate culture. It also supports sustainable business continuity, risk management, and investor engagement.

Members of the Board Committees

Board Committee	Member Name	Position
Environmental, Social and Governance Committee	Erdenechimeg Ulziisuren	Chairperson, Independent Board Member
	Gary Stephen Biondo	Chairman of the Board, Independent Board Member
	Munkhchimeg Choijin-Osor	Board Member
Nomination Committee	Ganzorig Vanchig	Chairperson, Independent Board Member
	Gary Stephen Biondo	Chairman of the Board, Independent Board Member
	Gankhuyag Adilbish	Board Member
Remuneration Committee	Erdenechimeg Ulziisuren	Chairperson, Independent Board Member
	Gary Stephen Biondo	Chairman of the Board, Independent Board Member
	Ganbold Adilbish	Board Member
Audit Committee	Ganzorig Vanchig	Chairperson, Independent Board Member
	Gary Stephen Biondo	Chairman of the Board, Independent Board Member
	Bat-Erdene Gansukh	Board Member

Board Committees

Environmental, Social and Governance (ESG) Committee

The ESG Committee is responsible for defining and overseeing the Company's ESG vision, strategy, and policy implementation. It monitors emerging ESG trends and ensures that the Company's policies on environmental protection, safety, social responsibility, and corporate governance remain current and effective. The Committee also oversees compliance with policies, procedures, manuals, and codes of ethics, ensuring alignment with legal and regulatory requirements. In addition, it evaluates the performance of the Board and its committees and provides recommendations for improvement. The ESG Committee consists of three members: Board Member Munkhchimeg, and Independent Board Members Erdenechimeg and Gary Biondo. Erdenechimeg serves as the Chair of the Committee.

Remuneration Committee

The Remuneration Committee oversees policies related to the compensation of Board members, the Chief Executive Officer, and executive management. It ensures that remuneration structures are aligned with market conditions and support the long-term objective of attracting and retaining high-caliber leadership, thereby maximizing shareholder value. The Remuneration Committee consists of three members: Board Member Ganbold, Independent Board Member Erdenechimeg, and Gary Biondo. Erdenechimeg serves as the Chair of the Committee.

Audit Committee

The Audit Committee is responsible for ensuring the effectiveness of the Company's internal control systems, including resource management, asset protection, accounting practices, and the reliability of financial reporting. It also provides recommendations to the Board on both financial and non-financial controls, including performance metrics and ethical standards. The Audit Committee consists of three members: Board Member Bat-Erdene Gansukh, and Independent Board Members Ganzorig and Gary Biondo. Ganzorig serves as the Chair of the Committee.

Nomination Committee

The Nomination Committee is responsible for identifying and recommending candidates with the appropriate skills, experience, and qualifications to fill Board vacancies. It supports the Board in maintaining a balanced and effective composition.

Board of Directors Meetings and Activities

In 2025, the Board of Directors held a total of five meetings and approved 52 resolutions. Key matters reviewed and resolved during the year included the Company's 2024 financial performance and year-end operational report, the exercise of the right to require the Company to repurchase its ordinary shares, the operational performance of the Company and its subsidiaries during the reporting period, internal matters related to executive management and corporate governance, approval of related-party transactions involving potential conflicts of interest, and decisions regarding dividend distribution, among other matters.

Activity	2021	2022	2023	2024	2025
Board meetings held	5	7	4	4	5
Number of matters discussed	24	37	39	43	52
Meeting attendance	100%	100%	100%	100%	100%
Independent members' attendance	100%	100%	100%	100%	100%

Board Secretary

In 2025, the Board Secretary provided advisory support to the Board of Directors and its committees on governance-related matters. Key responsibilities included monitoring the implementation of the Company's policies and internal regulations, preparing draft resolutions for shareholders, the Board, Board committees, and subsidiary boards, organizing meetings, prepared meeting minutes, facilitating training programs for Board members, and maintaining the register of the Company's securities and shareholders. The Board Secretary also coordinated with regulatory authorities, as well as securities trading, settlement, and depository institutions. Within the Company and its subsidiaries, the Board Secretary contributed to aligning internal policies with international standards and widely accepted conventions.

In addition, relevant data was collected and analyzed to define key indicators for assessing the effectiveness of corporate governance, risk management, and compliance systems. This work supported the development of an integrated governance framework and provided recommendations to enhance the effectiveness of the Board and its committees

Key Management Personnel

The Company's key management personnel include the Chairman and members of the Board of Directors, the Board Secretary, the Chief Executive Officer, the Chief Financial Officer, and the Chief Operating Officer.

Details of the monthly remuneration paid to key management personnel in 2025 are presented in the table below, disclosed on a gross (pre-tax) basis.

Monthly base salary range (MNT)	Unit
10,000,001 and above	6
5,000,001 - 10,000,000	0
0 - 5,000,000	5

Corporate Governance Performance

According to the 2025 annual Corporate Governance Code compliance assessment issued by the Financial Regulatory Commission, Premium Nexus JSC achieved a score of 91.67%, ranking 17th among publicly listed companies.

In 2025, the Company maintained its Corporate Governance Code implementation score at 66 out of 72 points, consistent with previous year. This reflects the Company’s ongoing commitment to maintaining strong governance standards. Premium Nexus JSC continues to focus on strengthening its corporate governance framework and safeguarding the rights and interests of shareholders and investors.

Category	Total Possible Score	Score 2023	2023 %	Score 2024	2024 %	Score 2025	2025 %
Board structure and organization	12	12	100%	8	67%	10	83.3%
Board committees and their functions	10	9	90%	9	90%	7	70%
Reporting and disclosure transparency	6	6	100%	5	83%	5	83.3%
Audit and control system	6	5	83%	6	100%	6	100%
Risk management	8	8	100%	8	100%	8	100%
Executive compensation	6	6	100%	6	100%	6	100%
Stakeholder rights and interests	8	8	100%	8	100%	8	100%
Corporate culture	6	6	100%	6	100%	6	100%
Shareholder rights	10	9	90%	10	100%	10	100%
Total score	72	69	95%	66	91.67%	66	91.67%

Contribution to the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) represent a global commitment to achieving a better and more sustainable future for all by ensuring that no one is left behind in the development process. The SDGs consist of 17 goals and 169 targets addressing global challenges such as poverty, inequality, climate change, environmental degradation, peace, and justice. Achieving the SDGs requires the commitment and collective efforts of all stakeholders. Premium Nexus JSC recognizes that it can make its greatest impact through its business strategy, products, and services, and has therefore identified the SDGs where it can contribute most effectively.

Contribution



As of 2025, Premium Nexus JSC has expanded its operations by opening 100 new branch stores, creating employment opportunities, and extending its presence across 16 regions. The Company operates a total of 545 stores, including 443 in Ulaanbaatar and 102 in rural areas.



In 2025, more than 200,000 customers visit CU stores daily, and over 100,000 units of ready-to-eat meals are sold. Within the overall store network, 44.8% of prepared food products are produced by CU's in-house food manufacturing facility, while 55.2% are supplied by domestic food producers.



In 2025, Premium Nexus JSC worked with a total of 20 food suppliers, of which 85% are HACCP certified:

- 17 suppliers have implemented HACCP standards and obtained certification
- 3 suppliers are in the process of implementing HACCP standards

The Company is targeting 90% HACCP compliance among all suppliers by the first quarter of 2026.



- Awarded "Youth-Friendly Employer" in 2025
- In 2024-2025, the training team delivered 129,158 training hours to 23,852 employees through more than 840 training sessions
- During the same period, 1,321 employees achieved horizontal career progression, while 412 employees were promoted vertically

Contribution



In 2025, 70.5% of Premium Nexus JSC's total workforce are female and 29.5% are male. In terms of gender distribution across management levels, women account for 50% of junior and mid-level management positions, while men represent 53.3% of executive management. The gender pay ratio across all levels is 1:1.



Across 545 CU stores, the Company provides hygienic public restroom services and has implemented water-saving measures, including sensor-based faucets and toilet flush systems, which have reduced water usage by 50%. As a result of implementing water-efficient technologies, water consumption per MNT 1 million in sales has decreased by 31 liters compared to the previous year.



Energy consumption efficiency has also significantly improved, with energy use per MNT 1 million in sales decreasing by 2.9 times compared to the 2020 ESG baseline year.



More than 50% of employees are students engaged in either part-time or full-time employment, with the majority aged between 18 and 34. The Company has implemented a range of occupational health and safety measures, including full CCTV coverage across all stores, emergency fire response plans, and enhanced fire safety infrastructure. A security response system has been established in partnership with a security company, ensuring response teams arrive within 10 minutes of an emergency alert. Employees at the CU food manufacturing facility, two distribution centers, and field-based office staff are covered under accident insurance. Regular HSE training, sports activities, and the provision of personal protective equipment are also consistently implemented.

Contribution to the Sustainable Development Goals

Contribution



1. A total of 830,000 registered users and 200,000 daily active users are currently engaged with the CU mobile application, which has been developed and continues to grow.
2. The Company has also developed and maintains integrated systems including the CU Supplier Vendor Portal, Employee Portal, delivery order receiving and registration system, and core operational systems. These systems are continuously enhanced and integrated to ensure stable operation, while delivering advanced technological solutions to customers in Mongolia.
3. In 2025, Stora Central LLC, in celebration of its 3rd anniversary, launched a fully upgraded version of its system (V2.0). The updated platform features a more user-friendly design and process flow, and integrates six new retail concepts aligned with customer demand: IKEA, Apple, Costco, Sephora, Nike, and Victoria's Secret.



As of 2025, employees with disabilities account for 8.9% of the Company's total workforce, fully complying with Article 144.2 of the Mongolian Labor Law, which sets employment obligations regarding persons with disabilities. Employees with disabilities are provided with shortened working hours in accordance with the Labor Law. In addition, job postings are made more accessible through collaboration with organizations representing persons with disabilities, ensuring inclusive and equal employment opportunities.



The "Show ID" campaign was implemented to prevent minors from purchasing age-restricted products such as e-cigarettes, tobacco, and alcoholic beverages by encouraging mandatory ID verification at the point of sale.

The "Culture Starts with You" public awareness campaign was successfully carried out in collaboration with the General Police Department, CU, and GS25. The campaign aimed to promote public ethics and foster a more respectful and courteous society, reaching a total of 65,278,300 people (cumulative reach).



Stora Central LLC launched the StoreForGood initiative in alignment with the 17 Sustainable Development Goals, aiming to reduce waste and promote environmentally responsible consumption. The project encourages extending the lifecycle of products that are often underutilized or unnecessarily purchased—many of which require significant resources to produce and have negative environmental impacts—by enabling users to exchange items instead of discarding them. Leveraging the infrastructure of stora.mn and Storabox, the platform allows users to exchange items such as books, children's toys, and clothing. Going forward, the Company plans to expand the range of exchangeable products, promote extended product use, and foster new consumption trends that reduce environmental impact.

Contribution



In 2025, the Company continued to operate its delivery services between 04:00 and 08:00 AM. Through its cold-chain distribution center located in the eastern part of the city, 80,000–100,000 food products are delivered daily using refrigerated vehicles, while regular daily goods are distributed to branch stores via standard trucks from the general distribution center in the southwest.

As a result of optimized delivery scheduling and traffic management, the number of vehicle movements has been significantly reduced. By operating during non-peak hours, delivery times have been shortened by four times, fuel consumption reduced by 80%, and both air pollution and greenhouse gas emissions have been substantially decreased.



Each store is equipped with segregated waste bins. Food waste is supplied to pig farms, used oil is delivered to soap manufacturers, and cardboard materials are sent to recycling facilities. Non-recyclable waste is collected weekly by contracted waste management companies, with regular sanitation and disinfection procedures in place.

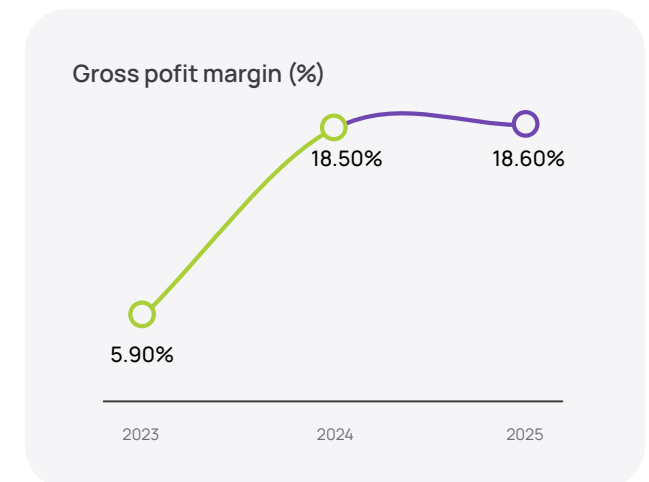
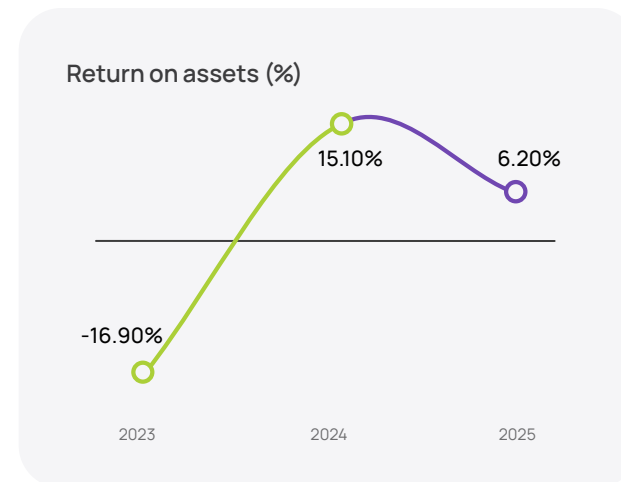
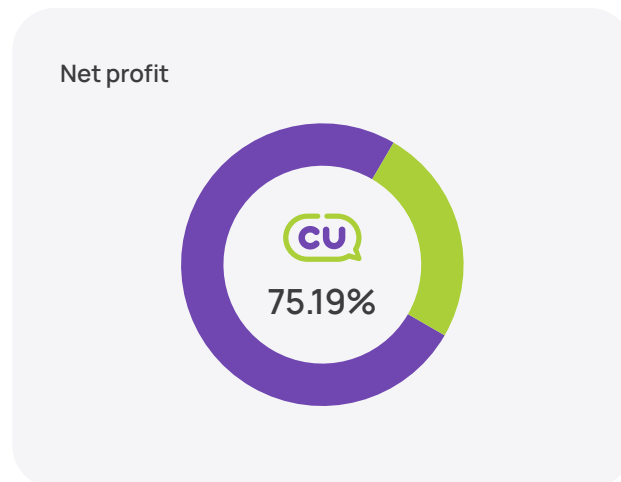
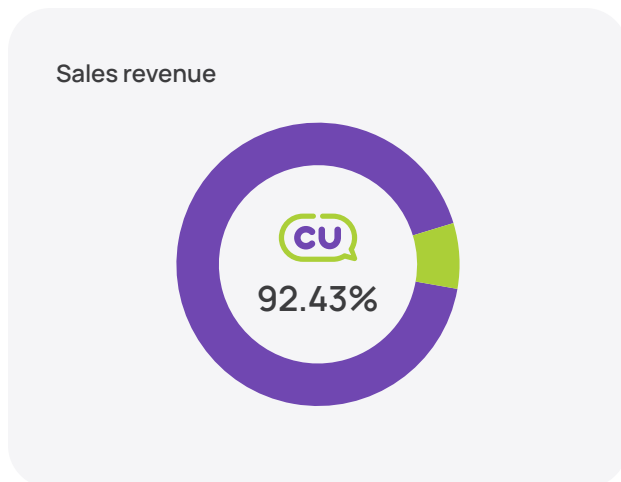
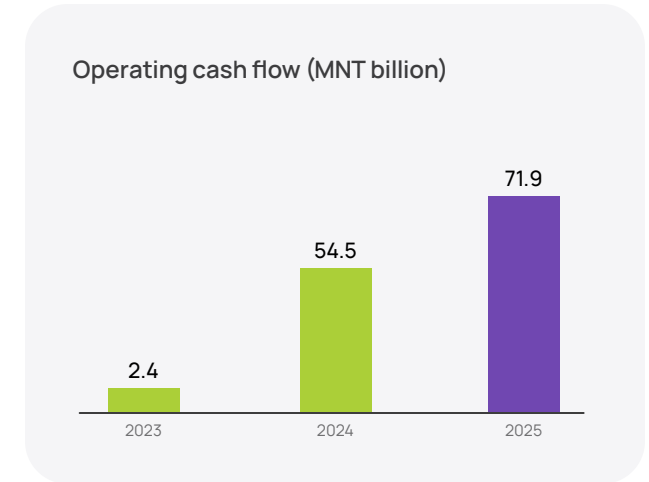
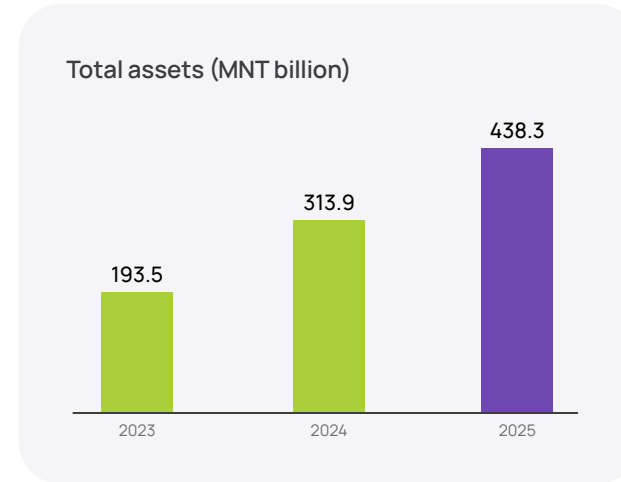
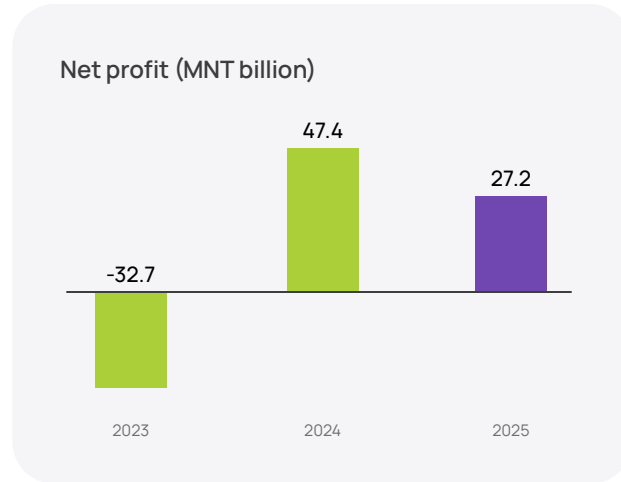
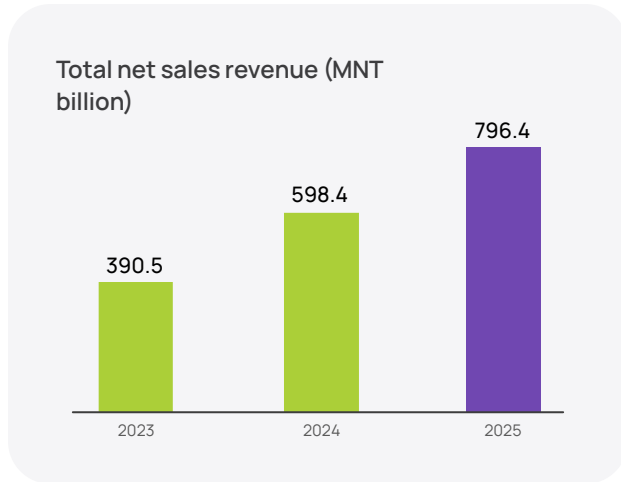


The Credit Guarantee Fund, in partnership with Capitrion Bank and Premium Nexus JSC, provides opportunities to acquire CU convenience store franchise rights through concessional loans with guarantees. As of 2025, a total of MNT 3.4 billion in loans has been extended to 32 women entrepreneurs. These loans, offered at an annual interest rate of 8.88% and up to MNT 140 million, enable women entrepreneurs to start and expand their businesses in a short period, representing a significant step toward promoting gender equality. This partnership is contributing to transforming traditional business practices in Mongolia, establishing new benchmarks for women's leadership, and since 2024, expanding access to financing for women entrepreneurs in rural areas.

Summary of Consolidated Financial Statements

- › Financial Ratios and Key Indicators
- › Condensed Consolidated Statement of Profit or Loss
- › Consolidated Statement of Cash Flow
- › Consolidated Statement of Financial Position
- › Consolidated Statement of Changes in Equity
- › Share Price Movement - 2025

Financial Ratios and Key Indicators



Consolidated Income Statement

In millions MNT	2023 /Audited/	2024 /Audited/	2025 /Audited/
Total net sales revenue	390,497	598,379	796,417
Cost of sales	367,484	487,853	648,571
Gross profit	23,013	110,526	147,846
Gross profit margin	5.9%	18.5%	18.6%
Operating expenses	13,235	29,477	55,514
EBITDA	9,778	81,049	92,332
EBITDA margin	2.5%	13.5%	11.6%
Depreciation and amortization	27,436	32,898	45,694
Non-cash items - gain/(loss)	1,832	21,639	2,833
Operating profit (EBIT)	(15,826)	69,790	49,471
Finance costs	17,506	19,438	23,742
Profit (loss) before tax	(33,332)	50,352	25,729
Income tax benefit (expense)	(626)	2,950	(1,435)
Net profit (loss)	(32,706)	47,402	27,164
Net profit (loss) margin	-8.4%	7.9%	3.4%

Consolidated Balance Sheet

/In millions MNT/	2023 /Audited/	2024 /Audited/	2025 /Audited/
Current assets	40,170	78,429	116,044
Cash and cash equivalents	2,981	10,432	21,732
Accounts receivable	641	6,042	10,320
Inventories	28,250	47,195	67,460
Other current assets	8,298	14,760	16,532
Non-current assets	153,325	235,502	322,289
Property, plant & intangible assets	90,194	157,907	229,177
Right-of-use assets	50,535	60,569	79,127
Other non-current assets	12,596	17,026	13,985
Total assets	193,495	313,931	438,333

/In millions MNT/	2023 /Audited/	2024 /Audited/	2025 /Audited/
Current liabilities	116,173	116,242	166,442
Accounts payable	42,916	56,829	73,046
Short-term loans	19,970	25,360	41,508
Other current liabilities	53,287	34,053	51,888
Non-current liabilities	91,591	94,900	157,664
Long-term loans	33,882	23,888	79,300
Other non-current liabilities	57,709	71,012	78,364
Equity	(14,267)	102,789	114,227
Common stock	81,777	111,425	111,425
Treasury shares	-	-	(5,050)
Additional paid-in capital	13,821	45,758	33,134
Other equity components	319	319	319
Non-controlling interest	-	8,873	17,116
Retained earnings	(110,184)	(63,586)	(42,717)
Total liabilities and equity	193,495	313,931	438,333

Consolidated Statement of Cash Flows

/In millions MNT/	2023 /Audited/	2024 /Audited/	2025 /Audited/
Cash flows from operating activities			
Cash inflows (+)	429,705	698,564	892,450
Cash outflows (-)	(427,286)	(644,091)	(820,888)
Inter-account movements (+/-)	27,921	-	310
Net cash from operating activities	2,419	54,473	71,872
Cash flows from investing activities			
Cash inflows (+)	109	5,165	436
Cash outflows (-)	(33,646)	(38,183)	(93,032)
Net cash from investing activities	(33,537)	(33,018)	(92,596)
Cash flows from financing activities			
Cash inflows (+)	33,907	65,739	584,598
Cash outflows (-)	(31,903)	(79,612)	(552,415)
Net cash from financing activities	29,925	(13,873)	32,183
Foreign exchange differences	(107)	(131)	(158)
Net cash flow	(1,300)	7,451	11,301
Opening cash balance	4,281	2,981	10,432
Closing cash balance	2,981	10,432	21,732

Consolidated Statement of Changes in Equity

/In millions MNT/	Common Shares	Treasury Shares	Additional Paid-in Capital	Other Components of Equity	Retained Earnings (Accumulated Loss)	Total	Non-controlling Interest	Total Equity
Opening balance as of Jan 31, 2023	81,777	-	13,821	319	(77,478)	18,439	-	18,439
Loss for the year	-	-	-	-	(32,706)	(32,706)	-	(32,706)
Balance as of Dec 31, 2023	81,777	-	13,821	319	(110,184)	(14,267)	-	(14,267)
Profit for the year	-	-	-	-	46,598	46,598	804	47,402
Issued ordinary shares	29,648	-	32,020	-	-	61,668	2,367	64,035
Investment in subsidiary with non-controlling interest	-	-	-	-	-	-	5,702	5,702
Transaction costs	-	-	(83)	-	-	(83)	-	(83)
Balance as of Dec 31, 2024	111,425	-	45,758	319	(63,586)	93,916	8,873	102,789
Profit for the year	-	-	-	-	24,699	24,699	2,465	27,164
Repurchase of shares	-	(5,050)	(12,624)	-	-	(17,674)	-	(17,674)
Investment in subsidiary with non-controlling interest	-	-	-	-	(3,830)	(3,830)	5,778	1,948
Balance as of Dec 31, 2025	111,425	(5,050)	33,134	319	(42,717)	97,111	17,116	114,227

Share Price Movement 2025

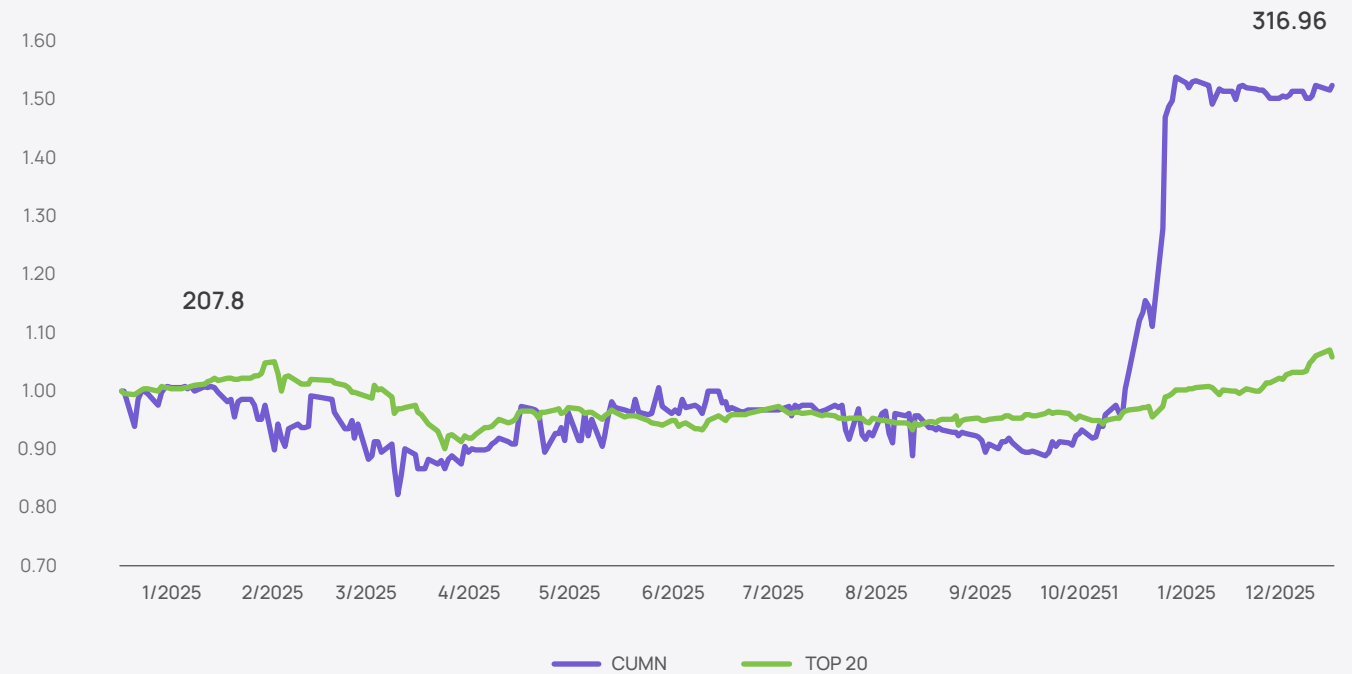
As of December 31, 2025, the Company's market capitalization amounted to MNT 353 billion, ranking 10th by market capitalization on the Mongolian Stock Exchange (MSE). In other words, Premium Nexus JSC accounted for 2.70% of the total market capitalization of securities traded on the MSE. The MSE:CUMN share ranked 5th in terms of trading value and 4th in terms of trading volume in 2025. As of 2025, the Company accounted for 8.12% of the total trading value of secondary market equity transactions on the Mongolian Stock Exchange.

Company's Share within the Mongolian Stock Exchange (MSE)

Company market capitalization	MNT 353,173,324,697
Total market capitalization of MSE-listed companies	MNT 13,092,412,088,229
Company's share of MSE market capitalization	2.70%

CUMN trading value	MNT 23,065,604,160
Total secondary market equity trading value (MSE)	MNT 284,071,920,373
Company's share of trading value	8.12%

Indexed Performance



Share price: MNT 316.96 (as of 2025/12/31)

Market capitalization: MNT 353,173,324,696.64

Total outstanding shares: 1,114,252,034

Annual growth rate (2025): 52.5%

Appendix

> Independent Auditor's Report

Independent Auditor's Report

PREMIUM NEXUS JSC

Consolidated Financial Statements

For the year ended 31 December 2025

(With Independent Auditors' Report Thereon)

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Independent Auditors' report

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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.

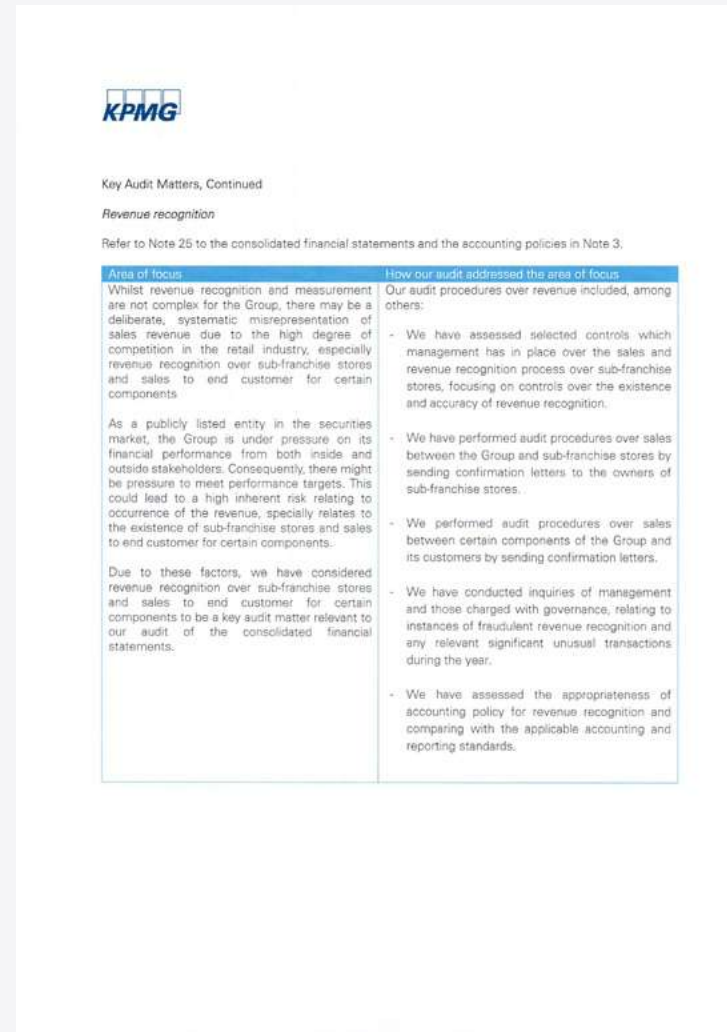


Ulaanbaatar,
Mongolia

Date: 3 April 2026

Bat-Erdene Gansukh
Bat-Erdene Gansukh
Chief Financial Officer

Independent Auditor's Report



Independent Auditor's Report



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 Gungaryambuu.



Signed by:
[Signature]
Soyolmaa Gungaryambuu
Executive Director

Approved by:
[Signature]
Sang-Yong Cho
Partner

This report is effective as at 3 April 2025, 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

In thousands of MNT	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	60,588,829
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	8,928	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	26,635,583	17,695,275
Borrowings	19, 36	40,182,559	24,733,230
Government grants	20	1,325,885	627,087
Other taxes payable	22	3,403,438	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.

Independent Auditor's Report

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

In thousands of MNT	Note	2025	2024
Revenue	25	796,417,298	598,378,660
Cost of sales	26	(960,579,107)	(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)	(568,913)
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.

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Premium Nexus JSC Consolidated Statements of Changes in Equity

In thousands of MNT	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	-	13,620,503	318,731	(110,184,780)	(14,268,692)	-	(14,268,692)
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	-	-	-	-	-	-	5,702,198	5,702,198
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	8,673,378	102,789,809
Profit for the year		-	-	-	-	24,699,481	24,699,481	2,464,517	27,163,998
Acquisition of own shares		-	(5,050,085)	(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	(5,050,085)	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.

3

Premium Nexus JSC Consolidated Statements of Cash Flows

In thousands of MNT	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	19,174,882
(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	458,717	105,233
Amortisation of intangible assets	11	1,733,298	1,282,756
Amortisation of government grants	20	(636,941)	375,324
Impairment loss on financial assets	16	474,956	568,913
Depreciation of ROU assets	10	21,129,118	12,649,118
Gain on disposals of ROU assets	28	(1,008,164)	(1,809,749)
Gain on disposals of investments	21, 28	361,232	(45,656)
Foreign exchange differences	28	(2,938,952)	-
Gain on bargain purchase	28	-	(19,478,857)
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)	(1,518,388)
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
Cash generated from operating activities		99,949,987	72,358,548
Interest paid for borrowings	21	(6,171,946)	(7,025,530)
Income taxes paid		(5,812,483)	(1,014,039)
Interest paid for lease liabilities	21	(15,208,417)	(11,918,411)
Interest received		1,115,143	2,190,139
Net cash generated from operating activities		71,871,284	54,592,177
Cash flows from investing activities:			
Purchase of property, plant and equipment	9	(87,702,854)	(96,332,729)
Proceeds from disposals of equipment	9	435,671	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
Net cash used in investing activities		(92,596,983)	(33,531,768)
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	(513,274,357)	(66,528,653)
Payments of finance lease liabilities	21	(21,489,356)	(13,085,709)
Receipt of loan receivable	13	74,648	400,000
Purchase of treasury shares		(17,674,118)	-
Net cash generated from/(used in) financing activities		32,183,286	(13,873,496)
Effect of exchange rate changes on cash and cash equivalents		(158,250)	(135,962)
Net increase in cash and cash equivalents		11,458,587	7,589,910
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.

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