


<i>Annual operational report (Form 1)</i>			
<i>The common obligations of security issuers were legislated in the Article 20 of the Mongolian Law on Security Market and the security issuers are obligated to submit their annual operational reports to the Financial Regulatory Commission of Mongolia and the security dealers in accordance with following approved form and to deliver information to the public through their official websites.</i>			
<i>Reporting period:</i>	From January 01, 2024 To December 31, 2024		
<i>Security Issuer's name, State registration certificate number, code of security and phone number:</i>	Name: "Mongolian Post" JSC State registration certificate number: 9012001026 Code of security: MNP, MN00MNP05412 Phone: 976 70078918, 976 11330788		
<i>Name of the registered Security Dealer:</i>	The Mongolian Stock Exchange		
<i>Field of business operations:</i>	Postal and courier services		
<i>Name of auditing company, registered by the FRC of Mongolia and that made an auditing conclusion on the end-year financial statements of the Company and date of registration:</i>	"Niyamazon Audit" LLC		
<i>Total number of stocks, issued by the Security Issuer:</i>	99,586,363 pcs (ninety-nine million five hundred eighty-six thousand three hundred sixty-three)		
<i>Name of the official, who prepared and supervised the annual operational report:</i>	Prepared by: D.Tsetsgee, Secretary of the Board of Directors Supervised by: Chief Executive Officer G.Telmen Deputy CEO N.Khosbayar		
1.	<i>Financial statements for the reporting year (fill the indications in the summary statements and attach the financial statements to this report/</i>		
<i>Indications of financial status</i>	<i>Indications</i>	<i>First balance (By 01.01.2024)</i>	<i>End balance (By 12.31.2024)</i>
	ASSETS		
	Current assets	27,571,962,930.20	25,540,229,689.87
	Non-current assets	10,805,095,264.30	11,489,340,143.01
	Total assets	38,377,058,194.50	37,029,569,832.88
	LIABILITIES AND OWNERS' EQUITY		
	Total amount of liabilities	12,229,681,716.05	11,404,904,364.46
	Owner's equity	26,147,376,478.45	25,624,665,468.42
	Total liabilities and owners' equity	38,377,058,194.50	37,029,569,832.88
	<i>Income statement</i>	<i>Indications</i>	<i>First balance (By 01.01.2024)</i>
Sales income (net)		19,369,578,379.77	23,894,295,918.89
Cost of sales		21,526,001,245.47	21,896,067,590.24
Non-basic operational incomes		598,858,309.48	497,217,900.90
Non-basic operational expenses		1,763,883,195.83	2,048,302,996.58
Others		5,393,800,778.03	-282,537,513.96
Profit before tax		2,107,851,485.36	168,605,718.92
Income tax expense		140,136,455.05	32,587,849.41
Profit after tax	1,967,715,030.31	136,017,869.51	
<i>Statement of equity changes</i>	<i>Indications</i>	<i>First balance (By 01.01.2024)</i>	<i>End balance (By 12.31.2024)</i>
	Owner's equity	9,958,636,300.00	9,958,636,300.00
	Accumulated profit	6,556,222,661.62	6,033,511,651.59

	Indications	First balance (By 01.01.2024)	End balance (By 12.31.2024)
<i>Statement of cash flows</i>	Total net cash flows from operating activities	-2,505,920,850.98	-4,056,199,259.02
	Net cash flows from investing activities	-1,517,624,299.33	-1,235,669,000.05
	Net cash flows from financing activities	-221,219,675.23	-586,92,851.70
	Total net cash flows	-3,237,431,731.03	-6,401,314,482.45

1.1 *Auditing conclusion, made on the Company's end-year financial statements*

The National Auditing Office made a Conclusion by confirming that the Auditors evaluation is correct.

1.2 *The Conclusion, made by the National Auditing Office ()*

	<p style="text-align: center;">CHIEF EXECUTIVE OFFICER G.TELMEN OF THE "MONGOL POST" JSC</p>	<p>Other issues</p> <p>In accordance with Article 16.1 of the Law on State Audit, the company cooperated with the audit team and provided all requested information and documentation without delay. Our audit opinion does not cover other information not included in the financial statements.</p> <p>Obligations and responsibilities of the Company's Management and its Governing Body, related to the Financial Statements</p> <p>Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law on Accounting and IFRS. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>Duties and responsibilities of the State Auditing Organization</p> <p>Our responsibility is to express an opinion on these financial statements based on our audit. We aim to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.</p> <p>Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.</p> <p style="text-align: right;">DIRECTOR OF FINANCE AND COMPLIANCE AUDITING DEPARTMENT CHIEF AUDITOR (signed) TNARANCHIMEG (sealed with the stamp)</p>
<p>THE NATIONAL AUDITING OFFICE Government Building IV, Baga Toironu Street -3, Chingeltei district, Ulaanbaatar city 15160 Phone: 26-04-37, Fax: 51-26-42-30 E-mail: info@audit.gov.mn</p> <p>Date: March 17, 2025 № 07/743</p> <p>State Auditing Conclusion</p> <p>In accordance with Article 6.3.1 of the Law on State Audit and Article 3.9.8 of the Law on Budget, a financial audit was conducted on the financial statements of Mongol Post JSC for the year ended December 31, 2024. The audit covered the statement of financial position, comprehensive income, changes in equity, and cash flows, as well as the accounting policies and explanatory notes.</p> <p>In our opinion, the financial statements present fairly, in all material respects, the financial position of Mongol Post JSC as of December 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with the Law on Accounting and the International Financial Reporting Standards (IFRS).</p> <p>Basis for Conclusion</p> <p>When conducting the audits, the State Auditing Organization is obligated to perform the audits in accordance with the rules and instructions, approved by the Auditor General of Mongolia and the international auditing standards and to be independent from the client organization and to obey the auditor's ethical obligations and responsibilities. We consider that the auditing evidences that were obtained by us, are sufficient for making this Conclusion.</p> <p>Highlighted of the auditing</p> <p>For the first time in Mongolia, the company participated in and hosted the UPU Asia-Pacific Strategic Forum, signing bilateral and multilateral cooperation agreements with postal organizations from China, India, Japan, and South Korea.</p> <p>Main issues of the auditing</p> <p>By Resolution No. 23/14 dated December 23 of the Board of Directors, and amended by Resolution No. 24/03 dated March 24, the key economic indicators and targets for the year were approved. Total revenue was planned at MNT 23,750.0 million, total expenses at MNT 23,700.0 million, with a targeted profit of MNT 50.0 million. Of this, MNT 2,515.5 million was allocated for investment activities.</p> <p>In actual performance, the company generated MNT 14,395.5 million in revenue and incurred MNT 24,226.9 million in expenses, resulting in a net profit of MNT 168.6 million.</p>		

2. *Brief reports and information about the Security Issuer's financial conditions in the reporting period, the factors affected on the results of its operations, the management's assessment and further planned actions:*

2.1	<i>Operational results (financial ratio indications):</i>	<p>Current assets= Current assets/ short term liabilities=2.24 Facilitating rapid payment execution= (inventory+short term investment+debt)/short term liabilities=1.37 Debt ratio= total liabilities/total assets=0.30</p>
2.2	<i>Indications of liquidity, financial resources and capacities:</i>	<p>Liabilities and owner's equity ratio=total liabilities/owner's equity=44.5% Total assets return=sales revenue /net/ total assets =0.64</p>

2.3	<p><i>Information about the external and internal factors that influence on the operations of the Security Issuer and the changes arisen in the types of the Company's products and services and the measures, taken by the Company in response to these changes.</i></p>	<p>Ongoing Impact Factors: 1. Due to the absence of specific licensing requirements and the lack of clear differentiation between international postal service providers and delivery companies, Mongolia is unable to effectively implement the international conventions. As a result, e-commerce goods are crossing the Mongolian border under the label of cargo without proper control or taxation. This has led to the growth of the shadow economy and created an unequal business environment. 2. Impact of Geopolitical Sanctions: The sanctions imposed on the Russian Federation as a result of the Russia-Ukraine war have had a negative impact on payments and transit postal transport, leading to revenue disruptions. Response Measures: 1. Revenue Compensation: Compensate for the loss of business service revenue by leveraging income from other services. 2. Gradual Tariff Adjustment: Increase service tariffs in stages to support financial stability. 3. Implementation of Legal Reforms</p>
2.4	<p><i>Detailed information about the activities and transactions, recorded outside the financial statements and the accounting policy of the Company</i></p>	No
2.5	<p><i>Information on repayment of loans, taken by the Company in the reporting period and about its loan pledges and guarantees:</i></p>	No
3.	<p><i>Information on large-scale transactions and agreements with conflicts of interest, made by the Security Issuer in the reporting period and the importance and purpose of such transactions and agreements and the information about the persons with conflicts of interest (To indicate information on all transactions and agreements with conflicts of interest, made in the reporting period)</i></p>	
<p>During the reporting period, no transaction involving conflicts of interest or major transactions were carried out.</p>		
4.	<p><i>Salary and bonus information</i></p>	
<p>The Board of Directors spent 193.5 million MNT for its members' salaries and other expenses in 2024. According to the Resolution №КhE-23/02, issued by the Shareholders' ordinary meeting on April 25, 2023, the monthly salaries of the Board Members have been approved by the below-mentioned amount.</p> <ol style="list-style-type: none"> 1. Chairman of the Board-1,500,000 MNT 2. Chairman of the Committees under the Board of Directors-1,400,000 MNT 3. Other members of the Board of Directors - 1,300,000 MNT 		
5.	<p><i>Information, related to the Company's governance</i></p>	
<p>The Company's governance structure and operations</p> <p><u>Shareholders' meeting:</u></p> <p>The meeting of the Company's shareholders was held on April 25, 2025 at 10:00 a.m. in the meeting hall of the "Netcom Mongolia" LLC, located in the 4th floor of the Company's building.</p> <p>Decisions, made at the Shareholders' meeting:</p> <ol style="list-style-type: none"> 1. Approved the Board of Directors' conclusions on the Company's operational and financial performance report 2024. 2. Approved the Board of Directors' expenditure budget for 2025. 3. Appointed the members of the Board of Directors. <p><u>The Board of Directors:</u></p> <p>The highest governing body of the "Mongol Post" JSC is the Shareholders' Meeting and the Company's operations are managed by the Board of Directors, which are appointed by the Shareholders' Meeting. The Board of Directors is consisted of nine (9) members, including six (6) regular members and three (3) independent members. As a result of amendments made to the Company's Charter during the shareholders meeting held on April 29, 2024 the names of the committees under Board of directors were changed, and the</p>		

Audit Committee, Nomination (governance) Committee, and Remuneration (strategy) Committee were established.

During the reporting period, the Board convened 12 meetings with an average attendance rate of 90.8%. A total of 25 matters were deliberated across key strategic and operational areas, resulting in the adoption of 21 resolutions and 4 meeting records. The Board actively monitored the implementation of these decisions to ensure alignment with corporate governance standards and strategic objectives.

Corporate Governance

In line with efforts to strengthen the implementation of the Corporate Governance Code, the company approved the "Program for Implementing the Corporate Governance Code at Mongol Post JSC". As part of this program, the following key internal regulations were updated and approved:

- Updated Procedure for the Board of Directors and its Committees
- Regulation on Conflict of Interest and Major Transactions
- Regulation on Transparency and Reporting of Mongol Post JSC

According to the official evaluation by the Financial Regulatory Commission, the implementation score of the Corporate Governance Code increased from 76.3% in 2023 to 83% in 2024. This improvement reflects the company's commitment to aligning its internal policies, procedures, and operations with internationally recognized governance principles.

Looking ahead, the company aims to further develop policy documents and programs that enhance stakeholder engagement, ensure investor communication, and support collaborative relationships with key stakeholders.

Information Transparency

In compliance with the Law on Glass Accounts and the Law on Public Information Transparency, Mongol Post JSC is obligated to publicly disclose 62 categories of information, including procurement, investment, human resources, and financial data. These disclosures are made available through the following platforms:

- <https://shilendans.gov.mn>, <https://www.tender.gov.mn/mn>, <https://mse.mn/mn>, <https://www.mongolpost.mn>

During the reporting period, the company ensured that all required disclosures were timely, accurate, and transparent, thereby providing shareholders and stakeholders with consistent access to important information.

In the year-end compliance assessment conducted among companies listed on the Mongolian Stock Exchange, Mongol Post JSC achieved a compliance rate of 100% in 2024, up from 90.9% in 2023, fully meeting its obligations as a transparent and publicly listed company.

The Board of Directors is consisted of following members

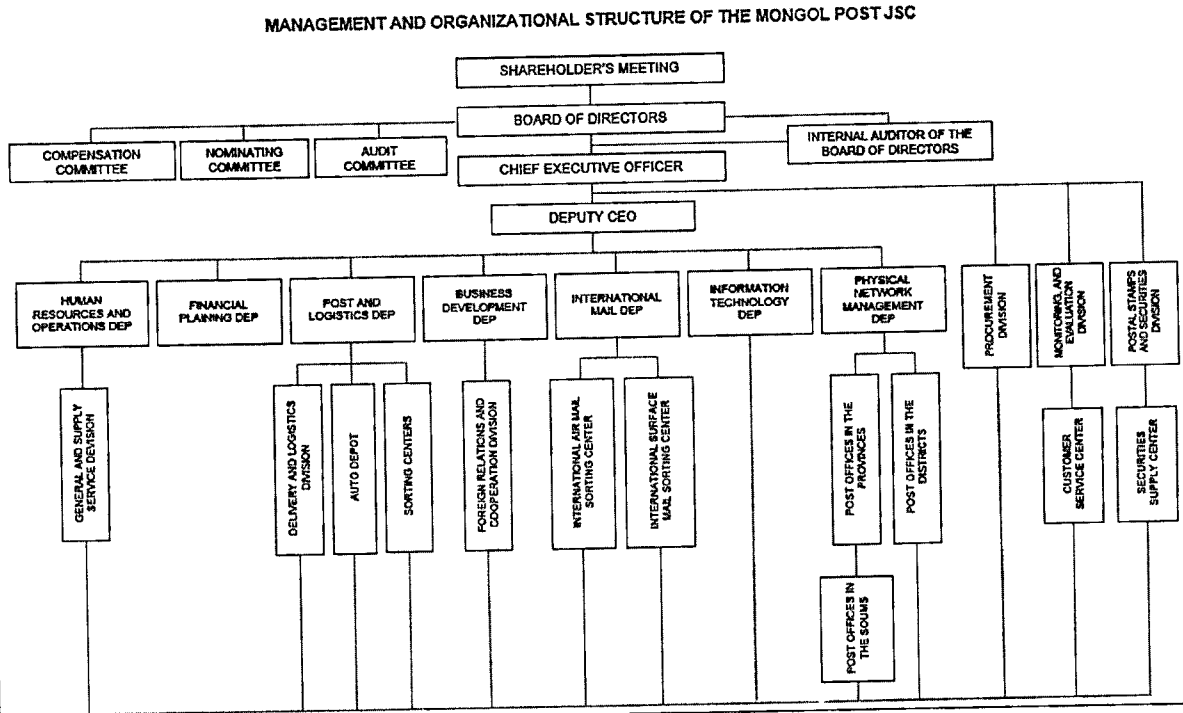
1. Davaakhuu NARANGEREL
Regular Member and Chairman of the Board
2. Davaasamba DELGERMAA
Regular Member, Head of the Nomination Committee under the Board of Directors
3. Davaadorj BALJINNYAM
Regular Member, Member of the Remuneration Committee under the Board of Directors
4. Bataa BATSETSEG
Regular Member, Member of the Auditing Committee under the Board of Directors
5. Odonchimed ODBAYAR
Regular Member, Head of Remuneration Committee under the Board of Directors
6. Batbileg ZOLBOO
Regular Member, Member of the Auditing and Nomination Committee under the Board of Directors
7. Banzragch GANBAATAR
Independent Member, Member of the Auditing, Nomination and Remuneration Committee under the Board of Directors
8. Darambazar BALDORJ
Independent Member, Chairman of the Auditing Committee and member of the Nomination, Remuneration Committee under the Board of Directors
9. Chultem AMARBAATAR
Independent Member, Member of the Auditing, Nomination and Remuneration Committee under the Board of Directors

Management team:

1. Gerelm TELMEN – Chief Executive Officer
2. Nanzad KHOSBAYAR - Deputy CEO
3. Davaakhuu BATTULGA – Director of Physical Network Management Department
4. Orsoo SARANGEREL - Director of the International Mail Department
5. Ganbold GANCHIMEG - Director of the Financial Planning Department

6. Ochirikhgva OTGONBAYAR – Director of Human Resources and Operation Department
7. Sanjjav SUVDANGEREL - Director of the Information Technology Department
8. Altangerel NANDIN-ERDENE – Director of the Post and Logistics Department
9. Erdenetuya ENKH-AMGALAN – Director of the Business Department

Company Structure

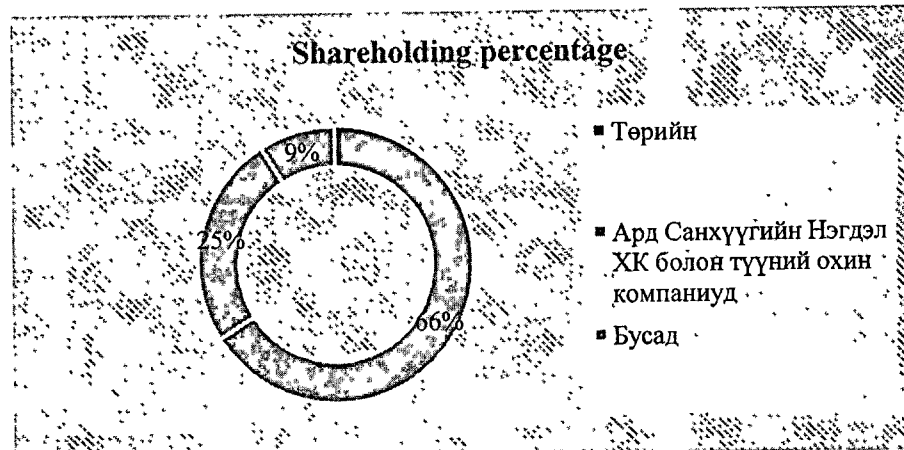




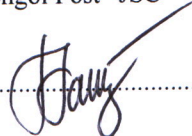

6. *Information on market risks:*

The company is currently facing several operational risks and challenges, including:
 Rising prices and increasing operational costs;
 Intense competition in e-commerce, both within Ulaanbaatar and across borders, along with the expansion of informal postal channels;
 Workforce instability and a shortage of skilled staff;
 Weak information technology capacity and lack of IT infrastructure;
 Legal restrictions on investment and procurement processes;
 Although the government is responsible for fulfilling the universal service obligation, financial support and funding remain inconsistent.

7. *Ownership information of the Shareholders (Names of the Shareholders, who hold 5% or more percentage of shares, their ownership percentage, total number of Shareholders)*

During the reporting period, the Company was included in the 1st category at the Mongolian Stock Exchange and number of Shareholders reached to 3,390. The Company's 0.8 million shares, valued by 0.5 billion MNT, have been traded on the Mongolian Stock Exchange in the year of 2024.



8.	<p>If the Security Issuer has issued shares to the public for the purpose of implementing a project, please state the reports and information about the progress of the project implementation and about the use of funds, which were collected since the start of the project.</p>
	<p>During the reporting period, the Security Issuer did not issue shares to the public for the purpose of implementing a project.</p>
9.	<p><i>Dividend information</i></p>
	<p>The Company's dividends for the year of 2023 were paid in 100% on April 25, 2024 by transferring it to the security deposit accounts of the Shareholders through the "Mongolian Central Securities Depository" LLC.</p> <p>According to the Resolution No.25/02 dated on February 13, 2024, the Board of Directors have decided to distribute dividends of 73.2% from the Company's net profit for the year of 2024 by calculating 1.0 (one) MNT for per share. The registration date for the list of Shareholders, who are entitled to receive dividends, was set on April 06, 2024, on which the regular meeting of Shareholders was held.</p>
10.	<p><i>Reports and information of actions, implemented in the reporting period by the Security Issuer in the frame of its social responsibility.</i></p>
	<ul style="list-style-type: none"> • As part of our efforts to digitize internal operations, develop an electronic archive, and implement an integrated management system, Mongol Post JSC has launched the "Paper to Digital" initiative and successfully implemented the e-Office system (DOCMINE). • In support of the President of Mongolia's nationwide "One Billion Trees" movement, the company planted 50 trees with the involvement of 30 employees, contributing to environmental sustainability. • As part of our corporate social responsibility, Mongol Post is gradually integrating the 17 UN Sustainable Development Goals into its operations. Within this framework, we launched an "Impact Campaign" focused on promoting responsible consumption, including: <ul style="list-style-type: none"> - Reducing paper usage to protect the environment. (From paper to digital) - Conserving electricity and reducing greenhouse gas emissions. (Turning off lights during daylight hours and unplugging unused equipment) - Decreasing water consumption to prevent clean water shortages. (Using less water when washing hands and using restrooms) • In cooperation with the National Blood Center, 20 employees of Mongol Post voluntarily donated blood. Additionally, 30 employees participated in a measles awareness training program to promote health and safety. • Under the collective agreement signed between the Postal Workers' Trade Union and the company, a total of 21 employees received financial support amounting to 5,000,000 MNT to improve their living and social well-being.
<p><i>Signature and date of the official, who prepared and confirmed the accuracy of the information:</i></p>	
<p>Full name: G.Telmen</p> <p>Position: Chief Executive Officer "Mongol Post" JSC</p> <p>Signature: </p> <p>(Stamp) </p>	<p>Full name: G.Ganchimeg</p> <p>Position: Director of the Financial Planning Department "Mongol Post" JSC</p> <p>Signature: </p> <p>(Stamp)</p>
<p><i>Signature and date of the official, who prepared and submitted the information:</i></p>	
<p>Full name: D.Tsetsegee</p> <p>Position: Secretary of the Board of Directors</p> <p>Signature: </p> <p>Date: 2025.04.30</p>	