










Appendix Four to the “Securities Registration Regulations”
approved by the Financial Regulatory Commission by
Resolution No. 225 of June 11, 2021

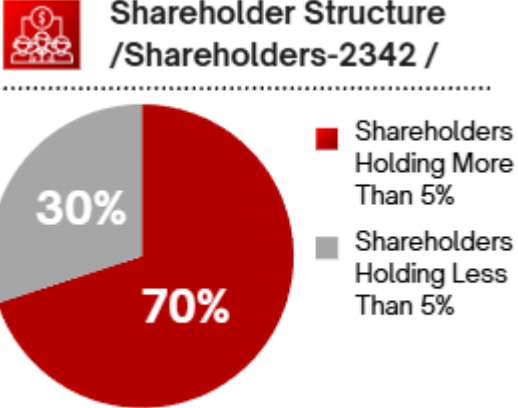

Mongol Basalt JSC
Annual Operational Report 2025 /Form 1/

Reporting Period	From January 1, 2025, to December 31, 2025
Name of the issuer, state registration certificate number, securities code, and telephone number	Name: Mongol Basalt JSC State Registration Certificate Number: 9010001085 Tax Registration Number: 5112494 Securities Code: MBW Telephone Number: 7511 4444
Name of the Registered Trading Entity	Mongolian Stock Exchange
Business Activity Sector	Non-metallic Processing Plant – Rock Wool Thermal Insulation Material Factory
Name and registration date of the audit firm registered with the Financial Reporting Council that issued the audit opinion on the annual financial statements	Nexia Global Mongolia Audit LLC
Total number of shares issued by the issuer	56,417,000 Shares
Name of the expert or official who prepared the annual report and reviewed it	Chief Accountant N.Sugarsuren Marketing Manager T.Ugantsetseg Secretary of the Board of Directors O.Bilguun

1.	Financial report for the reporting year /fill in the summary report and attach the financial report/						
	Financial indicators	Balance Sheet Items		Opening Balance (MNT)		Closing Balance (MNT)	
		ASSETS					
		Current Assets		6,662,076,277.49		10,977,586,406.20	
		Non-Current Assets		36,386,770,603.06		32,988,854,635.00	
		TOTAL ASSETS		43,048,846,880.55		43,966,441,041.20	
		LIABILITIES AND EQUITY					
		Short-term Liabilities		8,199,595,770.80		10,360,683,361.02	
		Long-term Liabilities		3,834,470,669.04		2,555,050,477.55	
		Equity		31,014,780,440.71		31,050,707,202.63	
		TOTAL LIABILITIES AND EQUITY		43,048,846,880.55		43,966,441,041.20	
	Income statement	Financial Indicators		Previous Year (MNT)		Reporting Year (MNT)	
		Net Sales Revenue		12,275,102,682.50		9,258,315,312.40	
		Cost of Sales		8,975,799,612.30		6,587,090,875.56	
		Gross Profit (Loss)		3,299,303,070.20		2,671,224,436.84	
		Profit (Loss) Before Income Tax		186,165,588.30		194,307,543.09	
		Income Tax Expense		49,516,895.22		21,851,641.17	
		Net Profit (Loss) After Tax		136,648,693.08		172,455,901.92	
Statement of Changes in Equity							
	Equity Indicators	Capital	Additional Paid-in Capital	Revaluation Surplus	Retained Earnings	Total	

	Balance as of December 31, 2024	5,641,700,000	20,509,765,227	3,121,608,574	1,741,706,639.03	31,014,780,440.71	
	Declared Dividends	0	0	0	-136,529,140.00	-136,529,140.00	
	Net Profit (Loss) for the Reporting Period	0	0	0	172,455,901.92	172,455,901.92	
	Balance as of December 31, 2025	5,641,700,000	20,509,765,227	3,121,608,574	1,777,633,400.95	31,050,707,202.63	
	Cash Flow Statement	Cash Flow Indicators		Previous Year (MNT)		Reporting Year (MNT)	
		Net Cash Flow from Operating Activities		-2,464,193,029.10		821,911,476.95	
		Net Cash Flow from Investing Activities		119,773,564.67		-9,770,710.97	
		Net Cash Flow from Financing Activities		-3,364,076,115.44		-594,659,644.98	
		Net Increase (Decrease) in Cash and Cash Equivalents		-5,708,495,579.87		217,481,121.00	
		Cash and Cash Equivalents at Beginning of Year		5,730,496,932.59		22,001,352.72	
		Cash and Cash Equivalents at End of Year		22,001,352.72		239,482,473.72	
	Auditor’s Report on the Annual Financial Statements						
	The auditor’s report on the annual financial statements will be submitted upon issuance						
	Auditor’s Confirmation Letter /The confirmation letter shall be prepared in accordance with the contents specified in these guidelines/						
	The auditor’s report on the annual financial statements will be submitted immediately upon issuance.						
2.	The issuer shall provide a report and information summarizing the factors affecting its financial position and operational results during the reporting period, management’s assessment, and measures planned for implementation going forward.						
2.1	Operating Results /Financial Ratio Indicators/			Financial Ratios		Value	
2.2	Liquidity and Financial Resources Indicators			Current Ratio		1.060	
Debt Ratio				0.294			
Debt-to-Equity Ratio				0.416			
ROA (Return on Total Assets)				0.010			
	Information on the Issuer’s Planned Measures Regarding Changes in Operations The issuer shall provide information on the impact of external and internal environments on its operations, the market share in the sector it operates, changes in the types of products and services, developments affecting these changes, and the measures the issuer plans to implement in response.						
	Detailed Information on Off-Balance Sheet Transactions and Accounting Policies						

	This section provides detailed information on transactions and activities not recorded in the financial statements, as well as information on accounting policies.	
	Information on Loan Repayments, Collateral, and Guarantees during the Reporting Period	
3.	Information on Related-Party and Material Transactions during the Reporting Period	
	By resolution of the Board of Directors, a contract was signed with Thermobasalt LLC for the construction of a hydroponic four-season greenhouse facility.	
4.	Information on Salaries and Bonuses	
	The CEO's salary for 2025 is MNT 60,000,000, and bonuses are granted based on the Board of Directors' resolution. No bonus was awarded in 2025.	
5.	Corporate Governance Information	
	<p>Mongol Basalt JSC held its 2025 Annual General Meeting of Shareholders on April 30, 2025, at 15:00 at the Ulaanbaatar Hotel, with a quorum of 39,756,853 shares, representing 70.47% of the total voting shares.</p> <p>Committees under the Board of Directors</p> <div> <div> 3 BOARD OF DIRECTORS </div> <div>    <p>Ariunbold.L Sharavsambuu.B Han Kyu Bung</p>    <p>Sainbileg.P Ganzorig.G Enkhgerel.A</p> <p>Independent Director</p>    <p>EnkhTUR.Sh Nyamdorj.P Zorigtbaatar.Ch</p> </div> </div> <div> <p>The Board of Directors has established the following four committees:</p> <ul style="list-style-type: none"> • Nomination Committee – Chair: P. Nyamdorj; Members: G. Ganzorig, Ch. Zorigtbaatar • Audit Committee – Chair: Ch. Zorigtbaatar; Members: B. Sharavsambuu, Sh. EnkhTUR • Remuneration Committee – Chair: Sh. EnkhTUR; Members: P. Sainbileg, P. Nyamdorj • Risk Management Committee – Chair: Ch. Zorigtbaatar; Members: L. Ariunbold, A. Enkhgerel, B. Sharavsambuu, P. Nyamdorj <p>Five members of the Board of Directors meet the independence requirements for non-executive members. In line with the company's objective of promoting good corporate governance, a Succession Policy has been established and is being implemented.</p> <p>According to Mongol Basalt JSC's 2025 year-end self-assessment report on compliance with the Corporate Governance Code, the company scored 71 out of 72 points (98.6%), which was verified by the Corporate Governance and Compliance Department of the Financial Regulatory Commission, resulting in a score of 65 points (90.2%), corresponding to a "Governance is normal or risk-free" level.</p> <p>As a result, Mongol Basalt JSC is ranked 12th among publicly listed companies based on the implementation of the Corporate Governance Code.</p> </div>	
6	Market Risk Information	
	<p>Risk Management Information</p> <p>This section outlines Mongol Basalt JSC's approach to identifying potential financial, operational, market, and geopolitical risks, categorizing them by type, complying with applicable rules and regulations, and implementing mitigation strategies such as safety protocols and geopolitical risk insurance.</p> <p>Financial Risks:</p> <ul style="list-style-type: none"> • Inflation and currency fluctuations • Financing and liquidity risks • Market volatility <p>Operational Risks:</p> <ul style="list-style-type: none"> • Supply chain disruptions • Technological changes • Workplace health and safety incidents <p>Market Risks:</p> <ul style="list-style-type: none"> • Competitive pressures • Regulatory changes 	

	<ul style="list-style-type: none"> Market expansion risks <p>Geopolitical Risks:</p> <ul style="list-style-type: none"> Trade barriers and tariffs Political instability <p>Conclusion and Outlook:</p> <p>Over the past year, Mongol Basalt JSC has achieved significant progress across key areas, demonstrating stability in operations, employee training, research and development, and production efficiency. The company's commitment to sustainable development, technological innovation, and market leadership is evident through green projects, sustainable raw material sourcing, and strategic partnerships with international technology developers and research institutions.</p>																		
7.	Shareholders' Ownership Information (Names and ownership percentages of shareholders holding 5% or more, and total number of shareholders)																		
	<table border="1"> <thead> <tr> <th>No</th><th>Name</th><th>Ownership Percentage of Total Shares</th></tr> </thead> <tbody> <tr> <td>1</td><td>L. Ariunbold</td><td>35.7%</td></tr> <tr> <td>2</td><td>P. Sainbileg</td><td>13.3%</td></tr> <tr> <td>3</td><td>A. Enkhgerel</td><td>7%</td></tr> <tr> <td>4</td><td>A. Enkhmaa</td><td>7%</td></tr> <tr> <td>5</td><td>A. Enkhjin</td><td>7%</td></tr> </tbody> </table> <div>  <p>Shareholder Structure / Shareholders-2342 /</p> <p>70% Shareholders Holding More Than 5%</p> <p>30% Shareholders Holding Less Than 5%</p> </div>	No	Name	Ownership Percentage of Total Shares	1	L. Ariunbold	35.7%	2	P. Sainbileg	13.3%	3	A. Enkhgerel	7%	4	A. Enkhmaa	7%	5	A. Enkhjin	7%
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8.	<p>Reporting on Project Implementation and Use of Raised Funds</p> <p>If the issuer has offered shares to the public for the purpose of implementing a project, it shall provide reports and information on the progress of the project and the utilization of the funds raised from the start of the project until its completion</p>																		
9	<p>Dividend Information</p> <p>By Resolution No. 03 dated February 16, 2025, it was decided to distribute a dividend of MNT 2.42 per share, totaling MNT 136,529,140. The dividend was successfully credited to the shareholders' securities accounts through the Central Securities Depository LLC (CSDC LLC) on May 31, 2025.</p>																		
10	<p>Report on Corporate Social Responsibility Activities during the Reporting Period</p> <p>The issuer shall provide information on activities carried out in the area of corporate social responsibility (CSR) during the reporting period.</p>																		
Signature and Date of the Reporting Party and the Person Certifying the Accuracy of the Information																			
Name: A. Enkhgerel Position: Chief Executive Officer, Mongol Basalt JSC Signature:  (Seal/Stamp)	Name: Position: Signature: (Seal/Stamp)																		
Signature and Date of the Person Preparing and Submitting the Information																			
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