

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

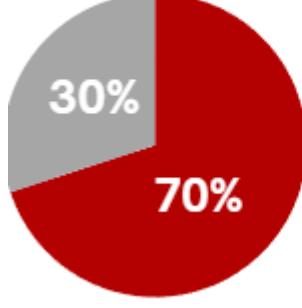
Mongol Basalt JSC
Annual Operational Report 2025 /Form 1/

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.Uugantsetseg 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									

	<p>This section provides detailed information on transactions and activities not recorded in the financial statements, as well as information on accounting policies.</p>																			
	<p>Information on Loan Repayments, Collateral, and Guarantees during the Reporting Period</p>																			
3.	<p>Information on Related-Party and Material Transactions during the Reporting Period</p>																			
	<p>By resolution of the Board of Directors, a contract was signed with Thermobasalt LLC for the construction of a hydroponic four-season greenhouse facility.</p>																			
4.	<p>Information on Salaries and Bonuses</p>																			
	<p>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.</p>																			
5.	<p>Corporate Governance Information</p> <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> <p>3 BOARD OF DIRECTORS</p> <p>.....</p> <table border="0"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Ariunbold.L</td> <td>Sharavsambuu.B</td> <td>Han Kyu Bung</td> </tr> </table> <table border="0"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Sainbileg.P</td> <td>Ganzorig.G</td> <td>Enkhgerel.A</td> </tr> </table> <p>Independent Director</p> <table border="0"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Enkhtur.Sh</td> <td>Nyamdorj.P</td> <td>Zorigtbaatar.Ch</td> </tr> </table>				Ariunbold.L	Sharavsambuu.B	Han Kyu Bung				Sainbileg.P	Ganzorig.G	Enkhgerel.A				Enkhtur.Sh	Nyamdorj.P	Zorigtbaatar.Ch	<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>
																				
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6	<p>Market Risk Information</p> <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" data-bbox="262 557 734 979"> <thead> <tr> <th data-bbox="262 557 323 671">№</th><th data-bbox="323 557 502 671">Name</th><th data-bbox="502 557 734 671">Ownership Percentage of Total Shares</th></tr> </thead> <tbody> <tr> <td data-bbox="262 671 323 726">1</td><td data-bbox="323 671 502 726">L. Ariunbold</td><td data-bbox="502 671 734 726">35.7%</td></tr> <tr> <td data-bbox="262 726 323 781">2</td><td data-bbox="323 726 502 781">P. Sainbileg</td><td data-bbox="502 726 734 781">13.3%</td></tr> <tr> <td data-bbox="262 781 323 836">3</td><td data-bbox="323 781 502 836">A. Enkhgerel</td><td data-bbox="502 781 734 836">7%</td></tr> <tr> <td data-bbox="262 836 323 891">4</td><td data-bbox="323 836 502 891">A. Enkhmaa</td><td data-bbox="502 836 734 891">7%</td></tr> <tr> <td data-bbox="262 891 323 946">5</td><td data-bbox="323 891 502 946">A. Enkhjin</td><td data-bbox="502 891 734 946">7%</td></tr> </tbody> </table> <div data-bbox="750 557 1256 979"> <p>Shareholder Structure /Shareholders-2342 /</p>  <p>Shareholders Holding More Than 5% Shareholders Holding Less Than 5%</p> </div>	№	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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5	A. Enkhjin	7%																	
8.	Reporting on Project Implementation and Use of Raised Funds 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																		
9	Dividend Information																		
	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.																		
10	Report on Corporate Social Responsibility Activities during the Reporting Period The issuer shall provide information on activities carried out in the area of corporate social responsibility (CSR) during the reporting period.																		
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																			
Name: Position: Signature:																			