

HEALTH PROMOTING:



2019 THIRD QUARTER OPERATION REPORT



Certified 

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HEALTH SUPPLEMENT BEVERAGE FACTORY WILL BE PUT INTO FULL OPERATION IN 2019

I would like to express my sincere gratitude to all shareholders who have invested and put faith in us.

Monos Foods JSC has been proudly manufacturing health promoting food and food supplement products based on result of our scientists' long standing experience and research and also prepared with biologically active ingredients which is grown in Mongolian healthy soil.

Our colleagues are working diligently to provide health education to consumers through our products and services in order to make health food products a daily consumption.

Although third quarter was quite tied up in operation, it was full of success and achievements for us. In addition to the project of new Health Supplement

Beverage Factory construction, we were certified for The international Quality Management System ISO 9001:2015 and Food Safety HACCP standards by Geneva based international audit company SGS.

As a result, our operations are officially recognized internationally and are enabling us to increase our export sales.

Despite the fact that our new Health Supplement Beverage Factory construction progress was in certain delay, currently the completion progress is 90 percent. We are aiming to complete and fully operate our new factory this year and planning to launch 15 SKU's to the market in the first place.

**Sincerely:
OTGONDARI AGVAANDORJ**





Monos Foods JSC has started its operations in production and trading of food supplements in 2012 to support the health of our people. We are producing health promoting food and food supplement products which is prepared by the raw materials grown and carefully harvested from Mongolian soil when the biological active state is at the highest.



MISSION

Manufacture, export and lead domestic market in compliance of international standards with health promoting food products based on consumer satisfaction



VISION

To engrain health promoting organic food and supplement product into consumers daily consumption



VALUE

- Dear customers
- Healthy and quality product
- Faithful partners
- Ethical business
- Sharp, skilled and creative team
- Ideas and innovations

TSENEG HEALTH SUPPLEMENT



ECO INSTANT TEA



GOOLINGOO SLIMMING TEA

100 NASLAARAI TEA

ENKHJIN HERBAL TEA



CURD DRAGEE



RAISIN DRAGEE



AAMI TAAMI DRAGEE



VITAMIN DRAGEE



SEABUCKTHORN PURE OIL AND EXTRACT



ECOS ALKALINE WATER



SHILAJIT EXTRACT



BLACK GARLIC



SHILAJIT +VITAMIN C





MONOS FOODS JSC HAS ACCREDITED INTERNATIONALLY

Monos Foods JSC successfully completed certification of standards HACCP and ISO 9001:2015 to its operation.

We have been implementing Quality Management Systems /ISO 9001:2015/ and Food safety standard of Hazard Analysis and Critical Control Points to our operations since 2018 in order to increase customer satisfaction and quality of our products.

International audit company SGS of which its Headquarters are located in Switzerland conducted its ISO 9001:2015 and HACCP implementation audit with

2 stages. Second and final stage of the standard certification audit has been successfully ended in September 2019.

As a result, production and management operation of Monos Foods JSC is recognized internationally

Furthermore, we have already created project teams according to company's next objectives of implementing ISO 22000:2005 and ISO 30400 Human resource management to our operations and management.



“ENKHJIN” PRODUCT WITH THE BEST PACKAGING



Enkhjin herbal tea product has won “Product with the best packaging” award from Ulaanbaatar Partnership International Trade Fair 2019

CHILD FRIENDLY PRODUCT “BERRYVIT”



“BERRYVIT” product has won “Child Friendly Product” award from “Namriin Nagoon Udrud 2019” exhibition which was organized under slogan Healthy food- Healthy Mongol

REPRESENTATIVES FROM GENOSS CO, DENTIUM CO AND SCIENTISTS OF DANKOOK UNIVERSITY FROM KOREA HAS VISITED MONOS GROUP



Representatives from Genoss, Dentium and Dankook university of the Republic of Korea held a two-day official meeting to improve bilateral cooperation with Monos Group and joint projects and research.

Monos Group entered into a contract with the Dankook University Research Center in 2017 on the development of Mongolian herbs and new product development. As a result, we have invented new drugs for osteoporosis.

Furthermore, Dankook university, Monos Foods JSC and Monos Pharm LLC are going to continue our cooperation on product development. We will produce more great products based on our long-standing experience and research, taking into account the trends in global health food markets and the biological features and illness history of the Mongolian people.

PROGRESS OF HEALTH SUPPLEMENT BEVERAGE FACTORY

Monos Foods company has offered 122 million shares, 30 percent of its shares to public and successfully raised MNT 8.6 billion. With invested fund, company is building beverage factory which is more technologically advance as complying with international standards of GMP, ISO 9001:2015, HACCP. Currently progress of the factory interior and office interior are 85% and 95% respectively.

Completion of the plant will be in November 2019 and with the completion of the plant, the production capacity will increase by 24 times compared to today, as well as diversification of new products and expansion of the market locally and internationally.



Blending line: **85%**



Bottling line: **90%**



NET REVENUE

+21.4%

**MNT 6.8
billion**

EBITDA

+26.8%

**MNT 1.4
billion**

PROGRESS OF THE
HEALTH
SUPPLEMENT
BEVERAGE
FACTORY

90%

EMPLOYEE
SATISFACTION
RATE 2019

4.4/5.0

Rated 4.1 in 2018

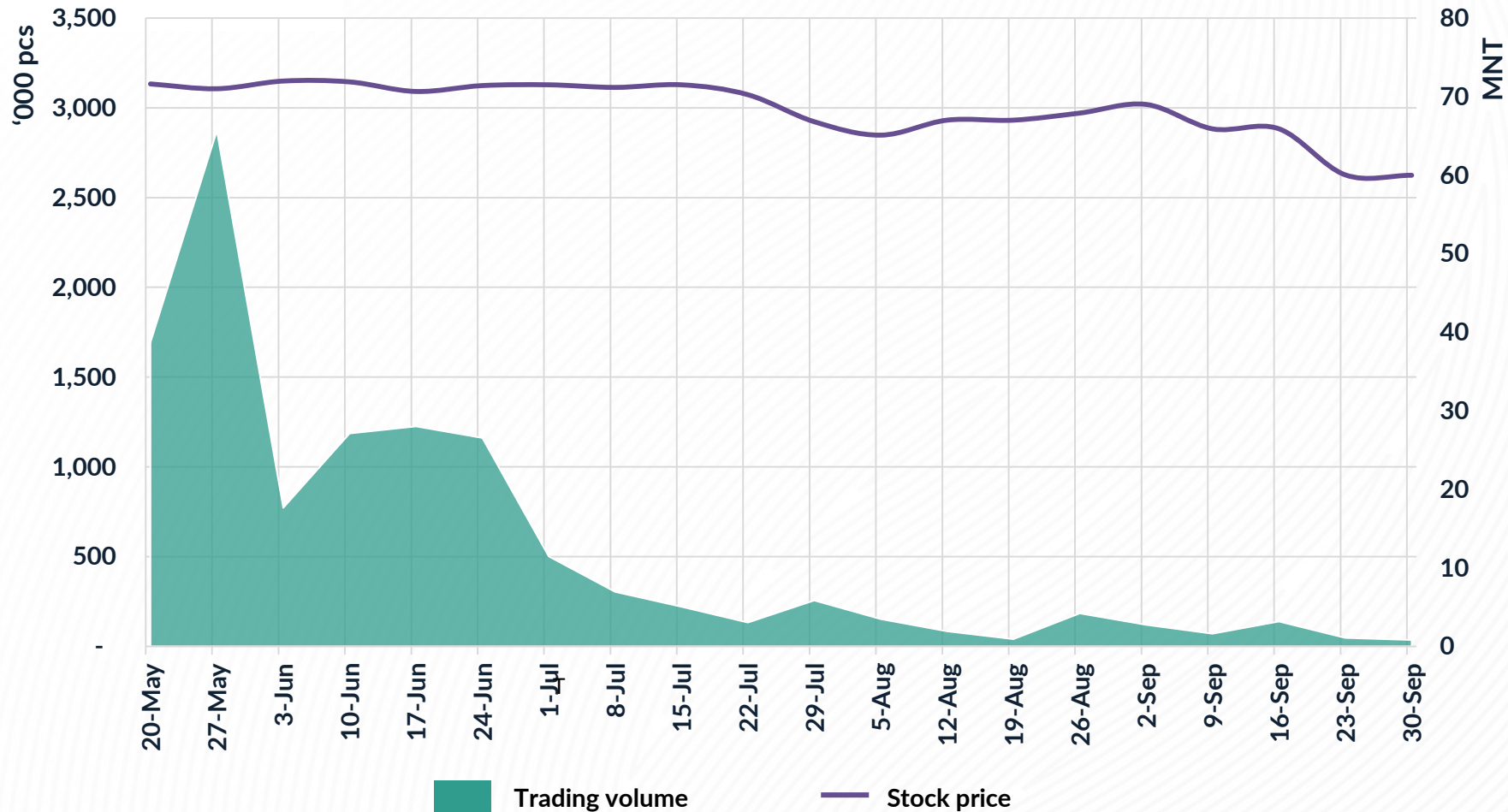
SUMMARY STATEMENT OF FINANCIAL POSITION

MNT in million	2018.09.30	2019.09.30
ASSETS	15,318	22,220
Current assets	3,750	10,651
Cash and cash equivalents	107	763
Accounts receivable	1,047	1,522
Other receivable	57	1,505
Inventory	1,480	1,801
Prepaid expense	1,058	5,059
Non-current assets	11,568	11,569
Tangible asset	7,578	8,083
Intangible asset	3,987	3,476
Deferred tax asset	3	11
OWNER'S EQUITY & LIABILITY	15,318	22,220
Liability	5,959	4,842
Current liabilities	2,061	1,508
Long-term liabilities	3,898	3,334
Owner's equity	9,359	17,377
Equity	1,623	2,318
Additional paid-in capital		6,836
Revaluation reserve	6,985	6,529
Retained earnings	750	1,694

SUMMARY INCOME STATEMENT

MNT in million	2018.09.30	2019.09.30
Revenue	5,596	6,796
Cost of goods sold	3,094	3,772
Gross profit	2,503	3,023
Operating expenses	1,847	2,483
Operation income	655	540
Non-operating income/expense	-33	74
Profit before income tax	622	614
Income tax expense	69	78
Net profit after tax	553	537
EBITDA	1,094	1,387
Operating income margin	12%	8%
Net profit margin	10%	8%
EBITDA margin	20%	23%

Stock



Closing price of 2019.05.20 **71.6 ₮**

Closing price of 2019.09.30 **59.9 ₮**

Highest price: **72.0 ₮**

Lowest price: **53.8 ₮**

Total trade: **11.6M pcs**

Total trade volume: **792.3M ₮**

Company valuation as at 2019.09.30: **24.5B ₮**

In 3rd quarter of 2019, we ranked 4th by actively traded stock and 13th by total traded amount on the Mongolian Stock Exchange

BOARD OF DIRECTORS ACTION:

- Gantulga Bulgan, Dolgormaa Bukhbat and Chinzorig Chuluun, independent member of the Board were introduced with operations of the company, factory and progress of the factory building under Health Supplement Beverage Factory project on 2019-07-09.
- Company's financial and operational reports are approved by Board of Directors on its regular meeting held on 2019-07-20. During the meeting BOD members agreed and approved "Rules of the BOD's meeting" to follow thereafter.
- Strategy and Business Development Committee meeting was held on 2019-07-29 and discussed about Company's strategic plan for the next 3 years, budget amendment of 2019 and product development progress under Health Supplement Beverage Factory project.
- On 2019-08-23, special meeting of the Board convened to discuss the amendment of the 2019 Budget for Monos Food JSC and approved it.



CHINZORIG Chuluun

Independent member of the Board
Member of the Nominations and Remunerations Committee
Member of the Strategy and Business Development Committee
Tandem Global Logistics LLC, CEO



DOLGORMAA Bukhbat

Independent member of the Board
Chairwoman of the Audit Committee
Member of the Nominations and Remunerations Committee
Golomt Financial Group LLC, CFO



GANTULGA BULGAN

Independent member of the Board
Member of the Audit Committee
Member of the Strategy and Business Development Committee
Association of Mongolian Joint Stock Companies,
President
Ard Life LLC, CEO



KHURELBAATAR Luvsan

Chairman of the Board
Monos Group LLC,
President



ANAND Khurelbaatar

Member of the Board
Chairman of the Strategy and Business
Development Committee
Monos Group LLC,
CEO



TSETSEGBADAM Tsedendamba

Member of the Board
Member of the Audit Committee
Monos Group LLC,
CFO



SOLONGO Khurelbaatar

Member of the Board
Member of the Nominations and Remunerations
Committee
Monos Cosmetics LLC,
Chairwoman of the Board



BATTOGTOKH Chimeddorj

Member of the Board
Mongolian National University of Medical Sciences,
Head of Department



OTGONDARI Agvaandorj

Member of the Board
Monos Foods JSC,
CEO



THANK YOU

