

**Semi-annual operational reports /Form 2/**

Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting quarterly and semi-annual operational reports to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.

Reporting period /For example: From January 1 <sup>st</sup> 2023 to December 31 <sup>st</sup> 2023/	From January 1st, 2025 to June 30th, 2025
Issuer's name, state registration certificate number, securities symbol, phone number	Issuer's name: Innovation investment JSC State Registration №: 9007001023 Securities symbol: MN0QPAY05709 Phone number: 76102211
Name of listed exchange	Mongolian stock exchange
Sector of business operation	Information technology Software services
Total number of shares issued by the issuer	184,889,160 shares
Names of the specialist who prepared and the official who reviewed the semi-annual and quarterly report	Prepared by: Munkhtuya.P – Investor relations manager Reviewed by: Enkhbold.B - Chief Executive Officer

1. The semi-annual and quarterly financial reports /fill out the summary report indicators and attach the financial statement/

		Balance sheet	December 31, 2024 (thousand MNT)	June 30, 2025 (thousand MNT)
		Assets		
Balance sheet	Total current assets		18,726,232	21,421,972
	Total non-current assets		2,985,144	3,884,674
	<b>Total assets</b>		<b>21,711,376</b>	<b>25,306,647</b>
	<b>Liabilities and shareholders' equity</b>			
	Total current liabilities		6,359,884	1,338,773
	Total non-current liabilities		71,575	1,100,639
	<b>Total liabilities</b>		<b>6,431,459</b>	<b>2,439,412</b>
	Total shareholders' equity		15,279,917	22,867,235
	<b>Total liabilities and shareholders' equity</b>		<b>21,711,376</b>	<b>25,306,647</b>
Income statement	Income statement		December 31, 2024 (thousand MNT)	June 30, 2025 (thousand MNT)
	Sales income		26,231,629	16,454,825
	Cost of goods sold		(12,051,045)	(6,776,764)
	<b>Gross profit</b>		<b>14,180,584</b>	<b>9,678,061</b>
	Sales and marketing expense		(805,563)	(646,653)
	General operating and administration expense		(1,941,549)	(1,788,685)
	Other income		(0)	102
	Other expense		(45,307)	(37,931)
	<b>Operating income</b>		<b>11,388,165</b>	<b>7,204,894</b>
	Financial income		1,677,294	997,479
	Financial expense		(1,703)	(60,825)
	Gain (Loss) on disposal of fixed asset		(3,622)	(6,043)
	Exchange Difference Gain (Loss)		(13,528)	47,185
	<b>Profit before tax (Loss)</b>		<b>13,046,606</b>	<b>8,182,688</b>
	Income tax expense		(3,020,452)	(865,211)
	<b>Profit for the period (Loss)</b>		<b>10,026,154</b>	<b>7,317,477</b>
Statements of retained earnings	Statements of retained earnings		Total /in thousands/	
	<b>Balance as of December 31, 2024</b>		<b>15,279,917</b>	
	Changes in accounting policy		269,841	
	<b>Adjusted balance</b>		<b>15,549,758</b>	

		Other comprehensive income	-	
		Changes in equity	-	
		Declared dividends	-	
		Net profit (loss) for the reporting period	7,317,477	
		Realized revaluation surplus	-	
		<b>Balance as of June 30, 2025</b>	<b>22,867,235</b>	
	<i>Cash flow statement</i>	<b>Cash flow statement</b>	<b>December 31, 2024 (thousand MNT)</b>	<b>June 30, 2025 (thousand MNT)</b>
		Total Cash flows from operating activities	8,794,941	5,284,703
		Total Cash flows from investing activities	(1,634,037)	(541,444)
		Total Cash flows from financing activities	(6,510,084)	(3,371,215)
		Exchange Difference Gain (Loss)	2,959	47,084
		Total Cash flows	653,778	1,419,127
		<b>Opening balance of cash and cash equivalent</b>	<b>13,999,820</b>	<b>14,653,598</b>
		<b>Closing balance of cash and cash equivalent</b>	<b>14,653,598</b>	<b>16,072,726</b>
2.	<i>The audit committee opinion on the semi-annual and quarterly financial statements, which was reviewed and confirmed by board audit committee</i>			
	The financial statements of Innovation Investment JSC, its applicable accounting policies, bookkeeping, software, financial documentation, the company's financial position, detailed income, cash flows, and statement of changes in equity have been accurately reported in accordance with the Accounting Law, the instructions, regulations, and methodologies approved in compliance with it, and the International Financial Reporting Standards. The report has been submitted to the Audit Committee of the Board of Directors.			
3.	<i>External and internal factors affecting the issuer's financial operations during the reporting period, management reports and opinions based on analysis of financial statements, income, expenses, and profit indicators</i>			
3.1.	<i>Operational performance /Financial ratios /</i>	<b>Financial ratios</b>	<b>December 31, 2024</b>	<b>June 30, 2025</b>
		Gross profit margin	54%	59%
		Operating profit margin	43%	51%
		Net profit margin	38%	44%
		ROE	66%	37%
		EPS	54.23	39.6
3.2.	<i>Liquidity ratios and financial resources</i>	<b>Liquidity ratios</b>	<b>December 31, 2024</b>	<b>June 30, 2025</b>
		Current ratio	2.94	16.0
		Quick ratio	2.94	13.8
		Debt to equity ratio	42.09%	10.7%
3.3.	<i>The external and internal factors affecting the activities of the issuer, changes in the range of its products and services, and measures planned to be taken by the issuer in response to these changes.</i>	<p>As of the first half of 2025, the QPay service is projected to account for 10% of the total non-cash payment transactions in Mongolia by number of transactions, and its transaction volume amounts to 7.4 trillion MNT, representing approximately 2% of the total non-cash payment market. We are executing more than 90% of the QR payment transactions in our sector single-handedly.</p> <p>The rapid growth of QR payments in international markets, particularly in the Asian region, also demonstrates that there is potential for us to expand further in the payments market.</p> <p>In order to strengthen our position in the payment market, as outlined in the 2025 Business Plan, we have been intensifying our product development, branding, and marketing activities. Some of the planned initiatives include:</p> <ul style="list-style-type: none"> <li>The website <a href="http://www.i-investment.mn">www.i-investment.mn</a> was newly developed with an Investor Relations (IR) section. This allows investors and shareholders to access information in an organized and centralized way, improving investor relations.</li> </ul>		

		<ul style="list-style-type: none"><li>Foundational research for the Super App (Soft POS) product for merchants was completed, the UI/UX design was finalized, and it is currently in the development stage.</li><li>A CRM system was implemented across the organization, integrating all customer channels into an OMNICHANNEL system. This has improved customer service quality, enabling us to deliver better, higher-quality services to our merchant clients.</li><li>Foundational research has been conducted on medium-term business plan initiatives to develop and improve products and services tailored to merchant needs, and these are being implemented in phases.</li></ul>																																						
3.4.	Details of off-balance sheet transactions and information on accounting policies	<p>There are no off-balance sheet commitments or transactions.</p> <p>We operate in compliance with the approved accounting policy documents in accordance with IFRS, IPSAS, and the relevant laws and regulations of Mongolia.</p>																																						
4.	Information on conflict of interest and significant transactions conducted by the issuer during the reporting period, the importance and the purpose of the transaction, and information about the person with a conflict of interest / all conflicts of interest transactions made during the reporting period shall be included/																																							
	<p>Information on conflict of interest and significant transactions: These include:</p> <ul style="list-style-type: none"><li>By Resolution No. 06/49 of the Board of Directors dated 2025/06/06, it was decided to purchase infrastructure equipment worth 129,103,900 (one hundred twenty-nine million one hundred three thousand nine hundred) MNT from IT Zone LLC, a subsidiary of shareholder Mogul LLC.</li></ul>																																							
5.	If the issuer has issued shares to the public for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised from the start of the project																																							
	<p>Innovation Investment JSC raised 8.3 billion MNT through an initial public offering (IPO) on the Mongolian Stock Exchange between December 4, 2023, and December 8, 2023.</p> <p>In 2024, as planned, within the framework of upgrading the core infrastructure of the QPay payment system, the company purchased new core infrastructure servers and equipment, and expanded the existing servers and equipment, with a total expenditure of 1,125,826,606 MNT. This amount was funded from the 1,247,994,608 MNT allocated from the raised funds for the activity “Improvement of technical equipment and information security infrastructure.”</p> <p>Additionally, in the second half of 2024, a promotional campaign was carried out to increase the usage of the QPay service and expand core operations in the cashless payment market, incurring expenses of 139,938,166 MNT. This was appropriately funded from the portion of the raised funds allocated to “Expansion of core operations in the cashless payment market”.</p> <p>The report of disbursement on capital raised from the public:</p> <table><tr><th rowspan="2">No</th><th rowspan="2">Investment purpose</th><th colspan="2">Planned to spend</th><th>Expenditure</th></tr><tr><th>Percent age</th><th>Amount by MNT</th><th>Amount by MNT</th></tr><tr><td>1</td><td>Expansion of core operations in the cashless payment market</td><td>22.5%</td><td>1,871,991,911</td><td>139,938,166</td></tr><tr><td>2</td><td>Investment activities according to the medium-term plan</td><td>30.0%</td><td>2,495,989,215</td><td>0</td></tr><tr><td>3</td><td>Activities to improve technical equipment, infrastructure and information security systems</td><td>15.0%</td><td>1,247,994,608</td><td>1,125,826,606</td></tr><tr><td>4</td><td>Payment for 9,244,458 common shares held by "KKTT" LLC</td><td>25.0%</td><td>2,080,003,050</td><td>2,080,003,050</td></tr><tr><td>5</td><td>Enhancing human resources and management skills in connection with the expansion of operations in international market</td><td>7.5%</td><td>623,985,266</td><td>0</td></tr><tr><td></td><td>Total</td><td>100%</td><td>8,319,964,050</td><td>3,345,767,822</td></tr></table> <p>In 2023, 25% of the total raised capital, amounting to 2,080,003,050 MNT, was transferred to KKTT LLC as payment for the 9,244,458 ordinary shares held by them, in accordance with its intended purpose. As of the reporting year, a total of</p>		No	Investment purpose	Planned to spend		Expenditure	Percent age	Amount by MNT	Amount by MNT	1	Expansion of core operations in the cashless payment market	22.5%	1,871,991,911	139,938,166	2	Investment activities according to the medium-term plan	30.0%	2,495,989,215	0	3	Activities to improve technical equipment, infrastructure and information security systems	15.0%	1,247,994,608	1,125,826,606	4	Payment for 9,244,458 common shares held by "KKTT" LLC	25.0%	2,080,003,050	2,080,003,050	5	Enhancing human resources and management skills in connection with the expansion of operations in international market	7.5%	623,985,266	0		Total	100%	8,319,964,050	3,345,767,822
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	40.2% of the raised capital has been spent for its designated purposes, and the remaining funds are planned to be utilized for their intended purposes in 2025 and 2026.																																												
6.	<p><i>Information related to corporate governance</i></p> <p><b>Board of Directors</b></p> <p>At the 2024 Annual General Meeting of Shareholders, in accordance with the company’s charter, a new Board of Directors was elected consisting of 9 members — 6 regular members and 3 independent members. The current structure and composition of the Company’s Board of Directors is as follows:</p> <table><tr><th>№</th><th>Full name</th><th>Membership</th><th>Work Experience</th></tr><tr><td>1</td><td>Battamir Adilbish</td><td>Chairman of the Board</td><td>18 years of experience in the information technology sector</td></tr><tr><td>2</td><td>Naranbaatar Urtnasan</td><td>Board Member</td><td>20 years of experience in banking, finance, and information technology sectors</td></tr><tr><td>3</td><td>Munkhzul Ulaanbayar</td><td>Board Member</td><td>8 years of experience in the real estate and construction sector</td></tr><tr><td>4</td><td>Khatanbold Gantulga</td><td>Board Member</td><td>20 years of experience in investment, management, and information technology sectors</td></tr><tr><td>5</td><td>Chuluunsukh Batzorig</td><td>Board Member</td><td>Founder of Innovation Investment JSC, 16 years of experience in the information technology sector</td></tr><tr><td>6</td><td>Ankbold Bayanmunkh</td><td>Board Member</td><td>12 years of experience in the information technology sector</td></tr><tr><td>7</td><td>Uyanga Sharavkhorol</td><td>Independent Board Member</td><td>20 years of experience in taxation and finance</td></tr><tr><td>8</td><td>Dashtseren Terbish</td><td>Independent Board Member</td><td>12 years of experience in the information technology sector</td></tr><tr><td>9</td><td>Nandin-Erdene Banzragch</td><td>Independent Board Member</td><td>Lecturer at the University of Finance and Economics, 22 years of experience in the education sector. Appointed as an independent board member on an interim basis starting June 2025</td></tr><tr><td>10</td><td>Maralmaa Oyuntsetseg</td><td>Secretary of Board of Directors</td><td>9 years of experience in corporate governance and operations. Appointed as Board Secretary starting June 2025</td></tr></table> <p><b>Executive Management Team</b></p> <p>According to Article 12 of the Company's Charter, the executive management of the company is carried out by the Chief Executive Officer (CEO). The CEO organizes and manages the company's daily operations and implements executive management within the scope of authority defined by the Company's Charter, corporate governance and organizational structure documents, and the agreement concluded with the Board of Directors. Additionally, management-level officials with responsibilities for supporting the CEO in exercising their full authority and resolving issues within their respective domains operate within the company.</p>	№	Full name	Membership	Work Experience	1	Battamir Adilbish	Chairman of the Board	18 years of experience in the information technology sector	2	Naranbaatar Urtnasan	Board Member	20 years of experience in banking, finance, and information technology sectors	3	Munkhzul Ulaanbayar	Board Member	8 years of experience in the real estate and construction sector	4	Khatanbold Gantulga	Board Member	20 years of experience in investment, management, and information technology sectors	5	Chuluunsukh Batzorig	Board Member	Founder of Innovation Investment JSC, 16 years of experience in the information technology sector	6	Ankbold Bayanmunkh	Board Member	12 years of experience in the information technology sector	7	Uyanga Sharavkhorol	Independent Board Member	20 years of experience in taxation and finance	8	Dashtseren Terbish	Independent Board Member	12 years of experience in the information technology sector	9	Nandin-Erdene Banzragch	Independent Board Member	Lecturer at the University of Finance and Economics, 22 years of experience in the education sector. Appointed as an independent board member on an interim basis starting June 2025	10	Maralmaa Oyuntsetseg	Secretary of Board of Directors	9 years of experience in corporate governance and operations. Appointed as Board Secretary starting June 2025
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7.	<p><i>Reports and information related to issuer governance</i></p> <p>Shareholders’ Meeting:</p> <p>Innovation Investment JSC successfully held its Annual General Meeting of Shareholders online on April 28, 2025, with a quorum of 77.58%. At the meeting, resolutions were passed to approve the Board of Directors’ conclusion regarding the company’s annual operations and audited financial statements, to approve the remuneration of the Board members, to grant compensation, and to amend the company’s Charter due to a change in its address. In addition, the Board of Directors’ Resolution No. 05/30 dated February 7, 2025, on the distribution of dividends from the net profit of the second half of 2024, was presented.</p> <p>Governance Structure and Operations:</p> <p>On May 27, 2024, the company updated and approved the Rules of Procedure of the Board of Directors of the joint-stock company, which are currently in force. The Rules of Procedure of the Board of Directors regulate the authority of the Board, its composition, nomination, election and dismissal of members, rights and obligations of members, the Chairman and his/her authority, Board meetings and procedures, the Secretary of the Board and his/her authority, Board expenses, performance evaluation, the committees under the Board and their respective roles.The Board of Directors meets monthly and makes decisions within its authority accordingly.</p> <p>Summary Report of the Board of Directors:</p>																																												



In the first half of 2025, the Board of Directors convened a total of 17 meetings — in person, online, and hybrid formats, as well as through absentee voting — with a quorum of at least 85.71%, and adopted 41 resolutions. In the same period, the Compensation and Nomination Committee met 5 times, the Audit Committee met once, the Risk Management Committee met once, and the Strategy and Development Committee met once, each providing conclusions and recommendations on matters within their respective areas of responsibility.

Committees under the Board of Directors:

In accordance with Article 10 of the Rules of Procedure of the Board of Directors, the following committees operate under the Board. During the first half of 2025, these committees held a total of 8 meetings and issued conclusions and recommendations on matters discussed within the scope of their functions. These include:

No.	Committees under the Board of Directors	Number of Meetings	Committee Members
1	Audit Committee	1 time	<ul style="list-style-type: none"> <li>• Uyanga.Sh (Independent member)</li> <li>• Dashtseren.T (Independent member)</li> <li>• Khatangbold.G</li> </ul>
2	Remuneration and Nomination Committee	5 times	<ul style="list-style-type: none"> <li>• Naranbaatar.U</li> <li>• Nandin-Erdene.B (Independent member)</li> <li>• Dashtseren.T (Independent member)</li> </ul>
3	Risk Management Committee	1 time	<ul style="list-style-type: none"> <li>• Uyanga.Sh (Independent member)</li> <li>• Nandin-Erdene.B (Independent member)</li> <li>• Munkhzul.U</li> </ul>
4	Strategy Development Committee	1 time	<ul style="list-style-type: none"> <li>• Chuluunsukh.B</li> <li>• Khatangbold.G</li> <li>• Naranbaatar.U</li> <li>• Ankbold.B</li> <li>• Battamir.A (Chairman of the Board)</li> <li>• Dashtseren.T (Independent member)</li> </ul>

#### Implementation of the Corporate Governance Code:

In accordance with the assessment model for the implementation of the Corporate Governance Code, the company conducted a self-assessment for the first half of 2025 as follows.

No.	Title	Total Possible Score	Assessed Score	Assessment Percentage
1	Structure and organization of the BoD	12	12	100%
2	Committees under the BoD, and their functions	10	10	100%
3	Reporting and information transparency	6	6	100%
4	Audit and monitoring system	6	6	100%
5	Risk Management	8	7	88%
6	Remuneration of Authorized Officials	6	5	83%
7	Stakeholder Interests	8	7	88%
8	Company Culture	6	6	100%
9	Rights of shareholders	10	10	100%
<b>Consolidated Result</b>		<b>72</b>	<b>69</b>	<b>96%</b>

Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:

Full name: Enkhbold.B

Position: Chief Executive Officer (CEO)

Signature: .....

(Stamp)



*Signature of the person who prepared and submitted the information and the date:*

Full name: Munkhtuya.P

Position: Investor relations manager

Signature: .....*M. Munkhtuya*.....

2025.07.09