



GOBI JSC AND ITS SUBSIDIARIES  
**CONSOLIDATED FINANCIAL STATEMENTS**

*September 30, 2023*

*(in thousands of MNT)*

|  | 2023.09.30         | 2022.12.31         |
|--|--------------------|--------------------|
| <b>ASSETS</b>                            |                    |                    |
| <b>Current assets</b>                    |                    |                    |
| Cash and cash equivalents                | 4,760,961          | 9,034,919          |
| Trade and other receivables              | 27,943,754         | 3,318,986          |
| Prepayments and advances                 | 8,596,833          | 2,318,495          |
| Inventories                              | 163,243,328        | 128,791,463        |
| Right to returned goods assets           | -                  | 17,227             |
|  | <b>204,544,877</b> | <b>143,481,090</b> |
| <b>Non-current assets</b>                |                    |                    |
| Property, plant and equipment            | 132,393,349        | 137,432,575        |
| Right-of-use assets                      | 2,321,765          | 731,724            |
| Deferred tax assets                      | 14,587,932         | 14,879,483         |
| Other non-current assets                 | 1,132,587          | 1,587,295          |
|  | <b>150,435,632</b> | <b>154,631,077</b> |
| <b>Total Assets</b>                      | <b>354,980,509</b> | <b>298,112,167</b> |
| <b>LIABILITIES AND OWNERS' EQUITY</b>    |                    |                    |
| <b>Current liabilities</b>               |                    |                    |
| Trade and other payables                 | 42,024,252         | 20,969,192         |
| Contract liabilities                     | 2,268,926          | 1,983,898          |
| Refund liabilities                       | -                  | 26,503             |
| Short-term lease liabilities             | 2,073,657          | 777,988            |
| Corporate income tax payable             | 1,093,585          | 3,683,126          |
| Short-term borrowings                    | 182,134,816        | 129,853,617        |
|  | <b>229,595,235</b> | <b>157,294,324</b> |
| <b>Non-current liabilities</b>           |                    |                    |
| Long-term lease liabilities              | 348,141            | 112,069            |
| Long-term borrowings                     | 80,552,354         | 95,686,234         |
| Long-term other payables                 | 31,114,743         | 30,984,941         |
| Deferred tax liability                   | 8,206,834          | 8,206,834          |
|  | <b>120,222,072</b> | <b>134,990,078</b> |
| <b>Total Liabilities</b>                 | <b>349,817,308</b> | <b>292,284,402</b> |
| <b>Equity</b>                            |                    |                    |
| Share capital                            | 780,113            | 780,113            |
| Revaluation reserve                      | 44,568,540         | 44,568,540         |
| Foreign currency translation reserve     | (8,217,101)        | (11,436,010)       |
| (Accumulated losses) / Retained earnings | (31,968,350)       | (28,084,878)       |
|  | <b>5,163,202</b>   | <b>5,827,765</b>   |
| <b>Total Liabilities and Equity</b>      | <b>354,980,509</b> | <b>298,112,167</b> |

*(in thousands of MNT)*

|  | 2023.09.30         | 2022.12.31          |
|--|--------------------|---------------------|
| <b>Revenue</b>   | 166,375,788        | 193,427,609         |
| Cost of sales  | (86,583,895)       | (97,766,831)        |
| <b>Gross profit</b>  | <b>79,791,893</b>  | <b>95,660,778</b>   |
| Other income   | 418,305            | 1,162,425           |
| Selling and marketing expenses   | (44,009,656)       | (61,767,484)        |
| Administrative expenses  | (14,418,200)       | (14,138,399)        |
| Reversal of impairment loss on financial assets                            | -                  | 49,464              |
| Other expenses   | -                  | (13,355)            |
| Finance income   | 216,345            | 29,261              |
| Finance costs  | (24,879,278)       | (30,979,282)        |
| <b>Profit / (loss) before taxation</b>                                     | <b>(2,880,591)</b> | <b>(9,996,592)</b>  |
| Income tax benefit (expense)   | (1,002,882)        | 2,998,982           |
| <b>Net profit / (loss) for the year</b>                                    | <b>(3,883,472)</b> | <b>(6,997,610)</b>  |
| <b>Items that will not be reclassified to profit or loss</b>               |                    |                     |
| Tax impact on revaluation of property, plant and equipment                 |                    | (4,301,861)         |
| Exchange differences on translating the net assets of foreign subsidiaries | 3,218,909          | (11,997,888)        |
| <b>Other comprehensive income for the year</b>                             | <b>3,218,909</b>   | <b>(16,299,749)</b> |
| <b>Total comprehensive loss for the year</b>                               | <b>(664,563)</b>   | <b>(23,297,359)</b> |

**GOBI JSC AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

*(in thousands of MNT)*

|                                       | Share Capital  | Revaluation surplus | Foreign currency translation reserve | Retained Earnings (Accumulated losses) | Total equity        |
|---------------------------------------|----------------|---------------------|--------------------------------------|--|---------------------|
| <b>Balance as of 01 January 2022</b>  | <b>780,113</b> | <b>48,870,401</b>   | <b>561,878</b>                       | <b>(21,087,268)</b>                    | <b>29,125,124</b>   |
| Net profit / (loss) for the year      | -              | -                   | -                                    | (6,997,610)                            | <b>(6,997,610)</b>  |
| Other comprehensive income            | -              | (4,301,861)         | (11,997,888)                         | -                                      | <b>(16,299,749)</b> |
| Declared dividend                     |                |                     |                                      |  |                     |
| <b>Balance as of 31 December 2022</b> | <b>780,113</b> | <b>44,568,540</b>   | <b>(11,436,010)</b>                  | <b>(28,084,878)</b>                    | <b>5,827,765</b>    |
| Net profit / (loss) for the year      | -              | -                   | -                                    | (3,883,472)                            | <b>(3,883,472)</b>  |
| Other comprehensive income            |                | -                   | 3,218,909                            |  | <b>3,218,909</b>    |
| Declared dividend                     |                |                     |                                      |  |                     |
| <b>Balance as of 30 Sep 2023</b>      | <b>780,113</b> | <b>44,568,540</b>   | <b>(8,217,101)</b>                   | <b>(31,968,350)</b>                    | <b>5,163,202</b>    |

**GOBI JSC AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS***(in thousands of MNT)*

|   | 2023.09.30       | 2022.12.31       |
|---|------------------|------------------|
| Net cash flows (used in) / from operating activities              | (69,351,109)     | 45,908,164       |
| Net cash flows (used in) / from investing activities              | (3,695,826)      | (3,124,091)      |
| Net cash flows (used in) / from financing activities              | 65,507,960       | (26,140,862)     |
| Increase/(decrease) in cash and cash equivalents                  | (7,538,975)      | 16,643,211       |
| Exchange difference on translating foreign operations             | 3,218,909        | (11,997,888)     |
| Effects of exchange rate differences on cash and cash equivalents | 46,107           | 117              |
| <b>Cash and cash equivalents, at the beginning of the year</b>    | <b>9,034,919</b> | <b>4,389,479</b> |
| <b>Cash and cash equivalents, at the end of the year</b>          | <b>4,760,961</b> | <b>9,034,919</b> |