



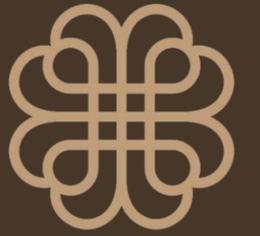
# GOBI

GOBI JOINT STOCK COMPANY  
2025 FIRST QUARTER (Q1)  
**OPERATIONAL REPORT**

REPORTING PERIOD: 2025.01.01 - 03.31



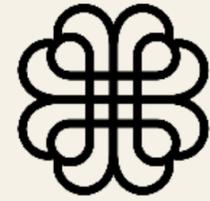
1.	COMPANY OVERVIEW	.....	<b>3</b>
2.	FINANCIAL AND OPERATIONAL PERFORMANCE	.....	<b>9</b>
3.	GOBI IN THE FIRST QUARTER OF 2025	.....	<b>18</b>
4.	SUSTAINABLE DEVELOPMENT	.....	<b>24</b>
5.	CORPORATE GOVERNANCE	.....	<b>34</b>



# COMPANY OVERVIEW



# COMPANY OVERVIEW



# GOBI

**Gobi JSC** is Mongolia's pioneering national company dedicated to manufacturing products made exclusively from **100%** Mongolian cashmere. We blend centuries-old artisanal heritage with advanced modern manufacturing technologies to create stylish, comfortable, and durable garments for our customers.

We work closely with herders rooted in nomadic culture and responsibly produce all our goods at our factory located in Ulaanbaatar. Gobi currently employs approximately **1,700** individuals, over **70%** of whom are women, thereby creating domestic employment opportunities and proudly supplying the world with the softest, most luxurious cashmere products. The company is now operating in its **44th** year.





## PRODUCTION CAPACITY

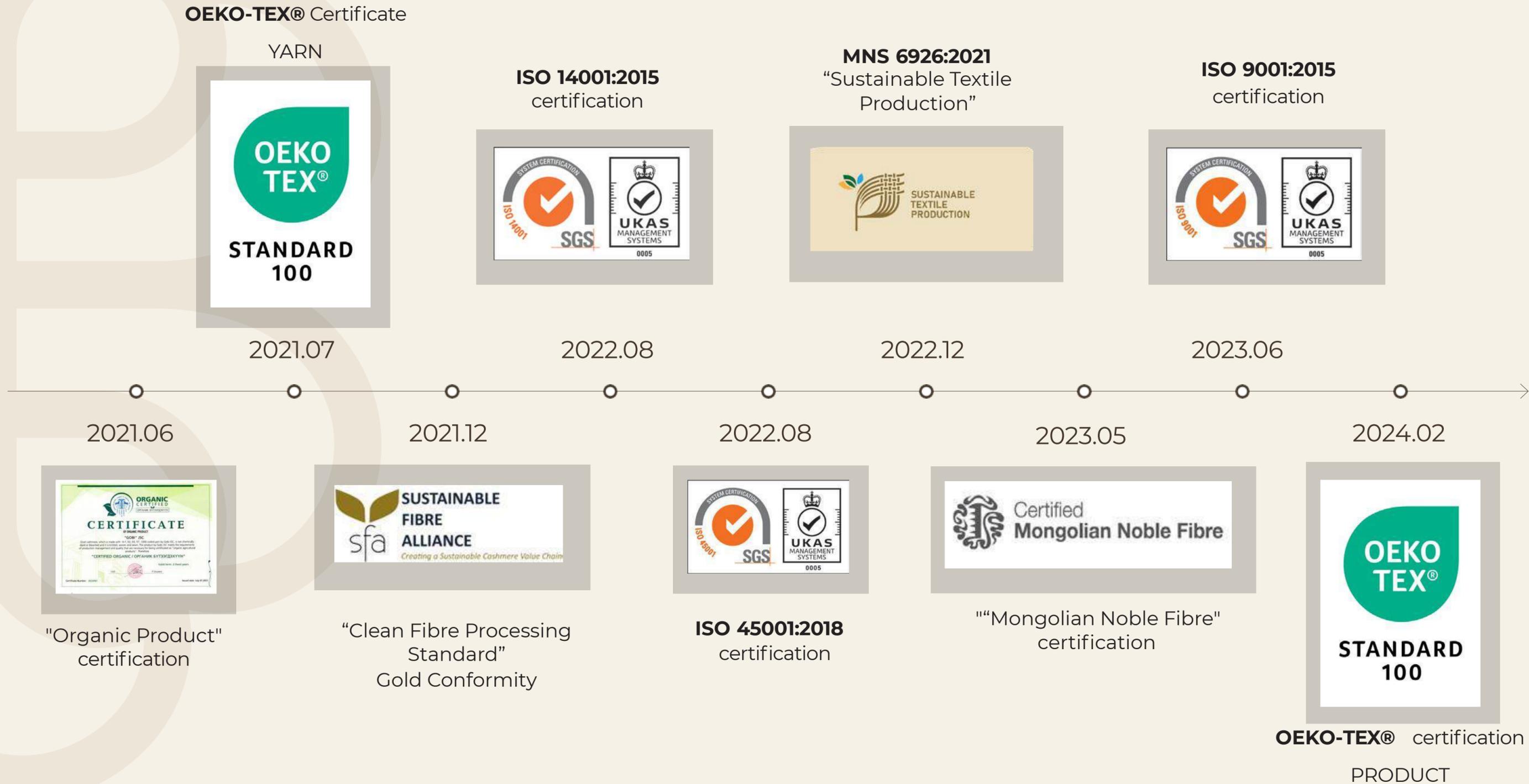


Total of **2.5 million** pieces of final products per year

# CERTIFICATIONS



We continuously enhance our management systems to meet both Mongolian and international standards, ensuring our Mongolian cashmere products are globally recognized and valued by consumers.



# BRAND ARCHITECTURE



GOBI JSC

  
GOBI

  
GOYO  
CASHMERE

  
YAMA  
cashmere by GOBI

  
GOBI

GOBI  
ORGANIC

GOBI  
KIDS

The internationally recognized **GOBI** brand offers timeless fashion apparel, accessories, and home goods for all age groups.

**GOBI ORGANIC** brand, crafted using the four natural shades of cashmere, processed without the use of chemical dyes or bleaches.

**GOBI KIDS**, stylish line of children's clothing designed to offer warmth, softness, and comfort without hindering movement

A youthful and contemporary **GOYO** brand, expressing freedom and boldness through vivid colors and modern designs.

**YAMA**, luxurious brand distinguished by the artistry of world-renowned designers, delivering exquisite quality and elegance

# OUR ACHIEVEMENTS AND KEY EVENTS



In the first quarter of 2025:



Gobi proudly supported the Mongolian team participating in the Special Olympics, which is held every four years in winter, by adorning the team with cashmere garments from our collections.



Gobi JSC was once again ranked first among publicly listed companies in Mongolia for its corporate governance practices.. The Financial Regulatory Commission's evaluation of compliance with the Corporate Governance Code as of year-end 2024 awarded Gobi JSC a score of 98.6%.



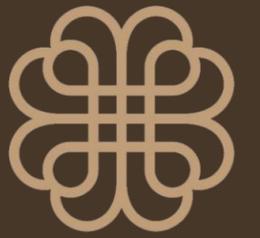
To further our commitment to responsible production and sustainability, we joined the Mongolian Sustainable Finance Association as a member organization.



We organized an opening event for the tourism season, including a fashion show, which was attended by 251 guests representing tour guides, drivers, and tourism companies. During the event, we presented our plans for cooperation and shared key information with stakeholders in the sector.



A new GOBI brand branch store was opened on the 2nd floor of Chinggis Khaan International Airport, within the passenger waiting area. This new location serves as a gateway to introduce Mongolian cashmere to international travelers, offering them access to premium-quality products

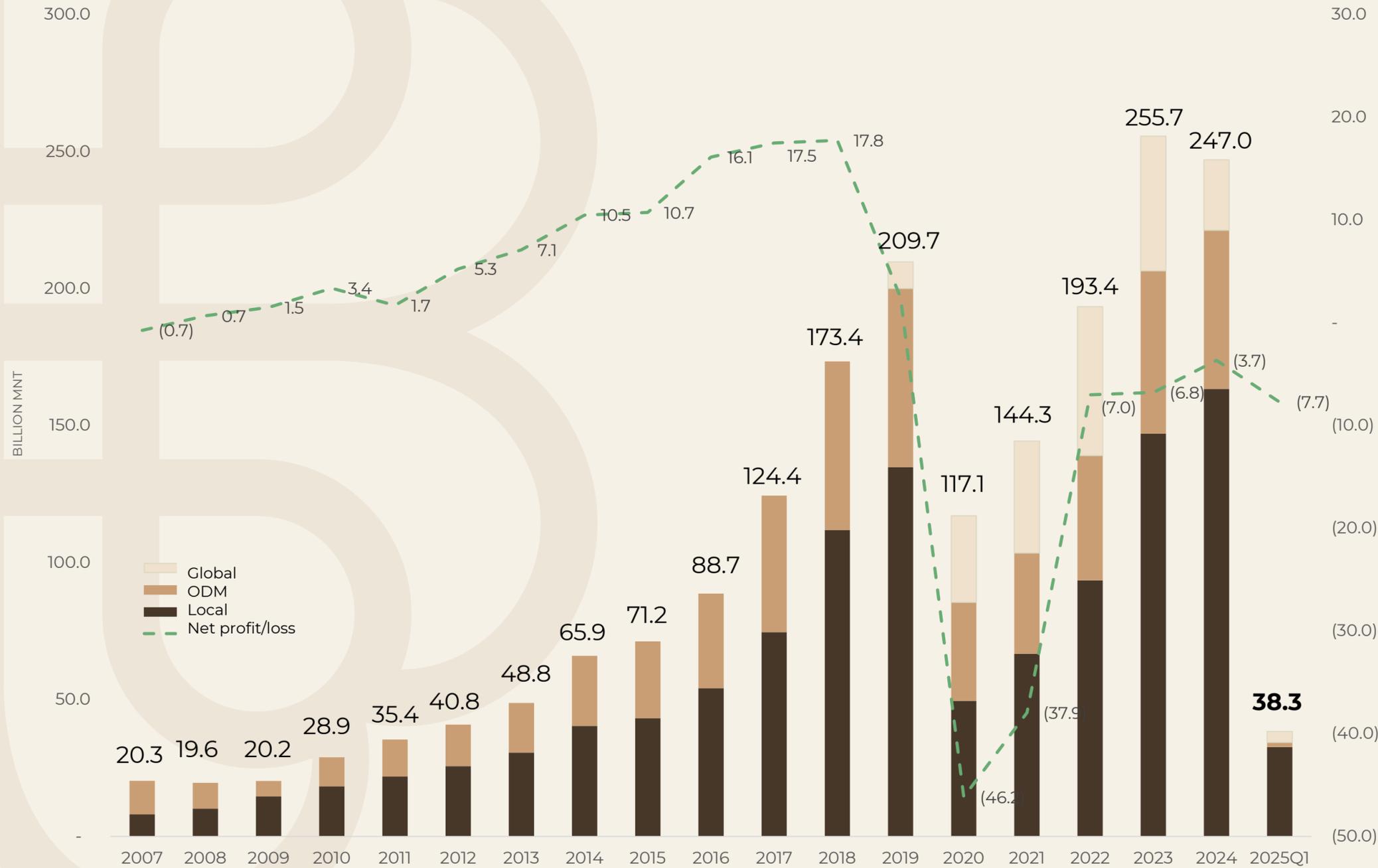


# FINANCIAL AND OPERATIONAL PERFORMANCE

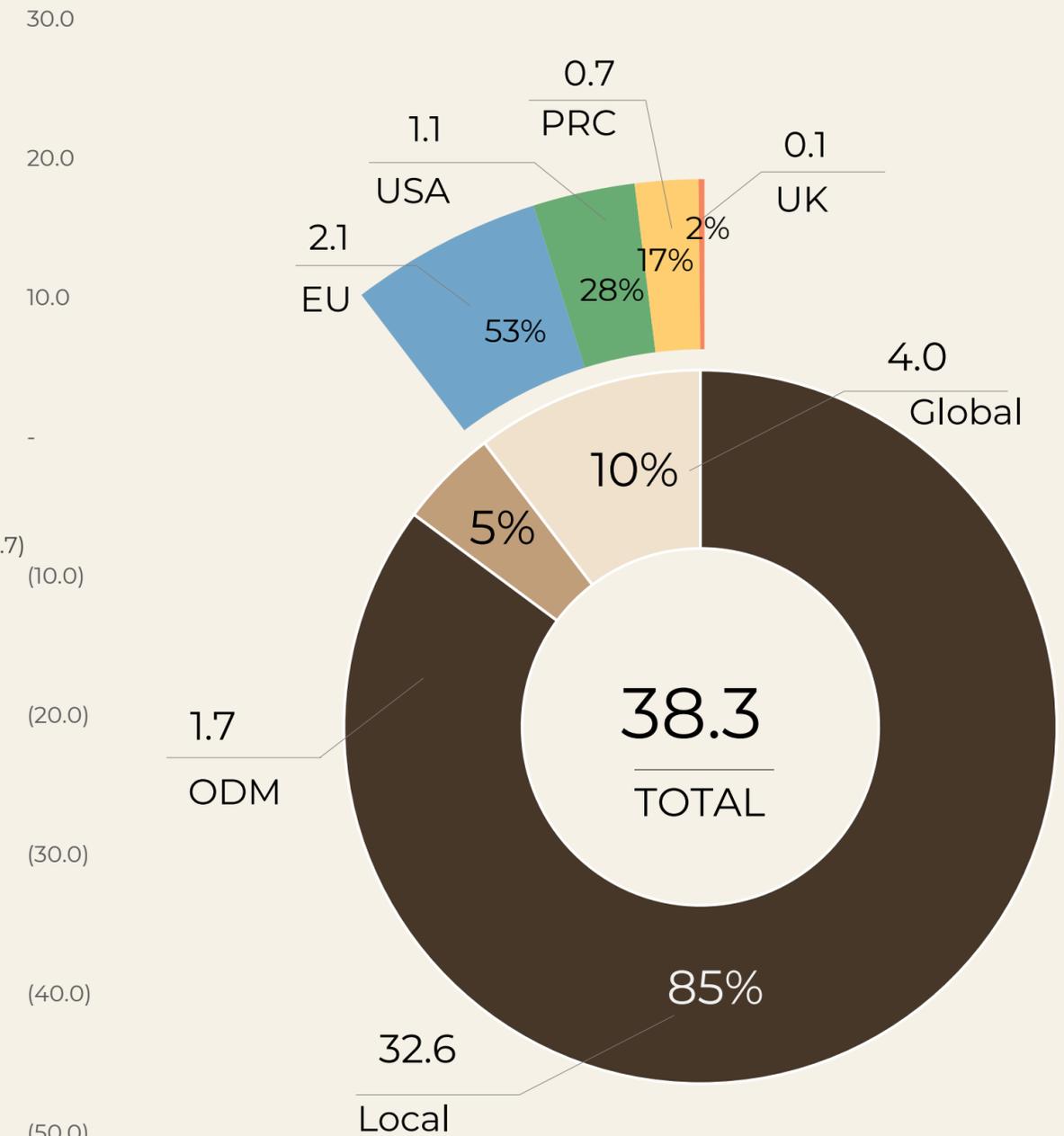
# SALES



## SALES, NET PROFIT (billion MNT)



## SALES REVENUE BY SEGMENT (billion MNT, %)



# FINANCIAL RESULTS



INDICATOR	Unit	2024.03.31	2025.03.31		
		Performance	Performance	Difference	
				Numbers	%
<b>SALES REVENUE</b>	<b>million MNT</b>	<b>35,588</b>	<b>38,323</b>	<b>2,734</b>	<b>8%</b>
Domestic Sales	million MNT	27,478	32,632	5,153	19%
ODM Sales	million MNT	4,148	1,723	(2,425)	-58%
Global Sales	million MNT	3,962	3,968	6	0%
Units Sold	thousand pcs	132	129	(2)	-2%
<b>Cost of Goods Sold</b>	<b>million MNT</b>	<b>19,554</b>	<b>20,750</b>	<b>1,196</b>	<b>6%</b>
<b>Gross Profit</b>	<b>million MNT</b>	<b>16,034</b>	<b>17,572</b>	<b>1,538</b>	<b>10%</b>
Gross Profit Margin	percentage	45%	46%		1%
Operating Expenses	million MNT	15,397	17,574	2,178	14%
<b>Operating Profit</b>	<b>million MNT</b>	<b>637</b>	<b>(2)</b>	<b>(639)</b>	<b>-100%</b>
Operating Profit Margin	percentage	2%	0%		-2%
Non-operating Income (Expense)	million MNT	(126)	(1,088)	(962)	-763%
Finance Costs	million MNT	7,204	6,304	(900)	-12%
Profit (Loss) Before Tax	million MNT	(6,693)	(7,394)	(701)	-10%
<b>Net Profit</b>	<b>million MNT</b>	<b>(6,691)</b>	<b>(7,716)</b>	<b>(1,025)</b>	<b>-15%</b>
Net Profit Margin	percentage	-19%	-20%		-1%
<b>PRODUCTION</b>	<b>thousand pcs</b>	<b>219</b>	<b>226</b>	<b>7</b>	<b>3%</b>
Knit Products	thousand pcs	138	148	10	7%
Woven Products	thousand pcs	74	72	(2)	-2%
Sewn Products	thousand pcs	8	6	(1)	-14%
Coats	thousand pcs	4	4	0	4%
Blazers	thousand pcs	1	0	(1)	-67%
Yarn	tons	53	49	(3)	-6%
<b>NUMBER OF EMPLOYEES</b>	<b>persons</b>	<b>1,716</b>	<b>1,486</b>	<b>(230)</b>	<b>-13%</b>
Revenue per Employee	million MNT	21	27	6	28%
<b>INVESTMENT</b>	<b>million MNT</b>	<b>7,736</b>	<b>204</b>	<b>(7,532)</b>	<b>-97%</b>
<b>Total Liabilities</b>	<b>million MNT</b>	<b>339,832</b>	<b>325,001</b>	<b>(14,831)</b>	<b>-4%</b>
Bank Loans	million MNT	304,766	250,908	(53,858)	-18%
<b>Total Assets</b>	<b>million MNT</b>	<b>337,395</b>	<b>314,009</b>	<b>(23,386)</b>	<b>-7%</b>
Inventory	million MNT	160,204	131,935	(28,270)	-18%
<b>Marketing</b>	<b>million MNT</b>	<b>2,377</b>	<b>1,953</b>	<b>(423)</b>	<b>-18%</b>
Global marketing	million MNT	1,709	1,090	(619)	-36%

# FINANCING INFORMATION



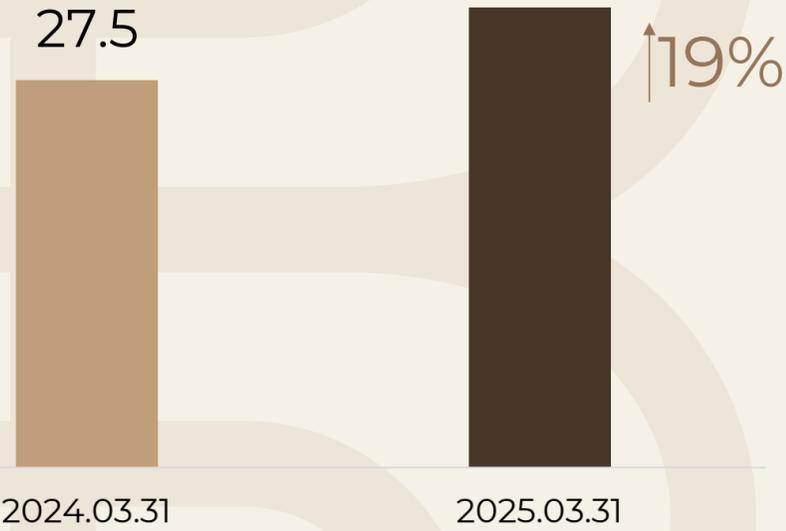
Financier	Currency	Maturity	2024.12.31		2025.03.31	
			('000 Currency)	('000 Currency)	('000 Currency)	('000 Currency)
<b>Bank Loans</b>						
Golomt Bank (Long-term Loan)	MNT	2025	-	3,333,333	-	833,333
Golomt Bank (Credit Line)	MNT	2026	-	-	-	21,100,000
Golomt Bank (Short-term Loan)	MNT	2025	-	9,300,000	-	9,000,000
Golomt Bank (Short-term Loan)	MNT	2025	-	10,400,000	-	10,100,000
XacBank (Credit Line)	MNT	2026	-	36,210,000	-	40,000,000
XacBank (Short-term Loan)	MNT	2025	-	8,333,333	-	3,333,333
Asian Development Bank (ADB)	USD	2026	\$ 14,400	49,251,600	\$ 14,400	50,227,344
Asian Development Bank (ADB)	USD	2026	\$ 9,600	32,834,400	\$ 9,600	33,484,896
International Investment Bank (IIB)	EUR	2027	€ 8,000	28,535,840	€ 8,000	30,119,680
International Investment Bank (IIB)	EUR	2027	€ 14,000	49,937,720	€ 14,000	52,709,440
<b>Total /Bank Loans/</b>				<b>228,136,227</b>		<b>250,908,026</b>
<b>Bond Financing</b>						
Bond (Short-term Loan) *	USD	2025	\$ 3,250	11,115,813	\$ 3,250	11,336,033
<b>Total Financing</b>				<b>239,252,039</b>		<b>262,244,059</b>

\* Within the framework of the “Gobi Bond 2” financing initiative, Gobi JSC received approval on April 23, 2024, from the relevant authority to issue a closed offering bond amounting to USD 16,800,000, with a term of 12 months and an annual coupon rate of 8.5%. As of March 31, 2025, a total of USD 3,250,000 in bonds had been raised from investors.

	<b>MongolBank rate /MNT/</b>	
	2024.12.31	2025.03.31
<b>USD</b>	3,420.25	3,488.01
<b>EUR</b>	3,566.98	3,764.96

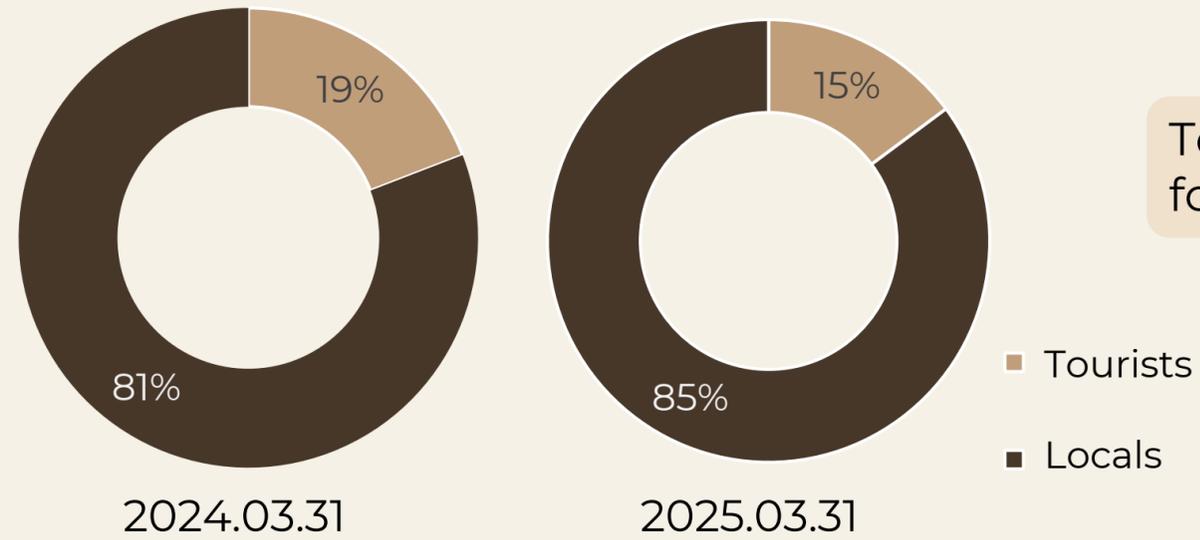


SALES  
**32.6**  
billion MNT



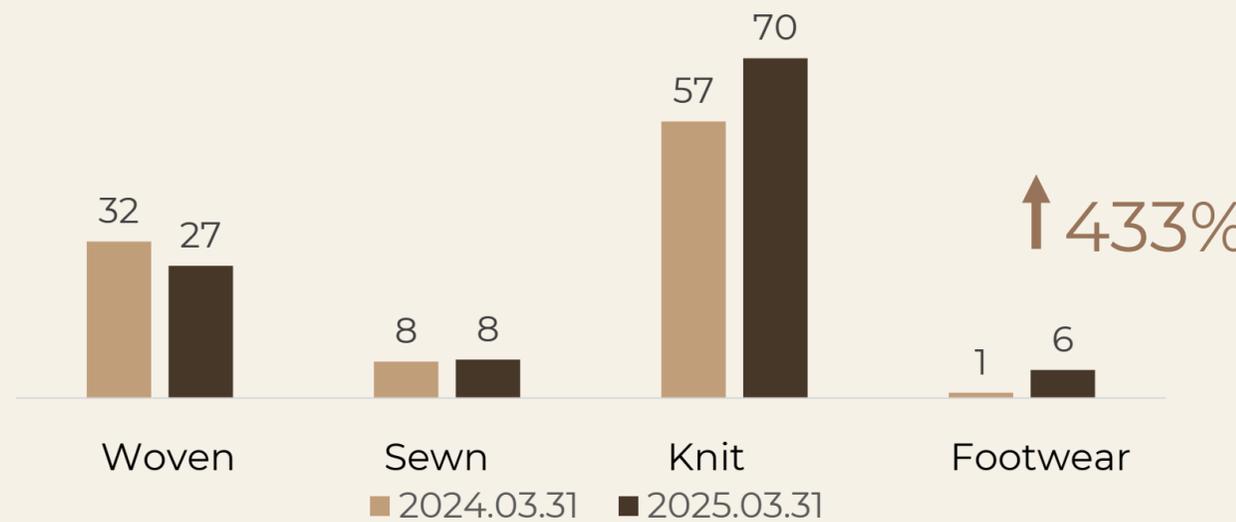
- Sales Revenue: 32.6 billion MNT
- Growth of 19% compared to Q1 2024

## SALES COMPOSITION



Tourism-related sales accounted for **15%** of total domestic revenue.

## GOODS SOLD/thousand pcs/



Footwear sales volume grew by **433%** compared to the same period of the previous year.

# HIGHLIGHTS AND KEY EVENTS IN LOCAL MARKET



Q1



Opened a new GOBI brand store at Chinggis Khaan International Airport in March 2025.

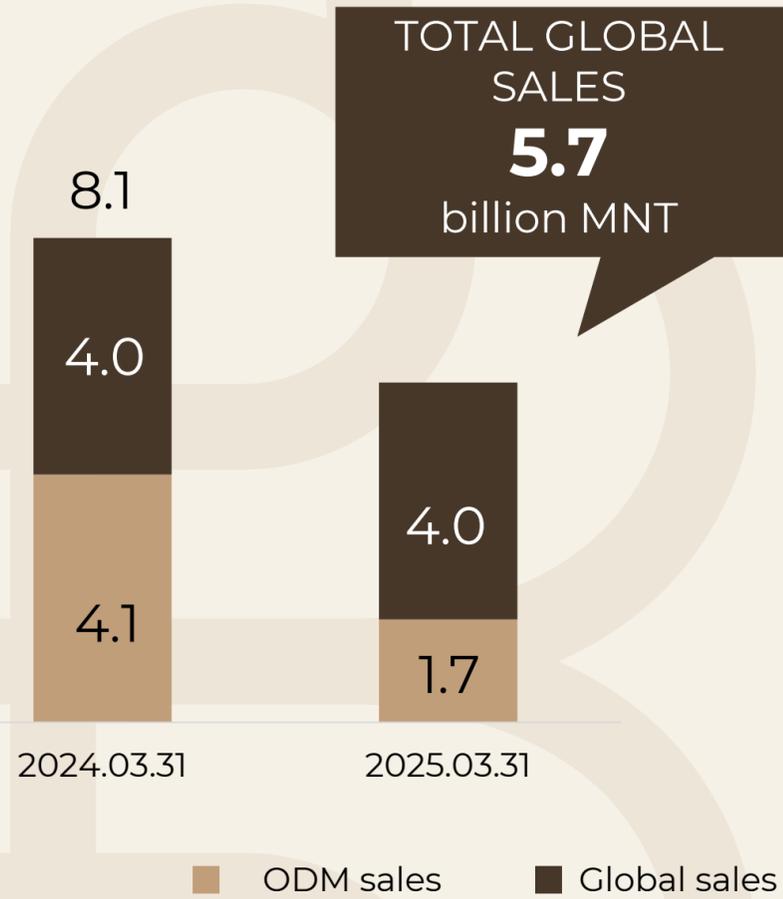
2025.03



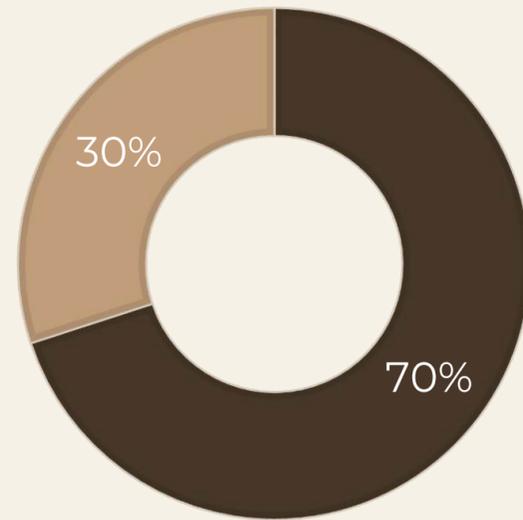
Hosted a seasonal tourism launch event and fashion show, welcoming 251 attendees including tour guides, drivers, and tour operators. The event introduced collaboration opportunities and shared essential company updates.

2025.03

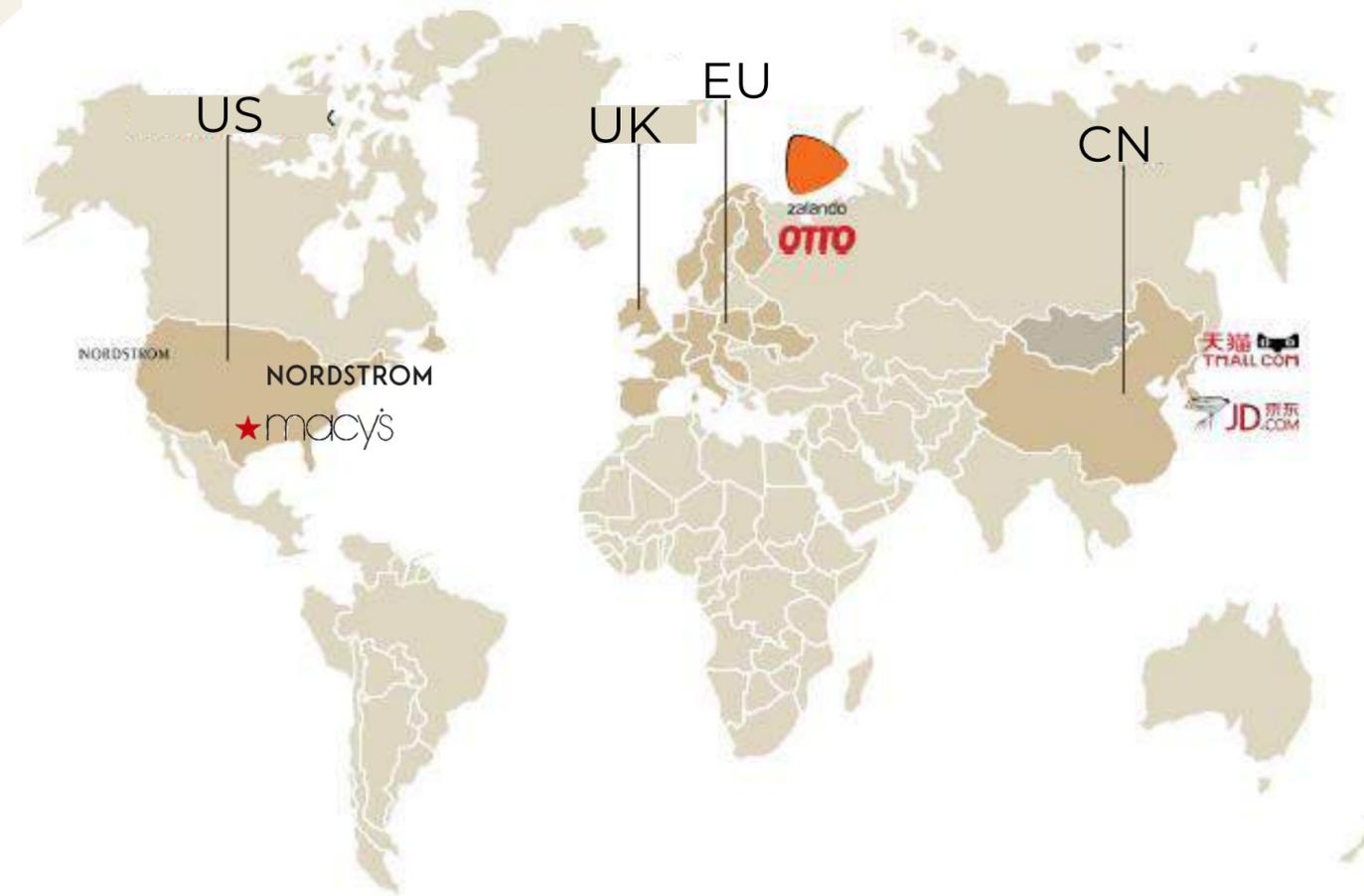
# GLOBAL MARKET



## COMPOSITION OF GLOBAL SALES



In the first quarter of 2025, total global market sales amounted to 5.7 billion MNT. Of this, 30% was ODM sales, and 70% was global sales.



### WEBSITE

- EU**
- [www.gobcashmere.com](http://www.gobcashmere.com)
  - [www.gobcashmere.com/DE](http://www.gobcashmere.com/DE)
  - [www.gobcashmere.com/FR](http://www.gobcashmere.com/FR)
  - [www.gobcashmere.com/PL](http://www.gobcashmere.com/PL)
- UK**
- [www.gobcashmere.com/UK](http://www.gobcashmere.com/UK)
- US**
- [www.gobcashmere.com/US](http://www.gobcashmere.com/US)
- CN**
- [www.gobcashmere.CN](http://www.gobcashmere.CN)

### PLATFORM

- EU**
- Zalando: DE, AU, FR, SW
  - OTTO: DE
- US**
- Nordstrom
  - Macy's
- CN**
- TMALL, JD

### BRANCH STORES

- DE**
- Berlin
  - Düsseldorf



GOBI ✕ NP digital

COLLABORATION

Since 2023, Gobi has collaborated with SEO (Search Engine Optimization) firms to enhance organic brand search visibility internationally.

In 2025 Q1:

30,000+

Characters of new text-based content were published

12+

online meetings and briefings

20+

website-related tasks and updates

+21.1%

increase in organic traffic

GOBI ✕ M-Force

COLLABORATION

M-Force is a Japanese marketing solutions company founded in 2019 by a team of experts led by Kazuki Nishiguchi. The company specializes in consumer insights, strategic planning, and performance measurement, offering a cloud-based tool called "**9 segs**," which has brought innovation to the marketing research industry.

Since February 2025, we have been collaborating with M-Force to launch our strategic approach targeting nine consumer segments in the US market. This initiative aims to deepen our understanding and engagement with consumer insights and emotions.



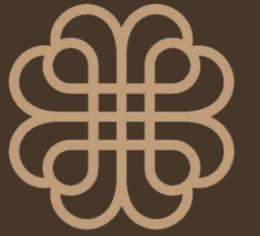
In Q1

**2025.01.09**

Gobi brand has joined **MACY'S**, one of the major marketplaces in the United States.

**63%**

**63%** of the total sales in the US were made on marketplaces.



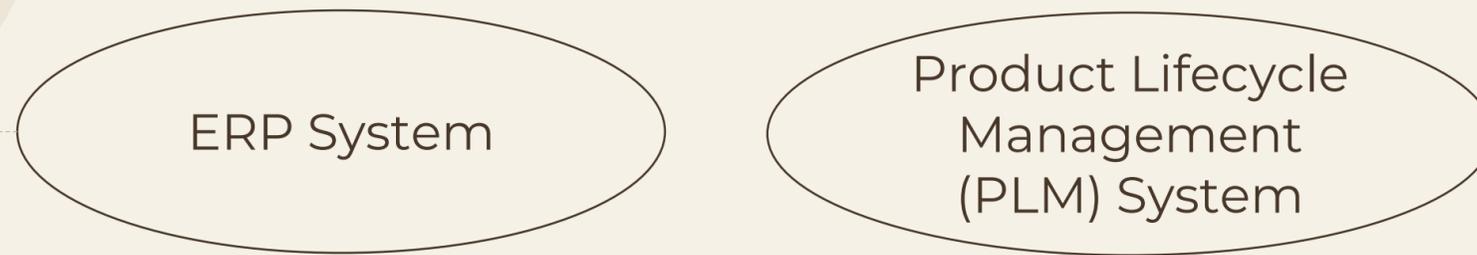
# GOBI IN THE FIRST QUARTER OF 2025

# PROGRAMM DEVELOPMENT, DIGITAL TRANSFORMATION



The company has expanded its system upgrade efforts, starting preparations for the implementation of the INA-Manufacturing Execution System (MES) in July 2024. From **January 2025**, the system has been successfully implemented and is now in use according to the plan.

- Improved financial management
- Increased operational efficiency
- Risk management
- Realistic analysis
- Integrated processes



- Shortened time to market for products
- Enhanced product development
- Creation of historical archives for designs





## In 2025 Q1:

- Main **1**, capsule **4** collections
- Introduced **2** new types of products to customers

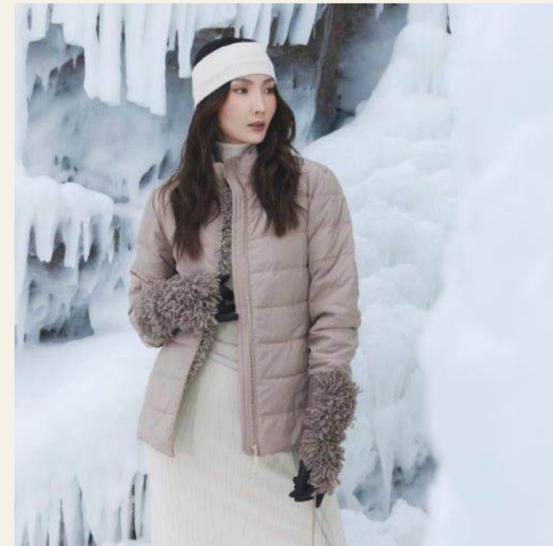
## Collections and Products Delivered to Customers in Q1



LUNAR NEW YEAR 2025



GOBI S/S 2025



CashmereTECH



CASHMERE INSOLE



VALENTINE 2025



## ORDER HIGHLIGHTS



**We have completed several honorary orders for the Presidential Office. These include:**

- Gift for the First Lady of the Republic of Poland during her visit.
- Gift for the First Lady of the Kingdom of Sweden during her visit.
- Gift for the Speaker of the Mongolian Parliament during his visit to the United Kingdom.
- Gift for the Prime Minister of Mongolia during his visit to the 9th Asian Winter Games in Harbin, China.

## NEW INITIATIVES AND RESULTS



- Created a list of 91 basic designs and made improvements to 42 designs, including 33 knitted, 7 sewn, and 2 woven designs.
- Introduced new collections for 3D designs, including 8L and 15L models in 2025.
- Improved and launched the free-size sewn poncho design.
- Introduced new collections for Valentine-25, Kids-F/W 25-26, ACC-25, 3D, Shoes 25, and Silk Cashmere.



## HIGHLIGHTS

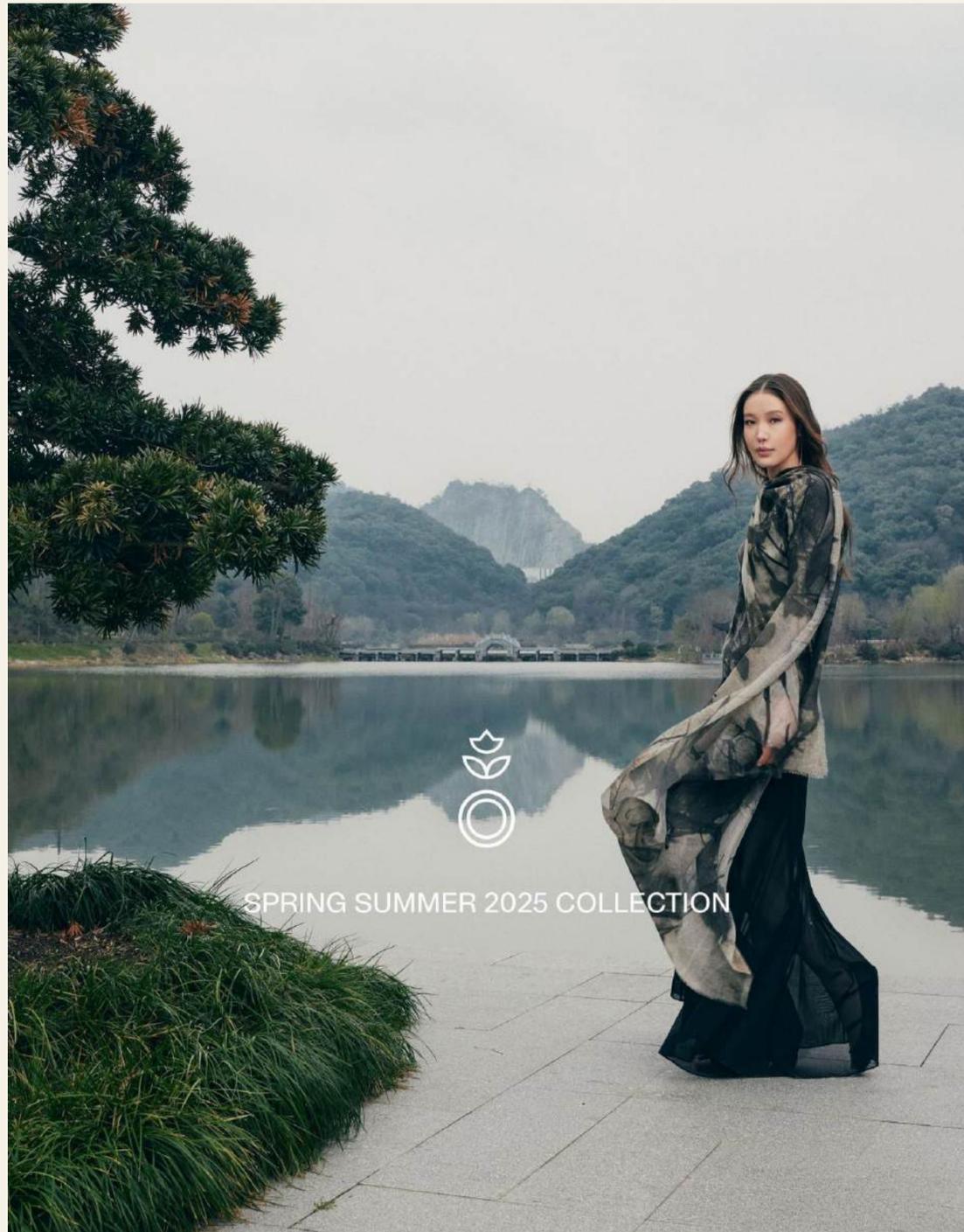


To support the sales of seasonal trend-following designs, content development is being carried out in collaboration with the local sales team, including photo shoots. Designers are working to create new looks.

- Held meetings with foreign factories to improve the design and technology of CashmereTECH, shoes, and other outsourced products.



- Worked on the design development of the Gobi Sport Uniform for the company's team.



In Q1

# 24

GOBI SS, Poncho, No photo ecommerce & flat standard, gobi.mn, Women's day PO, LTO, Puffer Jacket, Sale zone

**COLLECTIONS AND ACTIVATION  
PHOTOSHOOTS**

# 15

No Photo, SS Collections CN & EU, gobi.mn, Organic FW, EU Basics

**STANDARD  
PHOTOSHOOTS**

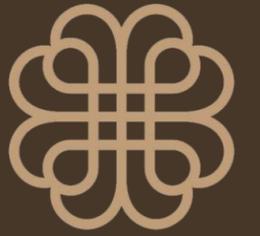
Rebranding, Package, In-Store communication, Auxiliary materials,

**VISUAL COMMUNICATION**

5 concept ads, Annual Report, Traceability, Newsletters, Digital Ads

# 582

**GRAPHIC DESIGN TASKS AND  
ORDERS**



# SUSTAINABLE DEVELOPMENT



# SUSTAINABLE DEVELOPMENT



## SUSTAINABLE DEVELOPMENT MANAGEMENT



The 2024 Environmental, Social, and Governance (ESG) report was prepared and submitted to the Mongolian Stock Exchange..



Represented the light industry sector in a study by JICA aimed at creating a balanced energy supply and reducing carbon emissions based on Mongolia's energy conditions..



Collaborated with a research team from Columbia University on a study about the role and impact of the cashmere sector in Mongolia's economy

Conducted air quality monitoring at five locations each quarter according to MNS:4585 standards.

**MNS:4585**



## ENVIRONMENT



Fulfilled obligations under the "Energy Efficiency Law" by preparing and submitting the 2024 and 2025 energy efficiency reports and plans to the Energy Regulatory Commission.



Continued the project to build a new wastewater treatment facility, one of the major investments made by Gobi JSC to comply with environmental laws and achieve sustainable development goals..

**221.7kg**



Implemented a waste management program and transported 221.7 kg of sorted plastic bottles to TML PLASTIC LLC for recycling.



Participated in the opening ceremony of the second phase of the "Sustainable Textile Production and Eco Label" (STEP-ECOLAB) project and held meetings with the project team regarding future implementation.

# SUSTAINABLE DEVELOPMENT

## SOCIETY



Successfully organized the sampling of cashmere from herder groups participating in the Sustainable Cashmere Trilateral Project for the quality assessment of 2025 cashmere.



Sponsored the Mongolian Special Olympics Committee team participating in the Special Olympics with products as part of the "Stakeholder Collaboration Management Plan."



The Mongolian Special Olympics Committee team visited the company's factory, observed the technology and production stages of the national cashmere sector, and participated in support programs and recreational activities.





## MANAGEMENT SYSTEM



In the process of renewing the international "OEKO-TEX STANDARD 100" certification for finished products, we are compiling the necessary documentation and information, and sending samples for testing to include **knitted, woven, and sewn** products.



Successfully participated in the audit for the "Clean Fibre Processing Standard" conformity certification and received the Gold Conformity.





## RISK MANAGEMENT

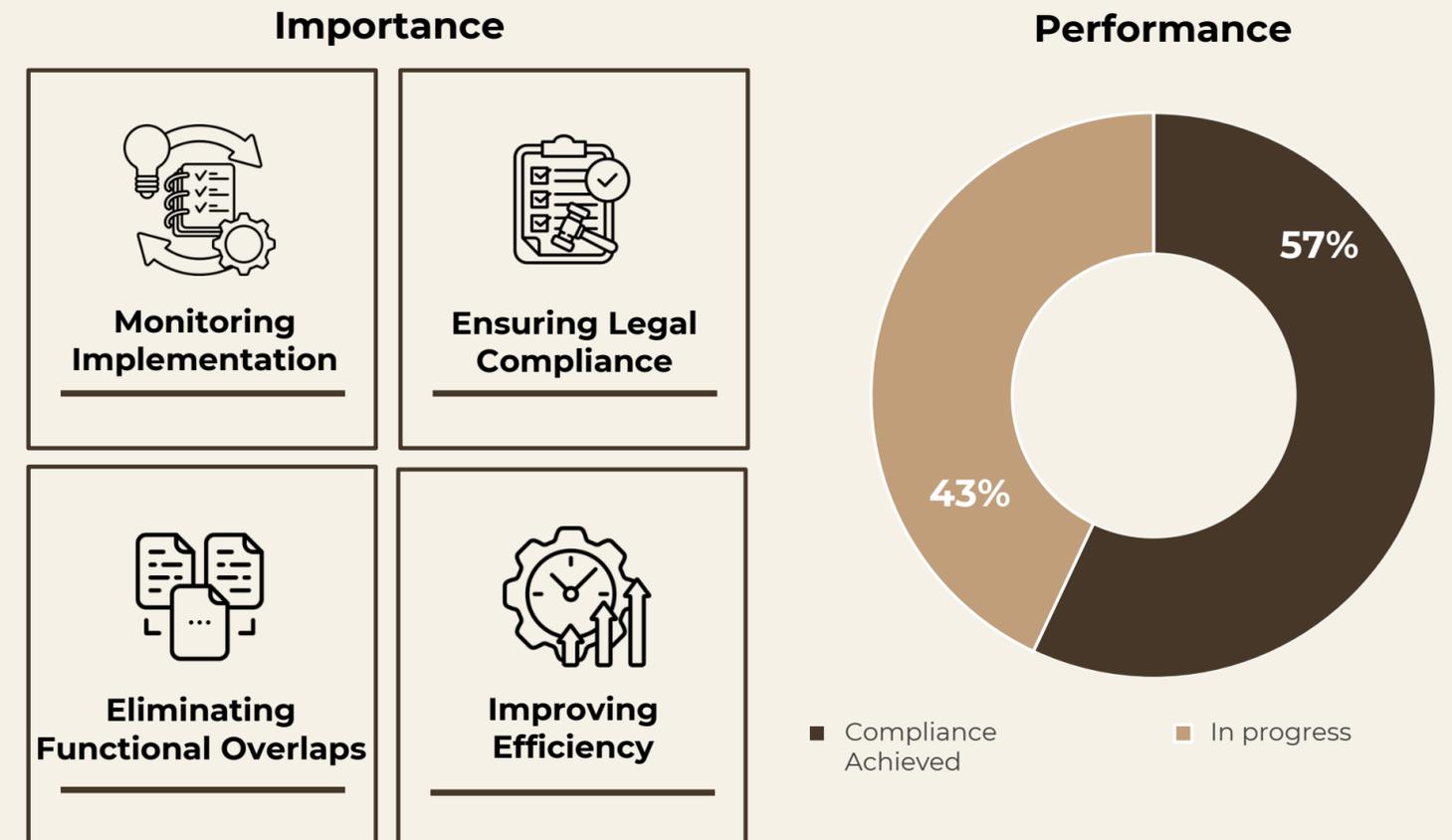
- Within the framework of the goal of organizing activities at the level of risk acceptance, it is planned to implement the COSO ERM Framework – Integrated with Strategy and Performance system, which is widely used in international practice, in combination with the ISO 31000:2018 standard. The COSO ERM Framework system has the advantage of identifying and managing key strategic risks to achieve long-term goals rather than detecting and managing daily operational risks.
- In 2025 Q1:
  - Revised the "Procedure for implementing risk management."
  - Developed the "Document on the level of risk acceptance."
  - Revised risk assessment forms. (Including: Risk quality analysis form, Quantitative analysis form, Response planning form, Risk appetite performance form)
  - Drafted the "Guide to risk assessment and response planning."

From Q2 2025, according to the reporting flow, monitor the performance of risk appetite quarterly, plan responses to high-level risks, and monitor the execution of the plan.

## WHISTLEBLOWING SYSTEM

Source	Number of Whistle blows
Whistleblowing System	12
Phone	5
Other Channels	5
<b>TOTAL</b>	<b>22</b>

## RULES AND REGULATIONS COMPLIANCE



# OCCUPATIONAL SAFETY AND HYGIENE



**OBJECTIVE:** ZERO ACCIDENTS, NO OCCUPATIONAL DISEASES, MAINTAIN AND IMPROVE EMPLOYEE HEALTH

Lost Time Injury Frequency Rate (LTIFR)	Incidents per 1,000,000 Hours Worked	LTI- Frequency Rate
	0*1,000,000/6,385,200 person-hours	0.0

Days Worked Without Lost Time Injury:	481 days /1,650 employees/
Hours Worked Without Lost Time Injury:	7,863,600 person/hours
Start Date:	May 12, 2023
End Date:	March 31, 2025

## OCCUPATIONAL SAFETY AND HYGIENE TRAININGS

In accordance with the Law on Occupational Safety and Hygiene of Mongolia, general knowledge and certification trainings on occupational health and safety were successfully organized.

As of March 30, 2025, a total of **516** employees received training, amounting to **1,844 person-hours**.



# OCCUPATIONAL SAFETY AND HYGIENE



During the cashmere procurement period, employees are being vaccinated against tick-borne infections to prevent such diseases. This includes workers from the primary factory, raw material warehouse, quality assurance, drivers, and laboratory staff.



To protect the lives and health of employees, regular monitoring of the factory environment is carried out, including chemical control, high-risk operations control, daily monitoring, and fire and equipment safety checks.



In February 2025, in collaboration with the Traditional Medicine Center, Gobi JSC's Trade Union organized non-drug treatments for employees requiring medical care. As part of this initiative, 60 employees were admitted to Ulaanbaatar Sanatorium for health improvement and strengthening.



To support employee health, 1,305 mineral supplements were distributed to a duplicated count of 146 employees over the first quarter.



On March 27, a successful emergency drill was conducted to practice responding to disaster alerts.



In March, a "Vitamin Campaign" was organized to support employee health and prevent illnesses.

# HUMAN RESOURCES



## Total Number of Employees



**1,486**



Male – **31%**  
Average age: **32**



Female - **69%**  
Average age: **37**

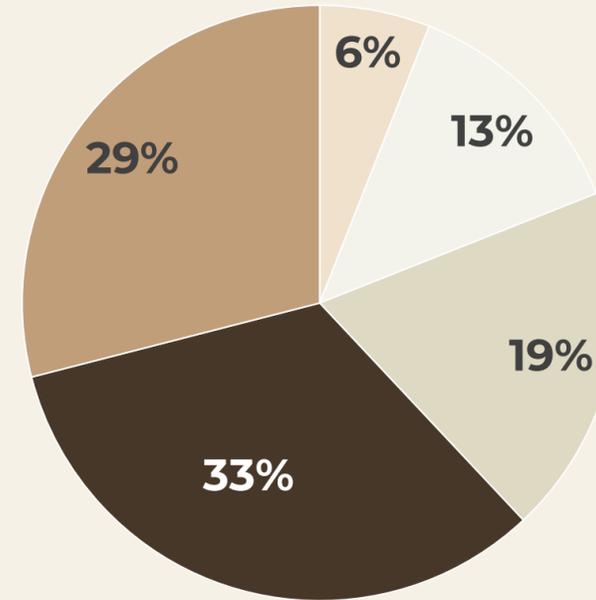
## By Location:



**Mongolia - 1,471 (99%)**

- Ulaanbaatar **1,440**
- Darkhan **3**
- Khentii **27**

## By Years of Service:



- 20+ years
- 10-20 years
- 6-10 years
- 2-6 years
- 0-2 years



**Worldwide – 15 (1%)**

- USA **1**
- EU **14**



## TRAINING DEVELOPMENT

TRAINING HOURS PER  
EMPLOYEE



**0.43**  
person-hours

TOTAL TRAINING  
EXPENDITURE



**36.6**  
million MNT

NUMBER OF  
TRAINING  
SESSIONS

**29**

NUMBER OF  
EMPLOYEES  
TRAINED

**786**

Overseas Training

- Number of Trainings: 1
- Number of Employees: 2
- Expenses: 20.3 million MNT

External Training

- Number of Trainings: 2
- Number of Employees: 52
- Expenses: 0 MNT

Internal Training

- Number of Trainings: 25
- Number of Employees: 727
- Expenses: 0 MNT

Scholarship

- Bachelor's Degree Program (4 years)
- Number of Employees: 5
- Expenses: 16,275,000 MNT

# HUMAN RESOURCES



## ENGAGEMENT AND COMMUNITY ACTIVITIES



ORGANIZED THE GOBI SPORTS COMPETITION 2025



PARTICIPATED IN THE TAVAN BOGD GROUP SPORTS COMPETITION



AWARDS CEREMONY TO RECOGNIZE OUTSTANDING EMPLOYEES



FACTORY TOUR FOR A TOTAL OF 233 PEOPLE



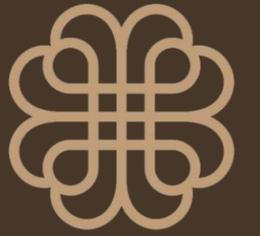
PROFESSIONAL RECOGNITION DAY: WORLD DOCTORS' DAY



PROVIDED MASSAGE THERAPY SERVICES FOR EMPLOYEES

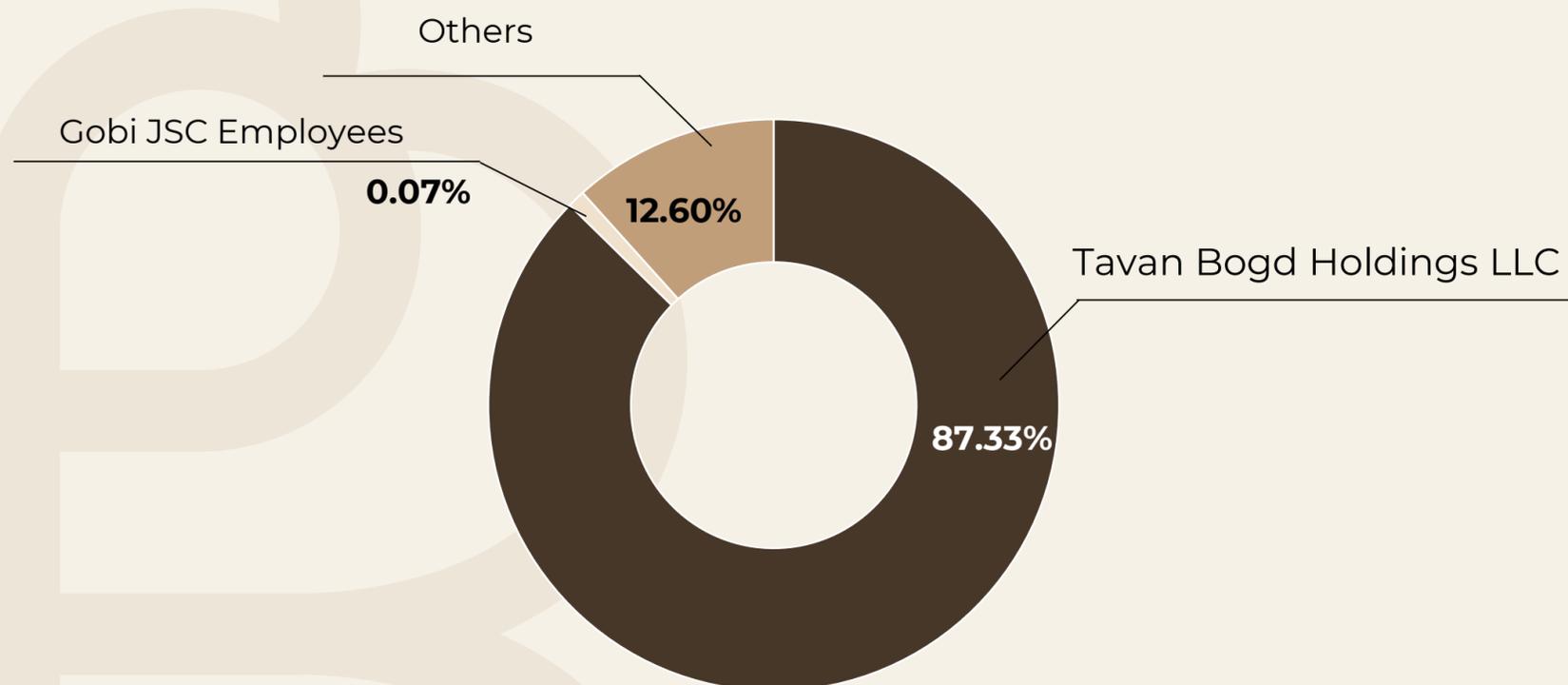


GIFT PACKAGES WERE PRESENTED TO SENIOR RETIRED EMPLOYEES



# CORPORATE GOVERNANCE

# SHAREHOLDING STRUCTURE



TOTAL NUMBER OF ISSUED SHARES  
**780,112,500**

TOTAL NUMBER OF SHAREHOLDERS  
**25,437**

*As of March 31, 2025*

## SIGNIFICANT SHAREHOLDERS

Shareholder Name	2024.12.31		2025.03.31	
	Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
Tavan Bogd Holdings LLC	681,267,736	87.33%	<b>681,267,736</b>	<b>87.33%</b>

No changes occurred in the composition of the influential shareholder during the reporting period.

# BOARD OF DIRECTORS



## INDEPENDENT DIRECTORS



**D.GERELMAA**

*Chair of Nomination committee,  
Risk and audit committee  
member*

Professor of Business Administration  
Department, UFE



**D.KHURELBAATAR**

*Chair of Remuneration  
committee  
Nomination committee member*



**Ts.BAATARSAIKHAN**

*Nomination committee  
member*

President of Tavan Bogd  
Group



**D.KHULAN**

*Remuneration committee  
member*

Chairwoman of Tavan  
Bogd Group



**B.AMARSAIKHAN**

-  
CEO of Gobi JSC



**A.JARGALMAA**

*Chair of Risk and audit  
committee*

GAPE, ACCA Senior Lecturer and  
Program Leader, GAPE academy



**B.TSEENYAM**

*Remuneration committee  
member*

Anand Resource LLC,  
General Manager



**Ts.ORGILBOLD**

-  
Deputy CEO & Executive VP of Gobi  
JSC and CEO of Gobi Cashmere  
Europe LLC



**N.MUNKHBAT**

*Risk and audit committee  
member*

CFO of Tavan Bogd Holdings LLC

### CHANGES IN THE COMPOSITION OF THE BOARD

From 2025.02.01  
Ts.Baatarsaikhan was  
appointed as the Board  
Chairperson.

# EXECUTIVE TEAM



Chief Executive Officer  
**B.AMARSAIKHAN**



DEPUTY CEO &  
EXECUTIVE VP:  
DESIGN AND  
PRODUCTION  
**B.BOLORMAA**



CHIEF  
FINANCIAL  
OFFICER  
**B.KHANGALAN**



CHIEF GLOBAL  
SALES OFFICER  
**G.ANUDARI**



CHIEF HR  
OFFICER  
**T.ICHINKHORLOO**



CHIEF IT  
OFFICER  
**B.ERDENE**



CHIEF  
ACCOUNTING  
OFFICER  
**D.SODGEREL**



CHIEF DESIGN  
DEVELOPMENT  
OFFICER  
**A.UCHRAL**



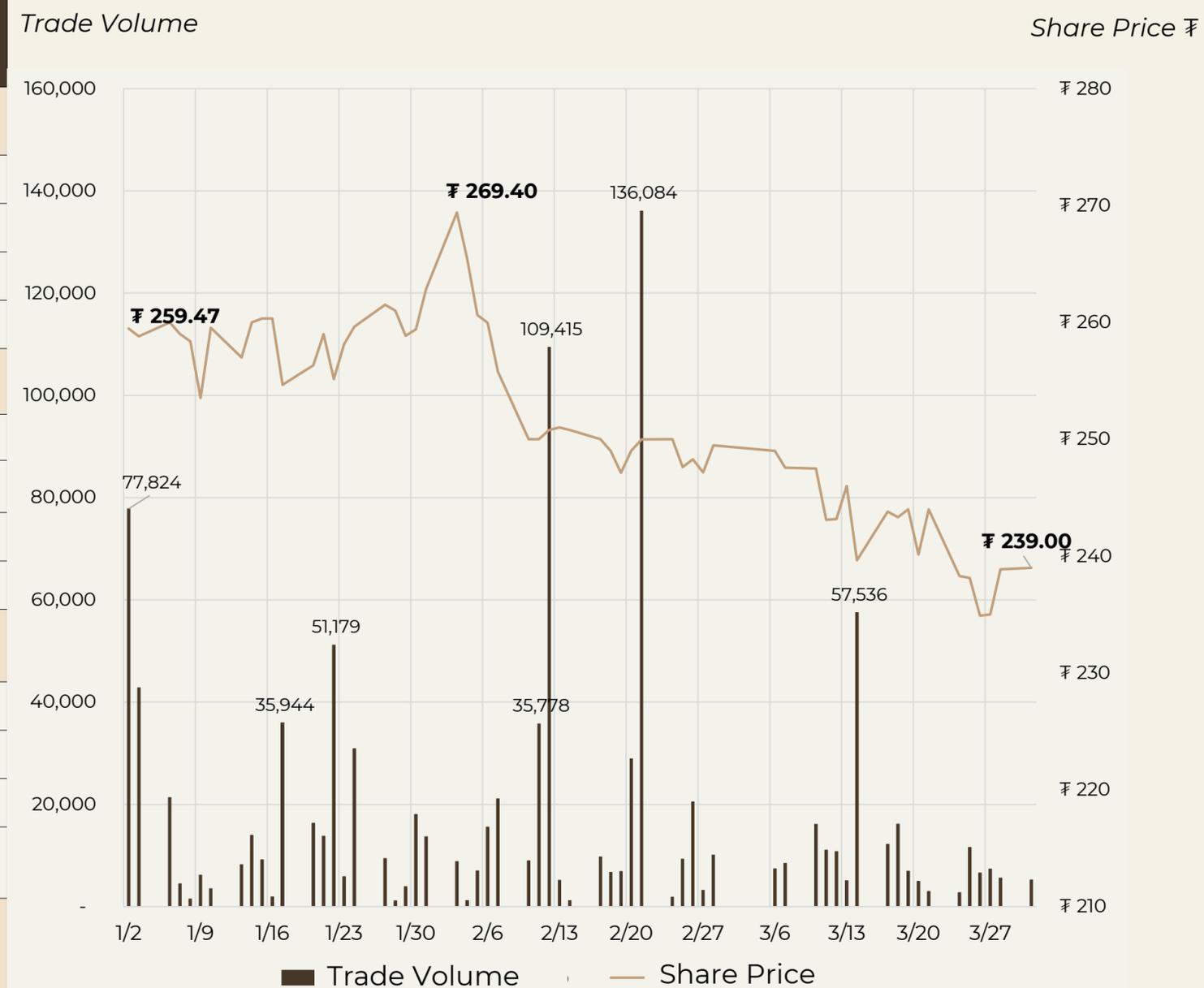
CHIEF  
COMPLIANCE  
OFFICER  
**B.CHINGUUN**

# SHARE PRICE PERFORMANCE



As of March 31, 2025, The market capitalization of Gobi JSC, based on the closing share price as of March 31, 2025, stood at MNT 186.4 billion. The average share price during the reporting period was MNT 251.71, reflecting a decrease of 3.6%.

INDICATOR	2024.12.31	2025.03.31	Change (%)
<b>SHARE PRICE (MNT)</b>			
Closing Price	258.00	<b>239.00</b>	-7.4%
Highest Price	283.98	<b>269.40</b>	-5.1%
Lowest Price	245.06	<b>234.90</b>	-4.1%
Average Price	261.24	<b>251.71</b>	-3.6%
<b>TRADED VOLUME (Shares)</b>			
Highest Daily Volume	257,495,975	<b>136,084</b>	-99.9%
Lowest Daily Volume	322	<b>1,167</b>	262.4%
Average Daily Volume	1,078,172	<b>17,608</b>	-98.4%
Total Volume	269,543,096	<b>1,074,081</b>	-99.6%
<b>TRADE VALUE (MNT)</b>			
Highest Daily Value	65,661,782,758	<b>33,759,555</b>	-99.9%
Lowest Daily Value	85,264	<b>297,874</b>	249.4%
Average Daily Value	275,011,411	<b>4,431,836</b>	-98.4%
Total Trade Value	68,752,852,703	<b>270,341,986</b>	-99.6%
MARKET CAPITALIZATION (MNT)	201,269,025,000	<b>186,446,887,500</b>	<b>-7.4%</b>



# IMPLEMENTATION OF THE CORPORATE GOVERNANCE CODE



№	Section Title	2023.12.31		2024.12.31	
		FRC Monitoring Score	Implementation Rate	FRC Monitoring Score	Implementation Rate
<b>1</b>	Board Structure and Organization	11	91.7%	<b>12</b>	<b>100.0%</b>
<b>2</b>	Board Committees and Their Functions	9	90.0%	<b>9</b>	<b>90.0%</b>
<b>3</b>	Disclosure and Transparency	6	100.0%	<b>6</b>	<b>100.0%</b>
<b>4</b>	Audit and Control System	6	100.0%	<b>6</b>	<b>100.0%</b>
<b>5</b>	Risk Management	8	100.0%	<b>8</b>	<b>100.0%</b>
<b>6</b>	Authorized Officials Remuneration	6	100.0%	<b>6</b>	<b>100.0%</b>
<b>7</b>	Stakeholder Interests	8	100.0%	<b>8</b>	<b>100.0%</b>
<b>8</b>	Corporate Culture	6	100.0%	<b>6</b>	<b>100.0%</b>
<b>9</b>	Shareholder Rights	10	100.0%	<b>9</b>	<b>90.0%</b>
	<b>Total Score</b>	<b>70</b>	<b>97.2%</b>	<b>71</b>	<b>98.6%</b>

Gobi JSC’s implementation of the Corporate Governance Code was assessed twice in 2024 by the Financial Regulatory Commission —mid-year and at year-end. As of the year-end evaluation, the compliance rate reached **98.6%**, reflecting a 1.4% increase from the previous year, and the governance was rated as sound and risk-free. This result marks a repeat recognition of Gobi JSC as one of the top publicly listed companies in Mongolia. The detailed governance evaluation report is available on the websites of the Mongolian Stock Exchange and Gobi JSC, or you may [click here](#) to access it directly.



GOBI

THANK YOU FOR YOUR  
ATTENTION

Semi-annual and quarterly operational report (Form 2)	
According to Article 20 of the Securities Market Law, the general obligations of securities issuers are regulated by law. The issuer is required to submit the annual operational report in the following format to the Financial Regulatory Commission and the trading organization, and to disclose it to the public through its official website.	
<i>Reporting Period</i>	From January 1, 2025 To March 31, 2025
<i>Issuer's Name, State Registration Certificate Number, Securities Code, and Contact Information</i>	<p><b>Company name:</b> "Gobi" JSC  <b>State Registration Certificate No.:</b> 9010001061  <b>Securities Code:</b> MN00GOV03548  <b>Official address:</b> Gobi JSC, Industrial Street, 3rd Khoroo, Khan-Uul District, Ulaanbaatar 17062, Mongolia  <b>Phone:</b> (+976) 7013-9977  <b>Fax:</b> (976)-70143081  <b>Email:</b> <a href="mailto:info@gobicashmere.com">info@gobicashmere.com</a>  <b>Website:</b> <a href="http://info.gobi.mn">info.gobi.mn</a>  <b>Facebook:</b> GobiCashmere  <b>Online stores:</b>  Local: <a href="http://gobi.mn">gobi.mn</a>  International: <a href="http://gobicashmere.com">gobicashmere.com</a></p>
<i>Registered Trading Organization</i>	Mongolian Stock Exchange
<i>Business Activity</i>	Comprehensive processing of cashmere and production and sales of finished products
<i>Total Number of Shares Issued By The Issuer</i>	780,112,500
<i>Names of the Specialist Who Prepared the Report and the Official Who Reviewed It:</i>	Prepared by: M. Selenge /Board Secretary/ Reviewed by: B. Amarsaikhan /CEO/
1.	<i>Semi-Annual and Quarterly Financial Statements (Summary indicators must be filled in and financial statements attached)</i>

1.1. *Financial Indicators*

**GOBI JSC AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(thousand MNT)

	<b>2024.12.31</b>	<b>2025.03.31</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	4,326,046	3,846,934
Trade and Other Receivables	3,512,304	7,194,317
Prepayments and Advances	9,404,878	6,774,589
Inventories	122,708,175	131,934,527
	<b>139,951,403</b>	<b>149,750,367</b>
<b>Non-current Assets</b>		
Property, Plant and Equipment	153,147,719	149,400,380
Right-of-Use Assets	2,780,438	3,901,300
Deferred Tax Assets	5,661,214	5,351,572
Other Non-current Assets	4,736,726	5,605,223
	<b>166,326,098</b>	<b>164,258,475</b>
<b>Total Assets</b>	<b>306,277,501</b>	<b>314,008,842</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	37,867,812	43,385,220
Contract Liabilities	2,129,778	1,904,794
Short-term Lease Liabilities	1,103,295	1,226,668
Corporate Income Tax Payable	381,026	163,663
Short-term Borrowings	211,265,887	261,988,191
	<b>252,747,798</b>	<b>308,668,536</b>
<b>Non-current Liabilities</b>		
Long-term Lease Liabilities	1,922,734	2,392,797
Long-term Borrowings	36,210,000	-
Long-term Other Payables	-	-
Deferred Tax Liability	13,939,844	13,939,844
	<b>52,072,578</b>	<b>16,332,641</b>
<b>Total Liabilities</b>	<b>304,820,376</b>	<b>325,001,177</b>
<b>Equity</b>		
Share Capital	780,113	780,113
Revaluation Reserve	43,777,386	43,777,386
Foreign Currency Translation Reserve	(12,119,789)	(16,852,850)
(Accumulated Losses) / Retained Earnings	(30,980,585)	(38,696,984)
	<b>1,457,125</b>	<b>(10,992,335)</b>
<b>Total Liabilities and Equity</b>	<b>306,277,501</b>	<b>314,008,842</b>

1.2.	<i>Income Statement</i>		
	<b>GOBI JSC AND ITS SUBSIDIARIES</b>		
	<b>PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
		<i>(thousand MNT)</i>	
		<b>2024.12.31</b>	<b>2025.03.31</b>
<b>Revenue</b>		247,026,317	38,322,514
Cost of Sales		(138,552,341)	(20,750,018)
<b>Gross Profit</b>		<b>108,473,976</b>	<b>17,572,496</b>
Other Income		3,649,691	210,686
Selling and Marketing Expenses		(53,217,129)	(11,359,280)
Administrative Expenses		(24,908,151)	(6,298,845)
Other Expenses		(6,919,419)	(1,220,005)
Finance Income		4,465,583	5,349
Finance Costs		(33,118,100)	(6,303,932)
<b>Profit / (Loss) Before Taxation</b>		<b>(1,573,549)</b>	<b>(7,393,530)</b>
Income Tax Benefit (Expense)		(2,083,660)	(322,869)
<b>Net Profit / (Loss) for the Year</b>		<b>(3,657,209)</b>	<b>(7,716,399)</b>
<b>Items That Will Not Be Reclassified to Profit or Loss:</b>			
Revaluation of Property, Plant and Equipment		32,341,972	-
Tax Impact on Revaluation of Property, Plant and Equipment		(8,085,493)	-
Exchange Differences on Translating the Net Assets of Foreign Subsidiaries		(1,457,515)	(4,733,061)
<b>Other Comprehensive Income for the Year</b>		<b>22,798,964</b>	<b>(4,733,061)</b>
<b>Total Comprehensive Loss for the Year</b>		<b>19,141,755</b>	<b>(12,449,460)</b>

1.3.	<i>Statement of Changes in Equity</i>					
	<b>"GOBI JSC AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY</b> <i>(thousand MNT)</i>					
		<b>Share Capital</b>	<b>Revaluation Surplus</b>	<b>Foreign Currency Translation Reserve</b>	<b>Retained Earnings (Accumulated Losses)</b>	<b>Total Equity</b>
	<b>Balance as of 31 December 2024</b>	<b>780,113</b>	<b>20,514,269</b>	<b>(10,662,273)</b>	<b>(28,316,738)</b>	<b>(17,684,629)</b>
	Net profit / (loss) for the year	-	-	-	(3,657,209)	<b>(3,657,209)</b>
	Other comprehensive income	-	24,256,479	(1,457,516)	-	<b>22,798,963</b>
	<b>Total comprehensive income / (loss) for the year</b>	-	<b>24,256,479</b>	<b>(1,457,516)</b>	<b>(3,657,209)</b>	<b>19,141,754</b>
	Transfers to retained earnings	-	(993,362)	-	993,362	-
	<b>Balance as of 31 December 2024</b>	<b>780,113</b>	<b>43,777,386</b>	<b>(12,119,789)</b>	<b>(30,980,585)</b>	<b>1,457,125</b>
	Net profit / (loss) for the year	-	-	-	(7,716,399)	<b>(7,716,399)</b>
	Other comprehensive income	-	-	(4,733,061)	-	<b>(4,733,061)</b>
	Total comprehensive income / (loss) for the year	-	-	<b>(4,733,061)</b>	<b>(7,716,399)</b>	<b>(12,449,460)</b>
	Dividends declared	-	-	-	-	-
	<b>Balance as of 31 March 2025</b>	<b>780,113</b>	<b>43,777,386</b>	<b>(16,852,849)</b>	<b>(38,696,984)</b>	<b>(10,992,335)</b>
1.4.	<i>Cash Flow Statement</i>					
	<b>"GOBI JSC AND ITS SUBSIDIARIES CONSOLIDATED CASH FLOW STATEMENT</b> <i>(thousand MNT)</i>					
				<b>2024.12.31</b>	<b>2025.03.31</b>	
	Net Cash Flows from Operating Activities			29,728,027	(16,310,663)	
	Net Cash Flows from Investing Activities			(21,049,750)	(998,611)	
	Net Cash Flows from Financing Activities			(12,361,396)	16,758,014	
	Net Cash Flows			(3,683,119)	(551,260)	
	Exchange Difference on Translating Foreign Operations			(1,457,516)	(4,733,061)	
	<b>Cash and Cash Equivalents, at the Beginning of the Year</b>			(24,430)	4,805,209	
	<b>Cash and Cash Equivalents, at the End of the Year</b>			<b>9,491,111</b>	<b>4,326,046</b>	

2.

Conclusion of the Risk and Audit Committee under the Board of Directors, on the review and approval of the semi-annual and quarterly financial statements.



"GOBI" JOINT-STOCK COMPANY  
RISK AND AUDIT COMMITTEE  
UNDER THE BOARD OF DIRECTORS  
MEETING RESOLUTION

Date: 04/18/2025

No 01

Ulaanbaatar, Mongolia

Γ On Reviewing the 2025 First-Quarter Financial Report 7

Pursuant to the 'Securities Registration Rules' approved by the Financial Regulatory Commission and Section 3.1.1.1 of the 'Risk and Audit Committee Operational Procedures', the Risk and Audit Committee of the Board of Directors of Gobi JSC hereby **RESOLVES**:

2.

1. The Board of Directors acknowledges that the financial report of Gobi JSC for the first quarter of 2025 has been prepared in compliance with applicable laws, regulations, and international accounting standards, and therefore approves its release to the public.
2. The Board Secretary, Ms. M. Selenge, is hereby tasked with submitting the first-quarter financial report to the Financial Regulatory Commission and the Mongolian Stock Exchange as required by relevant regulations and ensuring its public disclosure.

CHAIR OF THE COMMITTEE

MEMBERS



A.JARGALMAA

D.GERELMAA

N.MUNKHBAT

3.	<i>Management Report and Conclusion on the Analysis of External and Internal Factors Affecting the Financial Activities of the Issuer, Financial Statement Analysis, and the Calculation and Evaluation of Income, Expenses, and Profit Performance During the Reporting Period</i>																				
3.1.	<i>Operational Results (Financial Ratios)</i>	<table border="1"> <thead> <tr> <th data-bbox="646 353 1045 398"><b>Indicator</b></th> <th data-bbox="1045 353 1248 398"><b>2024.03.31</b></th> <th data-bbox="1248 353 1452 398"><b>2025.03.31</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="646 398 1045 443">Gross Profit Margin</td> <td data-bbox="1045 398 1248 443">45%</td> <td data-bbox="1248 398 1452 443"><b>46%</b></td> </tr> <tr> <td data-bbox="646 443 1045 488">Net Profit Margin</td> <td data-bbox="1045 443 1248 488">-19%</td> <td data-bbox="1248 443 1452 488"><b>-20%</b></td> </tr> <tr> <td data-bbox="646 488 1045 533">Current Ratio</td> <td data-bbox="1045 488 1248 533">0.6</td> <td data-bbox="1248 488 1452 533"><b>0.5</b></td> </tr> <tr> <td data-bbox="646 533 1045 577">Inventory Turnover</td> <td data-bbox="1045 533 1248 577">417</td> <td data-bbox="1248 533 1452 577"><b>382</b></td> </tr> <tr> <td data-bbox="646 577 1045 622">Price per Share (MNT)</td> <td data-bbox="1045 577 1248 622">267</td> <td data-bbox="1248 577 1452 622"><b>239</b></td> </tr> </tbody> </table>		<b>Indicator</b>	<b>2024.03.31</b>	<b>2025.03.31</b>	Gross Profit Margin	45%	<b>46%</b>	Net Profit Margin	-19%	<b>-20%</b>	Current Ratio	0.6	<b>0.5</b>	Inventory Turnover	417	<b>382</b>	Price per Share (MNT)	267	<b>239</b>
<b>Indicator</b>	<b>2024.03.31</b>	<b>2025.03.31</b>																			
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3.2.	<i>Liquidity and Financial Resource Indicators</i>																				
3.3.	<i>External and Internal Factors Affecting the Activities of the Issuer, Changes in the Range of Its Products and Services, and Measures Taken by the Issuer in Response to These Changes</i>	<ul style="list-style-type: none"> <li>• During the first quarter of 2025, the Issuer recorded an 8% year-over-year growth in sales revenue, with local sales accounting for 85% and global markets comprising 15% of total turnover.</li> <li>• The Company undertook strategic streamlining of its product assortment, prioritizing the mass production of previously released, high-demand designs. This measure enabled broader availability of desirable colors and sizes aligned with customer preferences.</li> <li>• In the local market, pricing strategies were revised to reduce disparities among similar product lines, facilitating more intuitive purchasing decisions for consumers. Additionally, more vigorous social media marketing efforts commenced in February, contributing to increased local demand. A new branch store was launched on March 1 at Chinggis Khaan International Airport to further enhance accessibility.</li> <li>• In international markets, the Company pivoted from conventional to digital marketing strategies, with a focus on strengthening e-commerce sales channels. Notably, beginning in January, product offerings became available via Macy's online platform in the United States.</li> <li>• Design enhancements were pursued across outsourced products, particularly in the CashmereTECH outerwear and footwear lines.</li> <li>• To improve operational efficiency and cost-effectiveness, production of 3D knitted products was doubled, allowing for high-quality output with reduced labor intensity. Manufacturing capabilities were further elevated through technological upgrades, including the implementation of the MES (Manufacturing Execution System) and conveyor management systems.</li> <li>• In alignment with its commitment to responsible business conduct and sustainable development, Gobi JSC formally joined the Mongolian Sustainable</li> </ul>																			

		<p>Finance Association and adopted a Sustainability Strategy Policy, which is now integrated across all operational layers.</p> <ul style="list-style-type: none"> <li>• In order to deliver globally recognized Mongolian cashmere products to customers, the Company consistently improves its management system to meet both national and international standard requirements.</li> </ul>
3.4.	<i>Details of Transactions and Operations Recorded Outside the Financial Statements and Accounting Policies</i>	<i>Details of Transactions and Operations Recorded Outside the Financial Statements and Accounting Policies</i>
4.	<i>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</i>	
	<p><b>SIGNIFICANT TRANSACTIONS</b></p> <p>There were no significant transactions in the reporting period.</p> <p><b>CONFLICT OF INTEREST TRANSACTIONS</b></p> <p>In accordance with Gobi JSC's <i>Procedures for Conflict of Interest Transactions</i>, at the beginning of each year, the Board of Directors—by majority vote of the independent members—approves a list of related parties with unified interests and a transaction budget, allowing the Company to enter into necessary transactions for day-to-day operations with these parties at market prices and conditions.</p> <p>Any transaction involving a party not included in the approved list or exceeding the allocated budget is subject to specific Board resolution and must be approved at a Board meeting.</p> <p>The Risk and Audit Committee of the Board exercises quarterly oversight to ensure that all related party transactions are executed within the approved budget, at market terms, and in compliance with applicable laws.</p> <p>In 2025, this approval was granted by Board Resolution No. 07 dated March 20, 2025.</p> <p>The performance of conflict of interest transactions in Q1 2025 was reviewed at the Risk and Audit Committee's regular meeting on April 7, 2025, and for transactions outside the approved budget, additional approval was granted by Board Resolution No. 15 dated April 9, 2025.</p> <p>.</p>	

## TRANSACTIONS WITH RELATED PARTIES

(thousand MNT)

Transactions with Related Parties	2024.03.31	2025.03.31
Financing Provided to Related Parties	184,284,048	-
Financing Received from Related Parties	187,307,000	-
Sales to Related Parties	29,709	12,047
Purchases from Related Parties	690,112	593,111
Interest income	-	-
Interest expense	2,721,597	1,043,220
Lease income	67,185	148,305
Lease expense	190,828	190,876

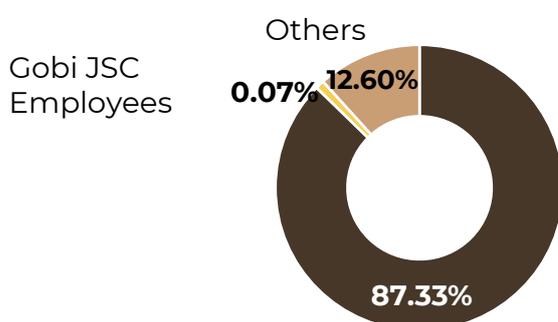
Note: The term "related parties" includes subsidiaries of Tavan Bogd Group.

5. If the Issuer had an IPO for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised from the public.

The Company has not issued shares to the public.

6. Corporate Governance Information

### SHAREHOLDING STRUCTURE



TOTAL NUMBER OF ISSUED SHARES

**780,112,500**

TOTAL NUMBER OF SHAREHOLDERS

**25,437**

As of March 31, 2025

Tavan Bogd Holdings LLC

### SIGNIFICANT SHAREHOLDERS

Shareholder Name	2024.12.31		2025.03.31	
	Number of Shares	Percentage	Number of Shares	Percentage
Tavan Bogd Holdings LLC	681,267,736	87.33%	681,267,736	87.33%

No changes occurred in the composition of the influential shareholder during the reporting period.

### CHANGES IN KEY MANAGEMENT PERSONNEL

- Pursuant to Board Resolution No. 02 dated January 31, 2025, the Chair of the Board, Ms. D. Gerelmaa, was released from her duties at her own request, effective January 31, 2025. Mr. Ts. Baatarsaikhan was appointed as Chair of the Board effective February 1, 2025.

7. *Governance-Related Reports and Disclosures of the Issuer*

**BOARD MEETING INFORMATION**

Meeting Type	Regular Meetings	Extraordinary Meetings	E-Vote	Items Discussed	Decisions	Recommendations	Directives	Resolutions
Board of Directors	2	2	1	18	21	3	2	12
Risk and Audit Committee	1	-	-	7	4	5	-	-
Nomination Committee	1	-	2	10	9	2	5	4
Remuneration Committee	1	-	-	6	7	2	1	1
<b>Total</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>41</b>	<b>41</b>	<b>12</b>	<b>8</b>	<b>17</b>

As of the first quarter of 2025, the Board of Directors and its committees convened a total of 5 regular meetings, 2 extraordinary meetings, and 3 written resolutions, with members demonstrating proactive engagement.

**BOARD RESOLUTIONS AND DECISIONS**

During the reporting period, the Board of Directors and its committees discussed 41 matters, resolved 41 decisions, and adopted 17 resolutions, as follows:

- 12 resolutions by the Board of Directors (10 related to internal operations, 2 related to human resources);
- 4 resolutions by the Nomination Committee;
- 1 resolution by the Remuneration Committee.

Furthermore, within their respective mandates, the Board and committees issued 12 formal recommendations and 8 directives to management, the implementation of which was duly monitored and achieved a 100% execution rate.

**DIVIDEND**

According to Board Resolution No. 02 dated February 7, 2025, the Company did not meet the dividend distribution criteria set forth in Clause 2.3 of the Dividend Policy, due to non-compliance with prudent financial ratios based on the financial results of 2024. As a result, it was resolved not to declare dividends for the period.

**DISCLOSURE AND REPORTING TRANSPARENCY**

As of the first quarter, the following reports and disclosures were duly submitted to the Financial Regulatory Commission and the Mongolian Stock Exchange within statutory timelines, and made publicly available:

- 2024 Annual Operational Report;
- 2024 Audited Financial Statements and Auditor’s Opinion;
- 2024 Environmental, Social and Governance (ESG) Report;
- Report on the Implementation of the Corporate Governance Code (as of December 31, 2024);
- Ad hoc disclosures.

**NEWLY APPROVED POLICY DOCUMENTS**

In the first quarter of 2025, the Board of Directors approved the following policy documents:

- The Accounting Policy was revised and approved by Board Resolution No. 08 dated March 20, 2025, following discussion at the January meeting of the Risk and Audit Committee.

For detailed governance-related information, please refer to the Operational Report in the Appendix.

Signatures of the reporting entity and those certifying the accuracy of the information:

Name: B.Amarsaikhan

Position: Chief Executive Officer, Gobi JSC

Signature: 

(Stamp/seal)



Name: .....

Position: CEO, "....." Audit Company

Signature: .....

(Stamp/seal)

Prepared and submitted by:

Name: M. Selenge

Position: Board Secretary

Signature: 

Date: April 18, 2025