

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of TENGER INSURANCE LLC

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### Opinion

We have audited the financial statements of Tenger Insurance LLC (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRS's, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other Matter

Our report is made solely to the shareholder of the Company, as a body, in connection with the audit requested by shareholder in accordance with Article 94 of the Company Law of Mongolia and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### NEXIA GLOBAL MONGOLIA AUDIT LLC

Certified Public Accountants:



**BULGAN Enkhbold**  
Partner

**NARANDELGER Ulam-Orgikh**  
Auditor

Ulaanbaatar, Mongolia  
Date: 26 February 2025



## TENGER INSURANCE LLC

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(In thousands of MNT)	2024	2023
Insurance revenue	17,554,215	10,516,230
Insurance service expenses	(11,244,971)	(4,534,762)
Insurance service results from insurance contracts issued	6,309,244	5,981,468
Allocation of reinsurance income received / (premiums paid)	385,936	(39,353)
Amounts recovered from reinsurance contracts	1,481,987	171,351
Net income/(loss) from reinsurance contracts held	1,867,923	131,998
Insurance service results	8,177,167	6,113,466
Interest revenue from financial assets measured at amortised cost	4,937,142	3,248,822
Net gains on FVTPL investments	1,817,093	349,090
Net gains from derecognition of financial assets measured at amortised cost	-	133,168
Impairment losses and gains (including reversals of impairment losses) on financial assets and contract assets	(376,481)	(5,193)
Net investment income	6,377,754	3,725,887
Other income, gain / (loss)	203,680	333,121
Other operating expenses	(6,657,060)	(4,412,732)
Other finance costs	(12,140)	(16,599)
Profit before tax	8,089,401	5,743,143
Income tax expense	(923,645)	(585,670)
Net profit for the year	7,165,756	5,157,473
Other comprehensive income	(141,900)	1,165,223
Total comprehensive income for the year	7,023,856	6,322,696

*Note "Basis of preparation": These summary financial statements of the Company have been prepared by extraction, without any modification, from the financial statements of the Company prepared in accordance with IFRSs.*

**TENGER INSURANCE LLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

(In thousands of MNT)	2024.12.31	2023.12.31
<b>ASSETS</b>		
Cash and cash equivalents	97,918	212,117
Financial assets	47,457,224	30,078,974
Measured at amortised cost	37,162,874	27,015,498
Measured at FVTPL	8,272,713	1,764,342
Measured at FVOCI	2,021,637	1,299,134
Insurance contract assets	2,131,854	1,119,387
Reinsurance contract assets	106,456	498,835
Receivables	107,598	43,195
Prepayments and other assets	316,214	257,392
Inventories	57,372	43,784
Property and equipment	2,403,666	2,065,454
Right-of-use assets	168,408	153,191
Intangible assets	47,813	55,782
Total assets	52,894,523	34,528,111
<b>LIABILITIES</b>		
Insurance contract liabilities	13,724,634	10,019,667
Reinsurance contract liabilities	425,827	463,809
Accounts and other payables	1,027,894	833,795
Current tax liabilities	127,790	144,337
Deferred tax liabilities	183,533	29,475
Lease liabilities	136,816	143,105
Total liabilities	15,626,494	11,634,188
<b>EQUITY</b>		
Share capital	6,000,000	5,000,000
Share premium	6,480,250	130,000
Regulatory reserve	1,388,027	1,388,027
Property revaluation surplus reserve	1,122,806	1,122,806
Securities revaluation reserve	(99,483)	42,417
Retained earnings	22,376,429	15,210,673
Equity	37,268,029	22,893,923
Total liabilities and equity	52,894,523	34,528,111

*Note "Basis of preparation": These summary financial statements of the Company have been prepared by extraction, without any modification, from the financial statements of the Company prepared in accordance with IFRSs.*

**TENGER INSURANCE LLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(In thousands of MNT)	Share capital	Share premium	Regulatory reserve	Securities revaluation reserve	Property revaluation reserve	Retained earnings	Total
As at 1 January 2023	5,000,000	130,000	1,388,027	-	-	10,053,200	16,571,227
Total comprehensive income for the year	-	-	-	42,417	1,122,806	5,157,473	6,322,696
Dividend declared	-	-	-	-	-	-	-
As at 31 December 2023	5,000,000	130,000	1,388,027	42,417	1,122,806	15,210,673	22,893,923
Total comprehensive income for the year	-	-	-	(141,900)	-	7,165,756	7,023,856
Changes in equity	1,000,000	6,350,250	-	-	-	-	7,350,250
Dividend declared	-	-	-	-	-	-	-
As at 31 December 2024	6,000,000	6,480,250	1,388,027	(99,483)	1,122,806	22,376,429	37,268,029

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# TENGER INSURANCE LLC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(In thousands of MNT)	2024	2023
<b>OPERATING ACTIVITIES</b>		
Profit before tax	8,089,402	5,743,143
Non-cash adjustments to reconcile profit for the year to the year to net cash flows:		
Depreciation of property and equipment	138,170	107,339
Depreciation of right-of-use assets	87,101	75,535
Amortisation of intangible assets	7,969	7,969
Net unrealised (gain)/loss on foreign exchange	2,569	(18,220)
Interest expense	12,208	16,601
Loss on write-off of property and equipment	7,870	10,982
Impairment loss recognised on account receivables	10,871	19,521
Interest income	(4,937,142)	(3,381,990)
Dividend income	(18,015)	-
Net gains on FVTPL investments	(1,817,093)	(349,090)
Net gain on disposal of property and equipment	(1,235)	(1,497)
Operating profit before working capital changes	1,582,675	2,230,293
Changes in working capital:		
Decrease/(increase) in account receivable	(1,405,917)	1,083,314
Increase in prepayments and other assets	(72,400)	(47,427)
Increase/(decrease) in deferred acquisition costs	(1,563,864)	(480,870)
Decrease/(increase) in reinsurer's share of insurance	(3,236,826)	(1,521,780)
Increase/(decrease) in insurance contract liabilities	(6,173,538)	488,213
Increase/(decrease) in account and other payables	(10,814)	1,504,400
Cash flows generated from operating activities	(10,880,684)	3,256,143
Interest paid	(12,208)	(16,601)
Income tax paid	(940,192)	(387,920)
Net cash flows (used in)/ generated from operating	(11,833,084)	2,851,622
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(93,129)	(237,035)
Addition of leasehold improvement	(82,034)	-
Proceeds from disposal of property and equipment	2,012	1,649
Acquisition of financial investments	-	(6,441,913)
Interest received	4,668,273	3,634,784
Net cash flows from investing activities	4,495,122	(3,042,515)
<b>FINANCING ACTIVITIES</b>		
Payment of lease obligation	(123,918)	(87,578)
Proceeds from issuance of additional share capital	7,350,250	-
Net cash flows used in financing activities	7,226,332	(87,578)
Net increase/(decrease) in cash and cash	(111,630)	(278,471)
Effect of foreign exchange rate on cash and cash		
equivalents	(2,569)	18,220
Cash and cash equivalents as at 1 January	212,117	472,368
Cash and cash equivalents as at 31 December	97,918	212,117

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