



premium nexus



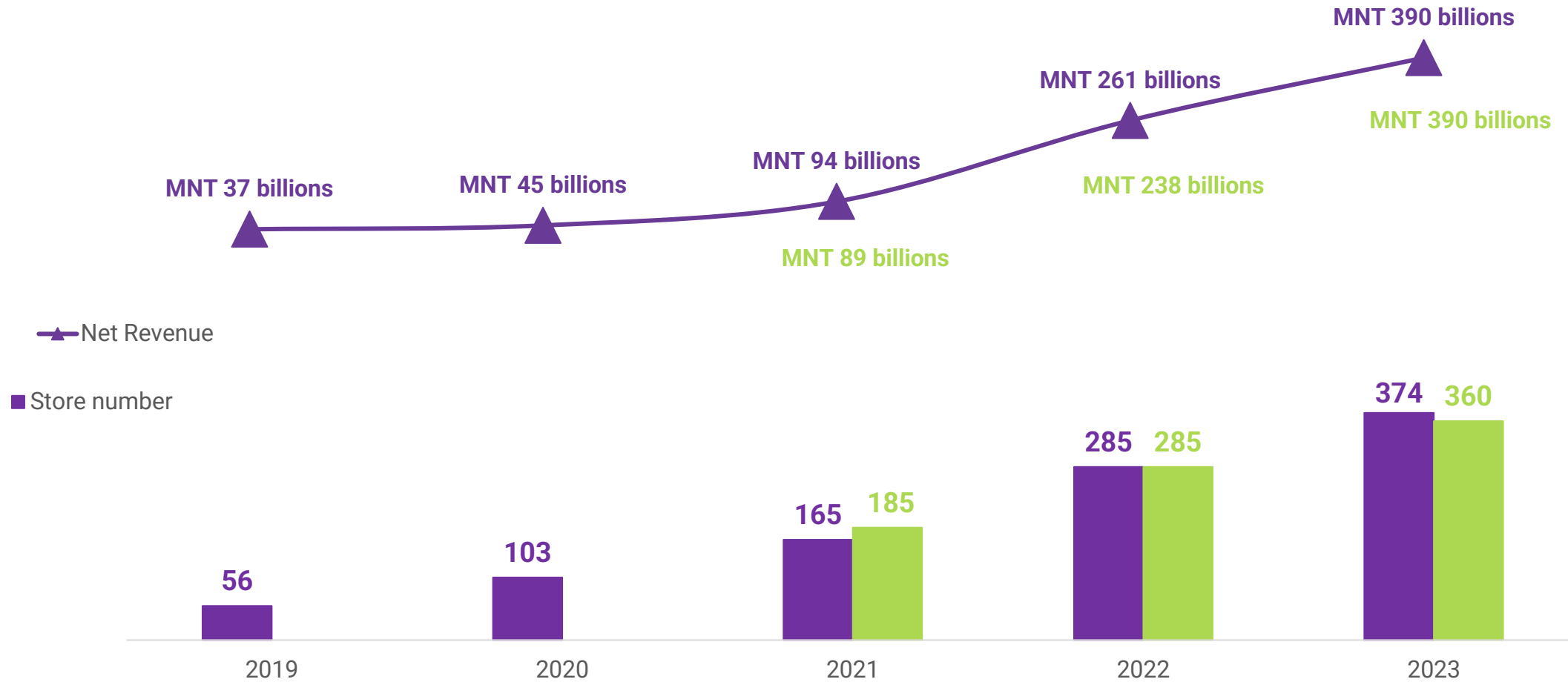
Premium Nexus – 2023: Earning' Call

Premium Nexus JSC
MSE: CUMN

- 01 March 2024

1. Strategic goals
2. Operational scope
3. Condensed statement of Income
4. Comparable store analysis
5. Condensed statement of Financial Position
6. Condensed statement of Cash-flow
7. 2023 significant events

Strategic goals



Strategic goals

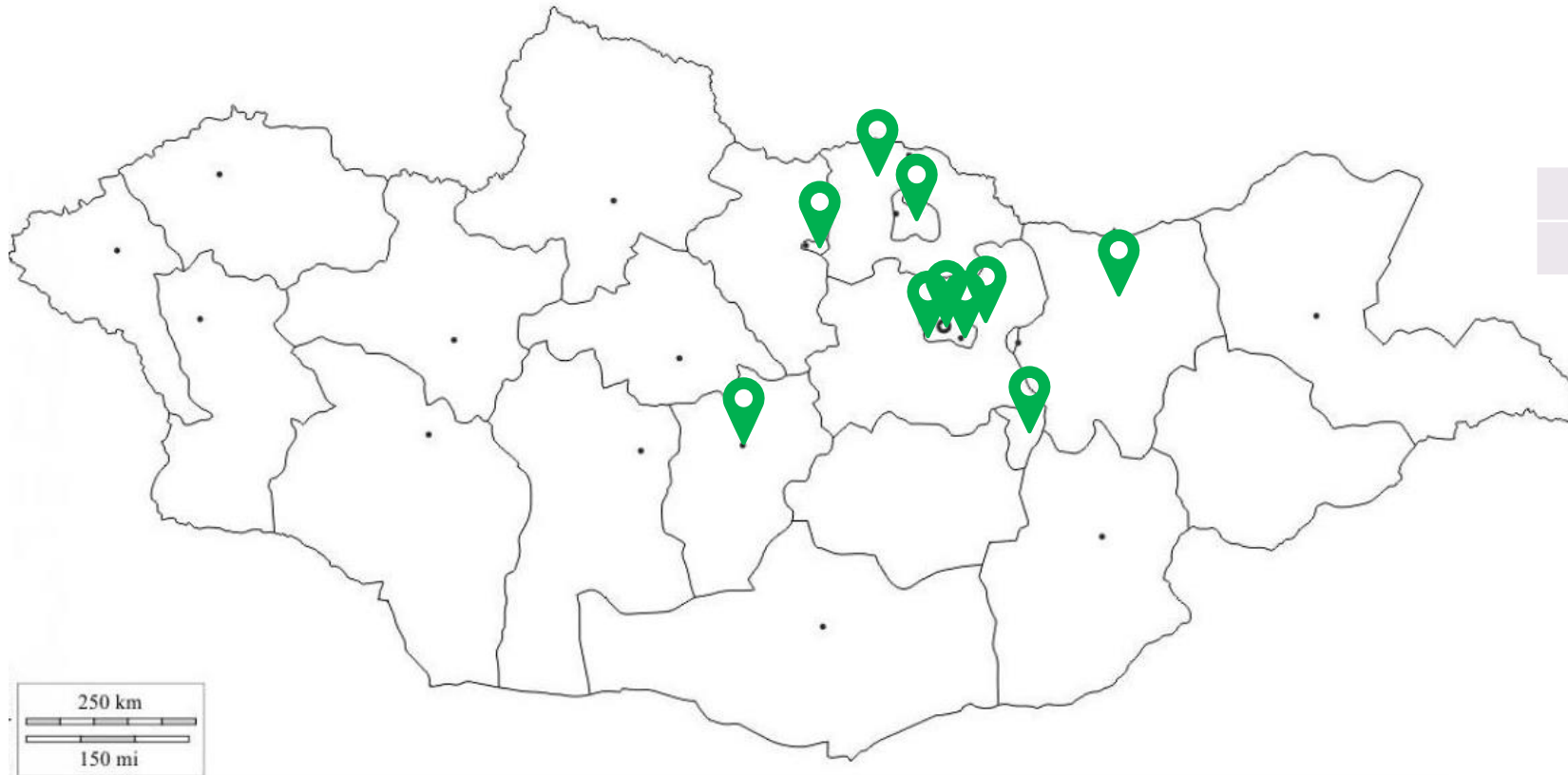


Strategic goals



Market leadership

By opening 69 new stores in Ulaanbaatar and an additional 20 new stores in the provinces of Tuv, Darkhan-Uul, Orkhon, Selenge, Uvurkhangai, Govisumber, and Khentii, the company has become the market leader in the convenience chain store sector, bringing its total number of stores to 374.



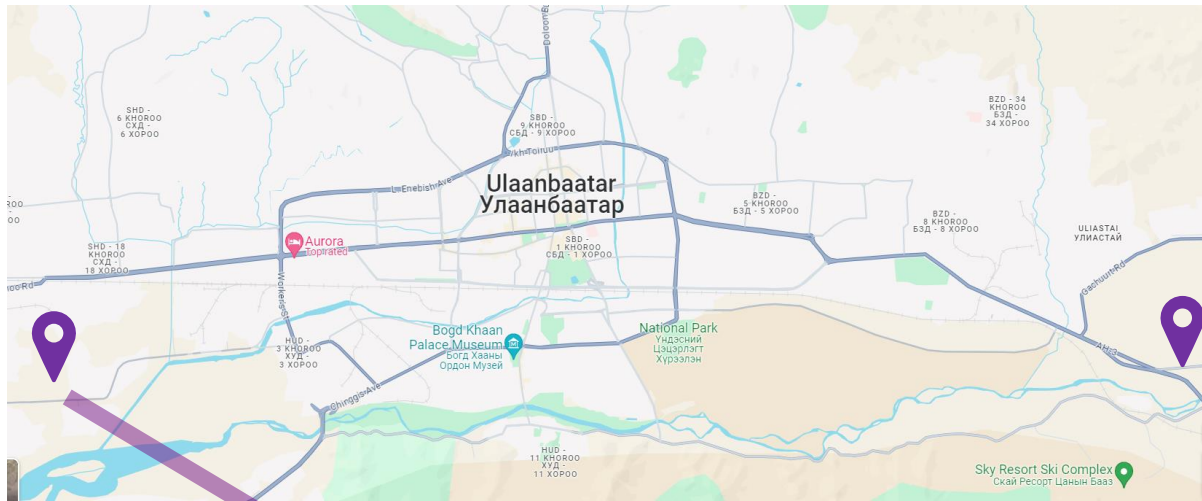
Ulaanbaatar	69 new stores
Provinces	20 new stores

Strategic goals



Infrastructure

With 99.9% of all inventory distribution organized through a consolidated distribution center, logistics operations have become more efficient and controllable. This consolidation eliminates overlapping distribution activities and allows for distribution to be organized during off-peak hours. Additionally, by increasing the capacity of the cold-chain or temperature-controlled distribution center, overall efficiency is enhanced, enabling faster delivery of fresh products to customers.



Cold-chain distribution centre



ХҮЙТЭН ХЭЛХЭЭНИЙ АГУУЛАХ



ХӨЛДҮҮ БҮТЭЭГДЭХҮҮНИЙ ТЭЭВЭРИЙН ХЯНАЛТ



Normal temperature distribution centre



CU 374 convenience stores

Total inventory's **99.9%** is delivered through the consolidated distribution chain

Strategic goals



Product and service differentiation

Seven out of sixteen fresh food suppliers have received HACCP certification, leading to improved product quality and standards and increased customer satisfaction. As a result, product complaints have halved compared to 2022. Additionally, the direct import of certain products has created product differentiation.



CU Central foods

It became the first prepared food factory in Mongolia to achieve HACCP certification from an international organization.



About 100 different types of fresh food from 15 different producers are delivered to consumers every day. Six of these producers have received HACCP certification from an external organization.



More than 100 types of products are directly imported from six countries and delivered to consumers.

Strategic Goals



Customer loyalty

Continuous improvement of QSC (Quality, Service, Cleanliness) standards has been organized, leading to a significant rise in repeated purchases. Repeated purchases by all customers have increased to 45 million units, marking a 34% increase.



Environment you can relax and recharge



Fast and friendly service



Clean and comfortable environment

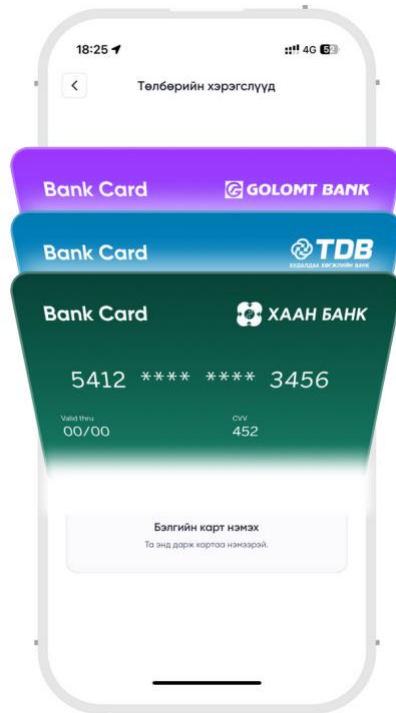
Strategic goals



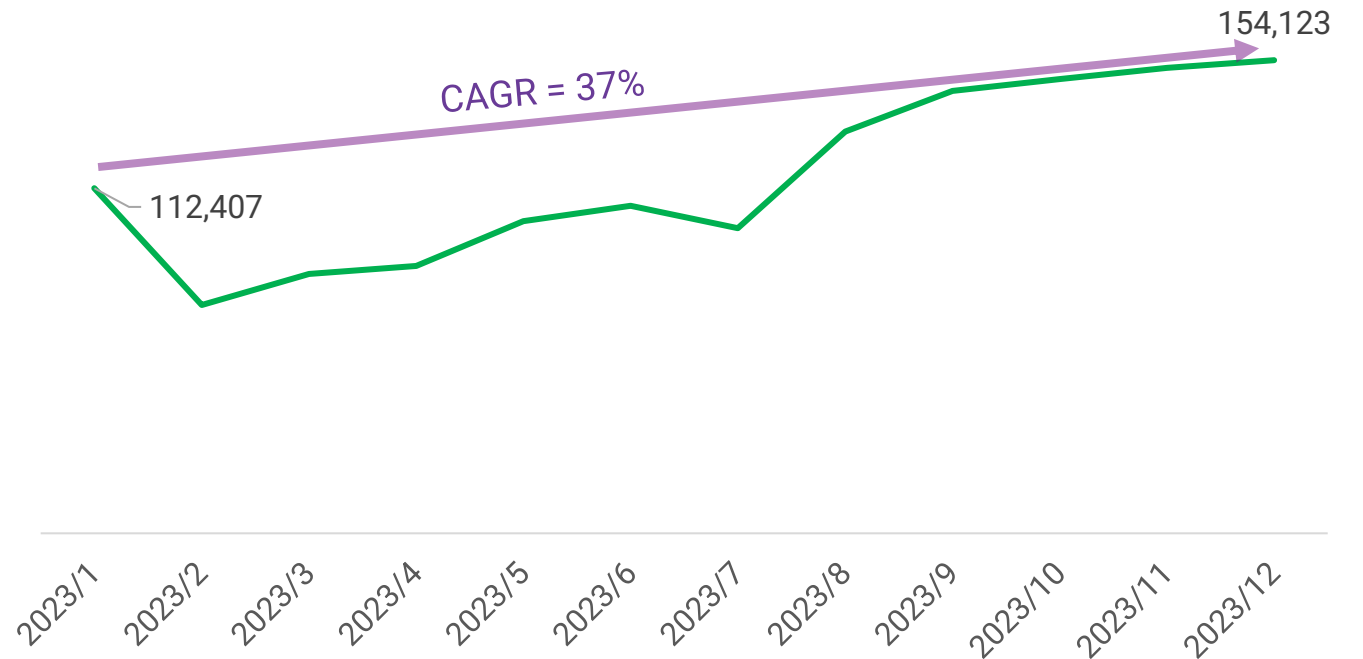
Incorporate technological advancements

The direct integration of e-receipts and payment cards into the CU app has contributed to reaching over 150,000 active users. The total number of registered users has now reached 785,362.

785,362 registered users



CU app active users



Operational scope

	2020	2021	2022	2023	YOY growth 2023/2022
Number of stores	103	165	285	374	31%
Number of costumers	9.0 mil	12.9 mil	33.64 mil	45.23 mil	34%
Number of employees	874+	1,855+	3,200+	3,400+	6%
Number of vendors	335+	468+	510+	390+	-23.5%
Number of Shareholders	2	9,546+	10,073+	9,616	-4.5%

Statement of Income (Condensed) – Last 5 years

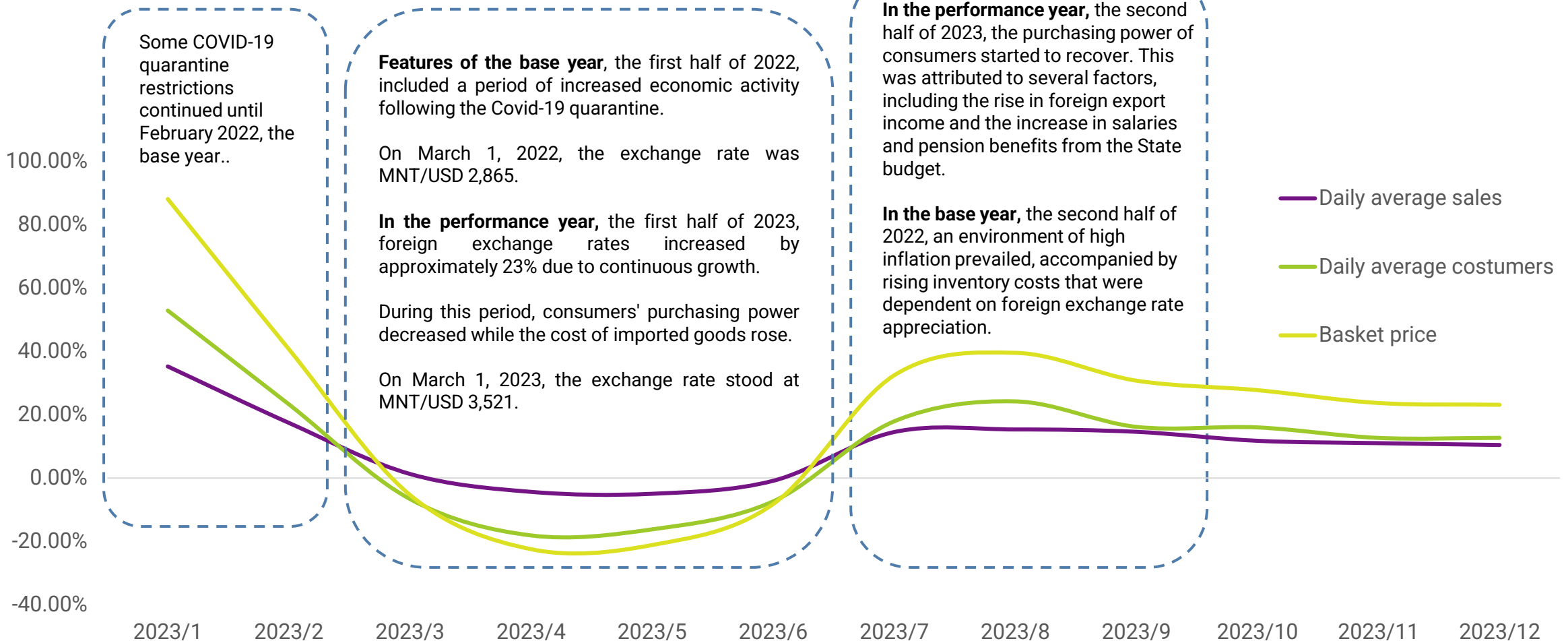
MNT billions.

	2019	2020	2021	2022	2023*	YOY growth 2023/2022
Revenue (VAT included)	37.47	45.35	106.99	293.57	432.25	+47%
Revenue	37.47	45.35	94.04	261.02	390.50	+50%
Gross profit (loss)	-5.89	-5.36	-6.86	-4.25	-2.59	+39%
Gross profit (loss) margin	-16%	-12%	-7%	-2%	-1%	+1%
Operational income (expense)	-8.09	-10.38	-14.01	-16.17	-16.96	-5%
Operational income (expense) margin	-22%	-23%	-15%	-6%	-4%	+2%
After tax net profit (loss)	-11.28	-15.73	-18.27	-25.68	-32.71	-27%
Net profit (loss) margin	-30%	-35%	-19%	-9.80%	-8.38%	+1.4%

Same (Comparable) Store Sales Performance

Same store sales performance (YoY %)

Performance year – 2023 versus Base year – 2022



Statement of Income (Condensed) – 2023 First and Second half

MNT billions.

	2022 H1	2022H2	2023 H1	2023H2	2023H2/2023 H1
Revenue (VAT included)	125.8	167.77	185.7	246.55	+33%
Revenue	111.1	149.92	167.2	223.3	+34%
Gross profit (loss)	0.56	-4.81	-5.8	3.21	n/a
Gross profit (loss) margin	0.5%	-3.2%	-3%	1%	+4%
Operational income (expense)	-4.1	-12.07	-11.3	-5.66	+50%
Operational income (expense) margin	-4%	-8%	-7%	-3%	+4%
After tax net profit (loss)	-7.9	-17.78	-19.4	-13.31	+31%
Net profit (loss) margin	-7.1%	-11.9%	-11.60%	-5.96%	+5.6

Statement of Financial Position (condensed) – 31 Dec 2023

MNT billions.

Assets (condensed)	2022	2023*	Change	Liabilities, Equity (condensed)	2022	2023*	Change
Current assets	44.83	50.22	5.39	Total liabilities	152.61	217.07	64.47
Cash and equivalents	4.28	2.98	-1.3	Current liabilities	73.76	125.49	51.73
Receivables	4.49	12.73	8.24	Trade and other payables	45.01	81.94	36.94
Inventory	31.83	28.25	-3.58	Short-term borrowings	12.75	15.79	3.04
Prepayments	4.23	6.26	2.03	Non-current liabilities	78.85	91.59	12.74
Non-current assets	126.21	152.59	26.38	Long-term borrowings	27.93	33.88	5.95
PPE	75.28	92.32	17.04	Long-term lease liabilities	50.63	57.45	6.82
Right-of-use assets	50.93	60.27	9.34	Total Equity	18.44	-14.27	-32.71
Total assets	171.05	202.81	31.76	Total liabilities and equity	171.05	202.81	31.76

Statement of Cash-flow

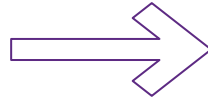
MNT billions.

Statement of cash-flow performance	2022	2023*	YoY
Cash-flows from operating activities	8.00	18.90	+10.90
Cash-flows from investing activities	(20.30)	(36.70)	-16.40
Investing activities cash in-flow	19.80	0.10	-19.70
Investing activities cash out-flow	(40.10)	(36.80)	3.30
Cash-flows from financing activities	12.80	16.60	3.80
Cash and cash equivalents foreign exchange difference	(0.30)	(0.10)	0.20
Total net cash-flow	0.20	(1.30)	-1.50
Net cash balance	4.28	2.98	1.30

Adjustment: The payments of the finance lease liabilities reclassified from Financing activities to the operational activities.

Cash-flow from operating activities	(6.9)	(3.7)	+3.2
Cash-flow from financing activities	27.7	39.2	+11.5

2023 significant events



2018

- Central Express CVS LLC acquired the master franchise rights of BGF Retail Co Ltd, South Korea.
- Mongolia's "First Convenience" store was established and obtained the MNS certificate.
- The first CU convenience chain consisting of three stores was established in August 2018..

2018

2015

- Premium Group founded Mongolia's first convenience store chain called Central Express CVS.

2015

2023

- Central Express CVS JSC was newly added to the TOP 20 index basket of the Mongolian Stock Exchange (MSE) on January 23, 2023.
- The company ranked 11th in Mongolia's TOP-100 enterprises and secured the 1st position in the trade and service sector.
- On March 7, 2023, CU successfully opened its 300th branch.

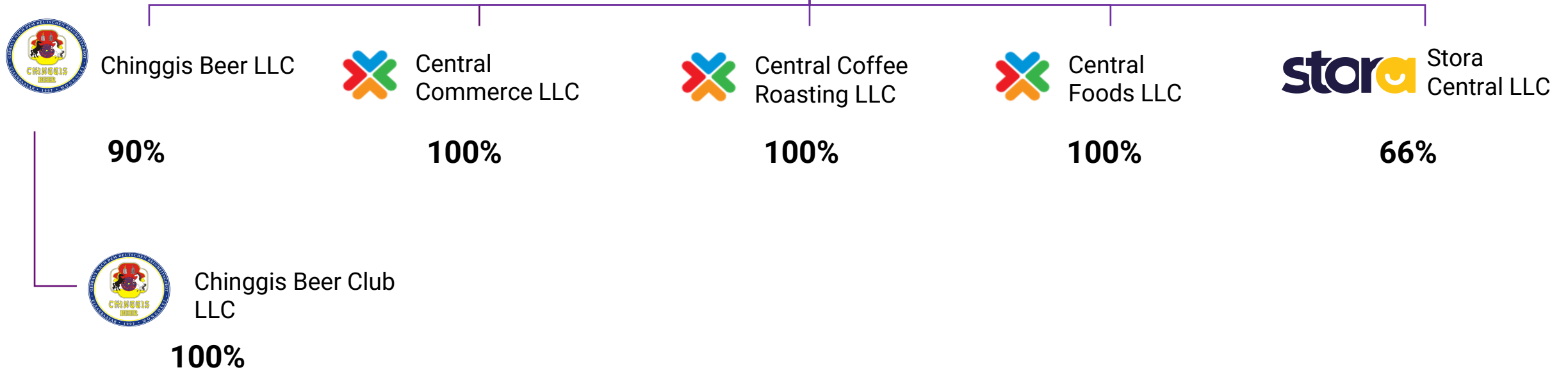
2023

2022

- On May 5, 2022, the securities of "Central Express CVS" JSC were upgraded from the "III" category to the "II" category. Additionally, the company was included in the TOP-100 enterprises of Mongolia.

2022

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Valuation of businesses under restructuring

Entity	Chinggis Beer LLC	Central Commerce LLC	Central Coffee Roasting LLC	Stora Central LLC
Time period	2023.09.30	2023.09.30	2023.09.30	2023.09.30

Balance Statement

Total Assets	5,471,656,606	3,228,197,162	1,874,218,371	1,939,125,504
Total Liabilities	436,365,846	1,192,227,739	6,785,765	217,968,159
Total Equity	5,035,290,760	2,035,969,423	1,867,432,606	1,721,157,345

Equity

Common shares	968,748,000	2,000,000,000	2,000,000,000	2,932,900
Paid-in capital	-	-	-	2,483,196,629
Retained earning's (loss)	4,066,542,760	35,969,423	(132,567,393)	(764,972,184)

	Price (Fair Value)	Total Equity	Total Equity	Total Equity
Total valuation	23,900,000,000	2,035,969,423	1,867,432,606	1,721,157,345
Ownership %	90%	100%	100%	65.9%
Valuation	21,510,000,304	2,035,969,520	1,867,432,736	1,134,242,512

Chinggis Beer LLC was valued at 23,900,000,000 MNT, and 90% of the ownership was purchased with company shares worth 21,510,000,304 MNT.



Main operations:

- Chinggis Beer LLC, established in 1997, is recognized as a premier national enterprise, having successfully introduced the "Chinggis Shar Airag" brand to Mongolia's beer industry.
- Through maintaining stable and reliable partnerships with European raw material suppliers, Chinggis Beer is now ensuring the local production of high-quality Pilsner beer.
- With an annual production capacity of 1 million liters, Chinggis Beer LLC currently supplies only 1% of Mongolia's beer market.

To acquire Central Commerce LLC entirely through a share transaction, reflecting 100 percent of the company's equity book value, amounting to 2,035,969,520 MNT.



- Central Commerce LLC was established in 2022.
- In July 2023, Asahi Beer Asia Limited entered into an exclusive distributor agreement with Central Commerce LLC, officially partnering to represent all international beer brands in Mongolia.
- Beginning in September 2023, Asahi Super Dry, Japan's leading beer, will be available to consumers in four different packaging options.

The acquisition of Central Coffee Roasting LLC will be conducted through a share transaction at 100 percent of the company's equity book value, totaling 1,867,432,736 MNT.



- Central Coffee Roasting LLC was founded in 2023.
- The company was established to supply roasted coffee beans to CU chain stores and coffee shops. By purchasing green coffee beans directly from their country of origin and establishing an international standard roasting facility, Central Coffee Roasting LLC, in partnership with CU, has begun supplying high-quality coffee to its chain stores.
- This initiative allows CU consumers to enjoy freshly roasted coffee beans that meet international standards.

The 66 percent of Stora Central LLC was acquired through a share purchase, valued at 1,134,242,512 MNT.



**Leading E-Commerce Platform
in Emerging markets.**

- Stora Central LLC offers customers a diverse array of products through its online shopping platform.
- Stora Central LLC enables customers to conveniently order products from the globally recognized e-commerce platform, Amazon, directly from the United States and receive them at their nearest CU store.
- As of October 2023, the company is operating with a user base of 70,000 registered users.
- Furthermore, in the period spanning 2023 to 2024, the accessibility and options for purchasing from China's Taobao e-commerce platform have expanded significantly.

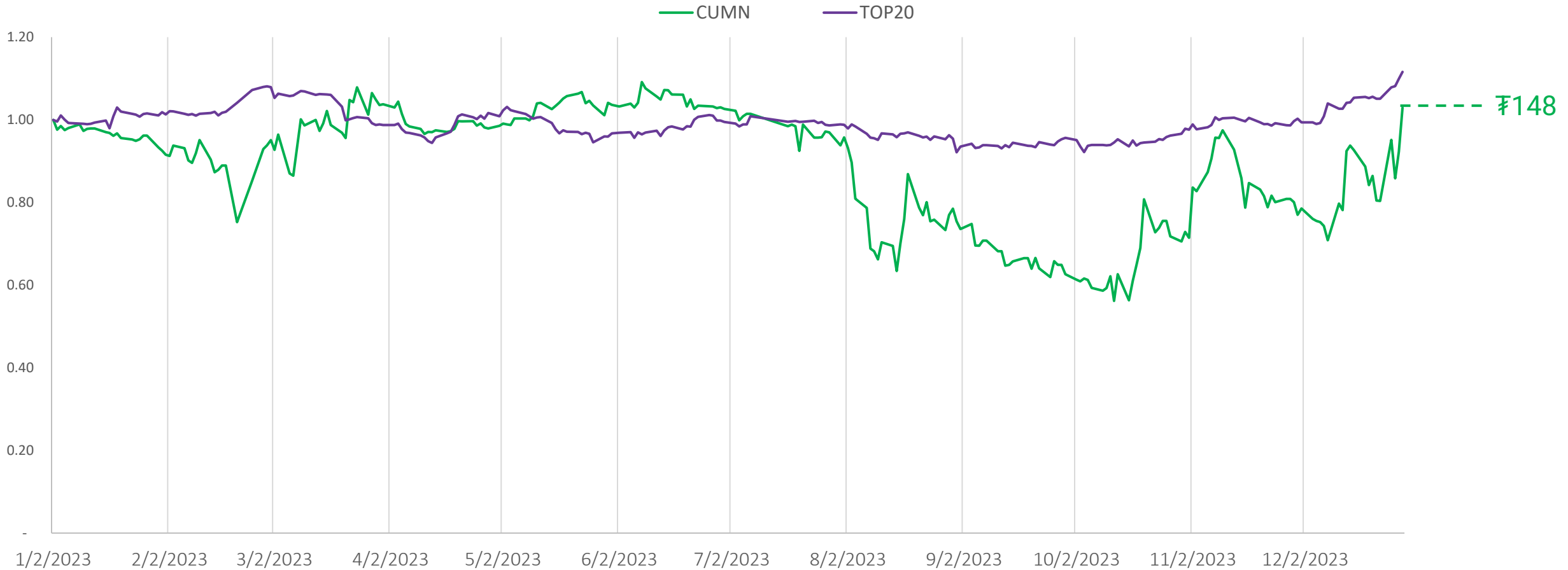
Pro-forma statement of Balance

MNT billions.

Assents (condensed)	2023*	2024	Change	Source (condensed)	2023	2024	Change
Current assets	50.22	58.42	16%	Total liabilities	217.07	181.96	-16%
Cash and equivalents	2.98	3.72	25%	Current liabilities	125.49	95.49	-24%
Receivables	12.73	17.8	40%	Trade and other payables	81.94	51.94	-37%
Inventory	28.25	29.4	4%	Short-term loan	15.79	15.79	-%
Prepayments	6.26	7.5	20%	Non-current liabilities	91.59	86.47	-6%
Non-current assets	152.59	170.94	12%	Long-term loan	33.88	28.76	-15%
PPE	92.32	110.67	20%	Long-term lease liabilities	57.45	57.45	-%
Right-of-use assets	60.27	60.27	0%	Total equity	-14.27	47.40	232%
Total assets	202.81	229.36	13%	Total liabilities and equity	202.81	229.36	13%

Share price movement

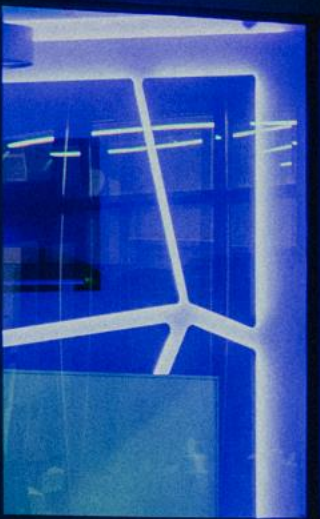
Indexed equity return performance for 2023.



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Thank you!