



ANNUAL REPORT

# BUSINESS PHILOSOPHY

## VISION:



Cherish Mother Earth  
Build a healthy life together.

## MISSION:



We are a community that creates value by respecting our environment and stakeholders, and promoting a healthy lifestyle.

## CORE VALUES:



Stakeholder engagement

Innovative products

Positive culture

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ABOUT US



# GREETINGS FROM THE CHIEF EXECUTIVE OFFICER OF “MONOS FOODS” JSC



Chief Executive Director of “Monos Foods”  
JSC

## **OTGONDARI A.**

Dear valued customers, shareholders, and colleagues, we extend our warm greetings to you. We are pleased to present our company's annual report for 2024. This year has been historic for “Monos Foods” JSC, marked by significant achievements driven by our collective efforts and commitment to creating value. We have invested substantially in innovation, technology, and environmentally respectful practices, aligning our production processes with international standards and implementing an integrated management system.

In 2024, we successfully executed major projects, increasing our sales revenue by 20%

and net profit by 27%, demonstrating strong growth in the market. We introduced “Tseneg” lung-cleansing supplement, which has become a timely and highly demanded product in today's polluted environment.

With the MFC 2.0 integrated factory project fully implemented and operational, the company has tripled its liquid food production and is offering consumers Ecos water in low-plastic and eco-friendly packaging. This packaging has reduced plastic usage by 30% and eliminated 43 tons of plastic waste in just three months.

We have successfully implemented international standards such as ISO 9001:2015 (Quality Management System), FSSC 22000:2018 (Food Safety), and ISO 14001:2015 (Environmental Management) in our production operations and have been audited by the Swiss company SGS. This certification reflects the global recognition of our product and production quality.

Our commitment to environmentally friendly and socially responsible operations was recognized and honored as the “Leading Food Manufacturer of Mongolia” by the Mongolian Food Industry Association, which is a great recognition of our hard work and dedication. Moving forward, we will remain dedicated to earning the trust of our stakeholders, promoting a positive culture, and delivering innovative products.

# ТҮҮХЭН ТӨВЧӨӨ

## 2012

"Monos Foods" LLC was official-ly established, separating from "Monos Pharm" LLC, and launched a health water and beverage production line.



## 2013

Introduced "Tseneg" health supplement in glass packaging into production.



## 2015

Produced Ecos pH 8.5 alkaline water, which has health-promoting properties and balances the acid-base ratio based on Mongolian dietary habits, for the first time in Mongolia.



## 2014

Implemented the ODOO ERP /Enterprise Resource Planning/ system into the company's operations.



## 2016

Produced Eco instant tea with berries such as cowberry, blueberry, and seabuckthorn and no artificial colors, flavors, or preservatives for the first time in Mongolia to replace imports in the instant tea category.



## 2017

Initiated ISO 9001:2015 Quality Management System and HACCP Food Safety Standard certification projects.



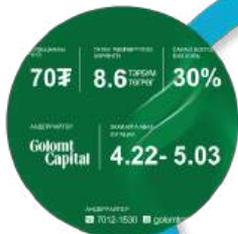
## 2018

Introduced concentrated Shilajit products. "Monos Foods" LLC became Mongolia's first company to evaluate its intangible assets.



## 2019

Conducted an IPO on the Mongolian Stock Exchange and became a public joint-stock company. Implemented ISO 9001:2015 Quality Management System and HACCP Food Safety Standard into its operations and achieved certification from the international audit company SGS.



**2020**

Initiated ISO 22000:2018 Integrated Food Safety Management System and ISO 30400 Human Resource Management certification projects. Commissioned the Health Liquid Food Factory and introduced 8 lines of products to the market.



**2021**

Relaunched the Tseneg health supplement of Vitos brand on the market. Launched 3 lines of "SHOT" biologically active products of the same brand.



**2022**

"Monos Foods" JSC collaborated with "TSC Food Products Ru", the Russian subsidiary of Austria-based company TSC /The chilled Snack Company/ to successfully introduce the Milino brand's curd dragee to the Russian market. Subsequently, the company established the opportunity to distribute this product in Kyrgyzstan and 5 other Eurasian countries.



**2023**

"Monos Foods" JSC, a company dedicated to supporting health, successfully launched and implemented the "Healthy Mongolian Men" project, focusing on the health of Mongolian men. This social impact project aimed to eliminate and change stereotypes about men, reaching a cumulative audience of 22 million people and encouraging men to take their health seriously.

Additionally, in 2023, "Monos Foods" JSC partnered with the Kyrgyz Republic's pharmaceutical company "Lekar" to officially distribute 20 types of products in the country.



**2024**

In 2024, "Monos Foods" JSC successfully implemented the MFC 2.0 integrated factory project, which became operational in the third quarter, tripling our liquid food production capacity and enhancing product availability and production efficiency. We have successfully integrated international standards such as ISO 9001:2015 (Quality Management System), FSSC 22000:2018 (Food Safety), and ISO 14001:2015 (Environmental Management) in our production operations, all of which have been certified by the Swiss company SGS. This certification is a testament to the global recognition of our product and production quality.



# MANAGEMENT TEAM



**OTGONDARI A**  
CEO



**DELGERMAA TS**  
CFO



**AMARBOLD E**  
COO



**BAYANJARGAL**  
CPO



**KHASH-ERDENE B**  
Head of Export and Business  
development department



**TSAGAANKHUU N**  
Secretary of the  
Board of Directors



**TSERENPIL S**  
Head of Food production  
factory department



**MUNKHTSETSEG B**  
Head of Quality Assurance  
Department



**BOLDCHIMEG TS**  
Senior HR manager



**NARANBAT N**  
Head of Sales  
department



**GERELSUREN S**  
Head of Procurement  
department



**KHULANGOO B**  
Head of Quality Control  
Laboratory Department



**SUKH-ERDENE B**  
Head of Engineering and  
Technical Department



**SELENGETUYA CH**  
Head of Logistics department



**BUYANDELGER G**  
General accountant



**ENKHBAYAR P**  
Financial manager



**DULGUUNMAIDAR TS**  
Head of marketing department



## IMPLEMENTED STANDARDS



Quality Management System  
ISO 9001:2015



Food Safety System  
FSSC 22000



General requirements for the competence of testing and calibration laboratories  
ISO 17025



Environmental Management  
ISO 14001



# 2

EXPORT



Since 2012, “Monos Foods” JSC has been producing health-promoting foods and supplements, focusing on increasing non-mining, value-added exports.

## KYRGYZ REPUBLIC (KR):

We view the Kyrgyz Republic (KR) as a strategically important market due to its relatively accessible transportation routes. “Monos Foods” JSC has registered 11 types of its food supplement products in the certificate of the state registration of products of the Russian Federation. Also, we have included these products in the certificate of conformity of the Euroasian Union, authorizing the company to sell these products in Russia, Belarus, Kazakhstan, Armenia, and Kyrgyzstan and enabling market penetration in these regions.

- In the first quarter of 2024, 20 types of domestically produced goods were successfully exported under the order of “Lekar” LLC. Subsequently, on 16 April 2024, an official product launch event was organized in the country.
- In the second quarter of 2024, the company received additional orders and delivered the products in the third quarter.
- “Monos Foods” JSC officially registered 11 types of its biologically active products in the certificate of the state registration of products of the Russian Federation.



- In the fourth quarter of 2024, to expand exports in the Eurasian market, the company signed an agreement with "Monos KG", a distribution company of the Kyrgyz Republic, to supply 28 types of products.

Thus, "Monos Foods" JSC has been successfully and consistently supplying its products to the Kyrgyz Republic and expanding its market presence.



# 3

## FINANCIAL REPORT



# FINANCIAL STATEMENTS

in millions of MNT	2023 Audited	2024H Audited	Difference %	Proportion of total assets %	
				2023	2024
<b>ASSETS</b>	77,336.5	58,988.4	-24%	100%	100%
Cash and cash equivalents	27,537.5	2,292.4	-92%	36%	4%
Accounts receivable	3,956.9	5,196.9	31%	5%	9%
SHI receivables	2,174.9	43.7	-98%	3%	0%
Other receivables	155.9	300.5	93%	0%	1%
Inventories	4,944.9	7,806.7	58%	6%	13%
Prepayments	393.1	500.7	27%	1%	1%
Assets held for sale	0.0	1,428.8	-	0%	2%
<b>CURRENT ASSETS</b>	39,163.2	17,569.7	-55%	51%	30%
Property, plant and equipment	37,399.9	38,045.0	2%	48%	64%
Intangible assets	414.0	327.1	-21%	1%	1%
Deferred tax assets	76.1	95.2	25%	0%	0%
Other-non current assets	283.2	2,951.4	942%	0%	5%
<b>NON-CURRENT ASSETS</b>	38,173.3	41,418.7	9%	49%	70%

# FINANCIAL STATEMENTS

in millions of MNT	2023 Audited	2024 Audited	Difference %	Proportion of total assets %	
				2023	2024
<b>LIABILITIES AND EQUITY</b>	77,336.5	58,988.4	-24%	100%	100%
<b>TOTAL LIABILITIES</b>	55,330.3	35,434.9	-36%	72%	60%
<b>CURRENT LIABILITIES</b>	19,484.5	19,392.9	0%	25%	33%
Accounts Payable	1,079.6	1,621.1	50%	1%	3%
Salaries Payable	164.5	605.0	268%	0%	1%
Tax payable	1,688.1	866.6	-49%	2%	1%
SHI payable	151.5	84.4	-44%	0%	0%
Short term loan	15,184.9	14,625.1	-4%	20%	25%
Interest payable	249.5	32.4	-87%	0%	0%
Unearned revenue	48.5	93.7	93%	0%	0%
Resource liabilities	211.0	231.0	9%	0%	0%
Other current liabilities	706.9	1,233.8	75%	1%	2%
<b>NON-CURRENT LIABILITIES</b>	35,845.8	16,042.0	-55%	46%	27%
Long term debt	29,025.6	13,507.4	-53%	38%	23%
Provisions	6,449.5	2,467.6	-62%	8%	4%
Deferred tax liabilities	213.5	0.0	-100%	0%	0%
Other non-current liabilities	157.2	67.0	-57%	0%	0%
<b>EQUITY</b>	22,006.2	23,553.5	7%	28%	40%
Share capital	2,318.2	2,318.2	0%	3%	4%
Additional Paid-in-Capital	6,835.7	6,835.7	0%	9%	12%
Revaluation surplus	2,508.1	0.0	-100%	3%	0%
Retained earnings	10,344.2	14,399.6	39%	13%	24%

# INCOME STATEMENT

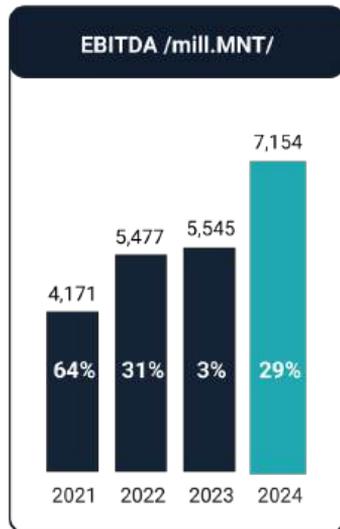
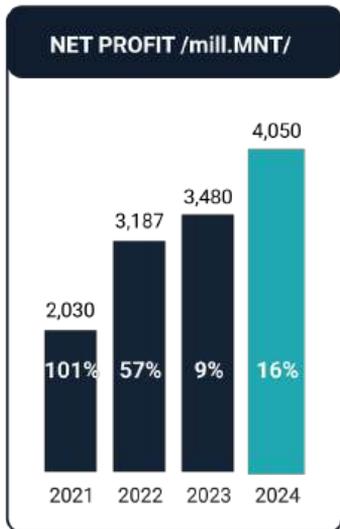
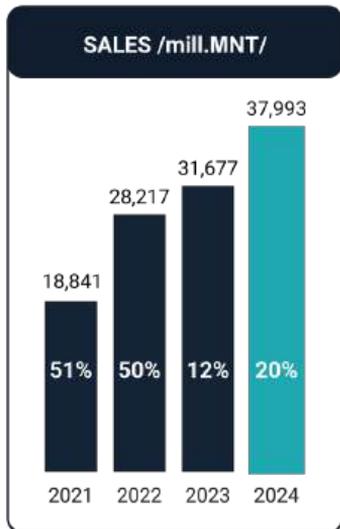
in millions of MNT	2023 Audited	2024 Audited	Difference %
Sales (Net)	31,676.9	37,993.3	20%
Cost of goods sold	17,203.8	19,715.0	15%
<b>GROSS PROFIT</b>	<b>14,473.1</b>	<b>18,278.2</b>	<b>26%</b>
Interest income	11.0	150.5	1265%
Other income	35.5	66.1	86%
Sales and Marketing expenses	6,711.2	8,303.2	24%
General and administrative expenses	3,029.5	4,312.9	42%
Finance cost	635.7	1,022.9	61%
Other expenses	207.9	273.3	31%
Gain/(Loss) on foreign exchange differences	-18.1	-37.2	106%
Gain/(loss) on disposal of items of property, plant and equipments	0.0	17.2	
<b>PROFIT/LOSS BEFORE TAX</b>	<b>3,917.4</b>	<b>4,562.5</b>	<b>16%</b>
Income tax	437.1	511.8	20%
<b>NET PROFIT/LOSS FOR THE YEAR</b>	<b>3,480.3</b>	<b>4,050.7</b>	<b>16%</b>

# FINANCIAL RATIOS

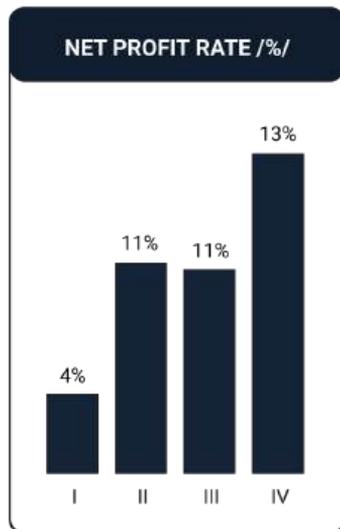
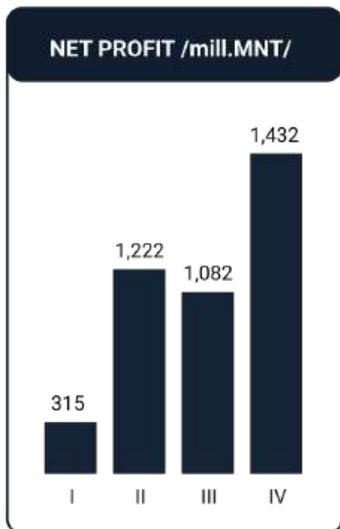
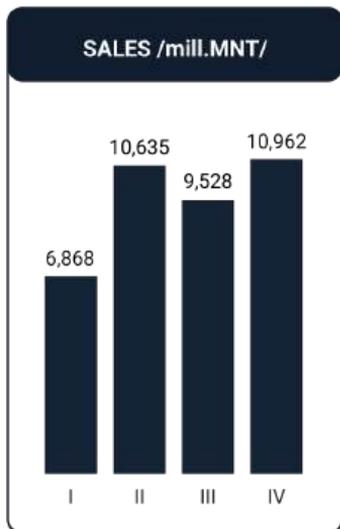
Ratio	2023	2024
<b>I. LIQUIDITY RATIOS</b>		
Current Ratio	2.0	0.9
Quick Ratio	1.8	0.5
<b>II. LEVERAGE RATIOS</b>		
Shareholder Equity ratio	28%	40%
Debt ratio	72%	60%
Debt-to-Equity	251%	150%
Debt-to-EBITDA	7.97	3.93
<b>III. PROFITABILITY RATIOS</b>		
Gross profit margin	44.4%	45.7%
EBITDA margin	17.5%	18.8%
Net income margin	11.0%	10.7%
Return on Assets - ROA	4.5%	6.9%
Return on Equity - ROE	15.8%	17.2%

# KEY INDICATORS

## ANNUAL



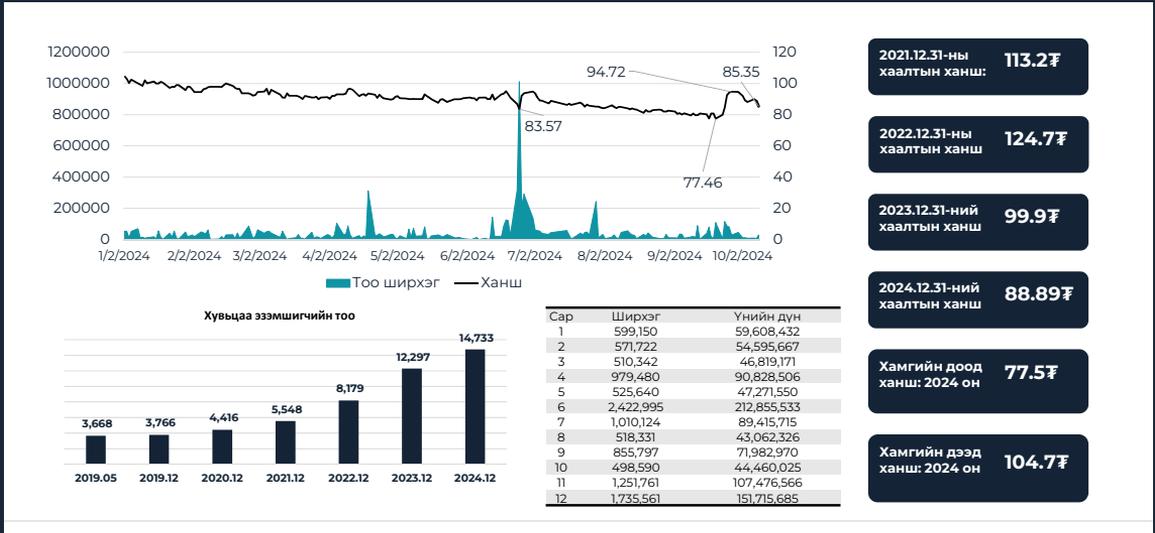
## QUARTER



# STOCK INFORMATION

The secondary market trading of “Monos Foods” JSC’s shares began on 29 February 2024. In 2024, a total of 471.57 million shares, valued at MNT 118.65 billion, were traded.

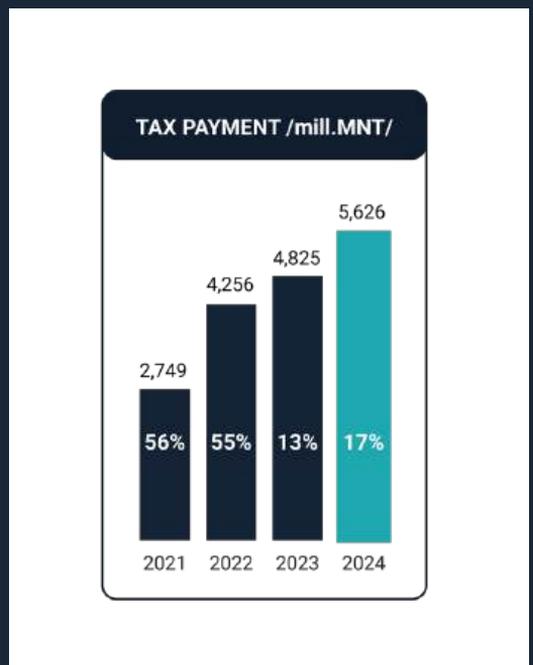
A total of 72.79 million shares, valued at MNT 18.39 billion, were traded in block trade.



# TAX AND INSURANCE INFORMATION

In 2024, “Monos Foods” JSC paid a total of MNT 5,6 billion in taxes, including CIT, VAT, PIT, customs duty, and property tax. Additionally, the company paid MNT 2,3 billion in social insurance contributions and MNT 64 billion in voluntary insurance premiums.

“Monos Foods” JSC’s fulfillment of its tax and social responsibilities demonstrates its significant contribution to the national economy.





# 4

**EVENT HIGHLIGHTS  
OF 2024**

## KEY EVENTS



### **“Tseneg” brand launches new lung-cleansing product**

“Tseneg” brand has expanded its product line by introducing a lung - cleansing supplement to the market. This product is specifically designed to meet the needs of individuals living and working in environments with air pollution, dust, and particulate matter. It is characterized by its natural ingredients, including saffron, licorice root dry extract, Gobi thyme, and dried sea buckthorn seeds and peel.



### **The MFC 2.0 project successfully implemented, tripling production capacity**

In 2024, we successfully implemented the MFC 2.0 integrated factory project, tripling our liquid food production capacity. By incorporating advanced technology and techniques into the new facility, we reduced plastic usage in our “Ecos” health water packaging by 30%, preventing 43 tons of plastic waste.



### **Expanded exports**

We signed the Distribution Agreement with “Monos KG” LLC of the Kyrgyz Republic, enabling us to begin selling 28 types of products in that market.

## KEY EVENTS



### Production quality certified internationally

We have successfully integrated international standards such as ISO 9001:2015 (Quality Management System), FSSC 22000:2018 (Food Safety), and ISO 14001:2015 (Environmental Management) into our production operations, all of which have been certified by the Swiss company SGS. This certification reflects the global recognition of our product and production quality.



### BoD members renewed

The Board of Directors of "Monos Foods" JSC has been renewed, now including five independent members. This enhancement strengthens corporate governance, decision-making transparency, and independent oversight, playing a crucial role in ensuring the company's sustainable growth.



### "Leading Food Manufacturer of Mongolia – 2025"

Our efforts in the food industry have been highly recognized, and we were honored with the "Leading Food Manufacturer of Mongolia" award, marking 2024 as a year of remarkable achievements.

# 5

ACTIVITY REPORT FOR  
2024 OF THE BOD

## GREETINGS FROM THE CHAIRMAN OF THE BOD



., Chairman of the BoD of "Monos Foods" JSC, Chief Executive Officer of Monos Group

### **ANAND KH.**

Dear valued customers and over 14,000 shareholders of "Monos Foods" JSC, a leader in health food production, we extend our warm greetings to you.

Amid numerous social and economic challenges, "Monos Foods" JSC has remained steadfast in its mission, vision, and goals, contributing to our consumers' health and preventive care. In 2024, we achieved many milestones in our development, and we are pleased to share these accomplishments with you.

"Monos Foods" JSC has successfully commissioned the MFC 2.0 integrated factory project, involving an investment of MNT 24 billion. This initiative has tripled

our production capacity, enabling us to deliver our health-focused food products to consumers more efficiently. This marks the second major construction project since our IPO and transition to a publicly traded company.

As our operations and capacity expand, we are focusing on increasing export sales. We have registered our products in Central Asian markets and have begun supplying 28 types of products from 6 brands to the Kyrgyz Republic.

Furthermore, to enhance governance transparency, protect shareholder interests, and ensure the company's sustainable growth, we have restructured the BoD, increasing the number of independent members by two and expanding the number of committees under the BoD from three to four.

The BoD fully supports initiatives aimed at contributing to the Sustainable Development Policy of the Executive Management, promoting environmentally friendly production practices.

We express our heartfelt gratitude to our esteemed consumers, trusted partners, and shareholders who consistently support our efforts and choose our healthy, high-quality products.

## BOARD OF DIRECTORS



**ANAND KH**  
**CHAIRMAN OF THE BOARD**  
CEO of Monos Group ,  
Chairman of the  
Remuneration Committee



**KHURELBAATAR L**  
**BOARD MEMBER**  
Founder of Monos Group,  
Hero of Labor of Mongolia,  
Academician



**OTGONDARI A**  
**BOARD MEMBER**  
CEO of Monos Foods JSC



**SOLONGO KH**  
**BOARD MEMBER**  
COO of Monos Group



**BATTOGTOKH CH**  
**BOARD MEMBER**  
Director of the Biomedical  
Institute at MNUMS



**TSETSEGBADAM TS**  
**BOARD MEMBER**  
CFO of Monos Group



**ZOLJARGAL G**  
**INDEPENDENT BOARD MEMBER**  
COO of Ashid Asset  
Management SC LLC,  
Head of The Audit Risk Committee



**SARANDAVAA M**  
**INDEPENDENT BOARD MEMBER**  
CEO of Power Solution LLC



**ENKHJARGAL D**  
**INDEPENDENT BOARD MEMBER**  
Researcher  
Head of the Nomination  
Committee



**GERELT-OD D**  
**INDEPENDENT BOARD MEMBER**  
CEO of Content Marketing LLC,  
Head of the Strategic Business  
Development Committee



**ULAANKHUU N**  
**INDEPENDENT BOARD MEMBER**  
Economist

## ACTIVITY REPORT FOR 2024 OF THE BOARD OF DIRECTORS OF "MONOS FOODS" JSC

### Composition of the BoD

From 1 January 2024 to 9 September 2024, the BoD operated with 9 members. Following the extraordinary meeting of shareholders held on 9 September 2024, the BoD expanded to 11 members.

During the extraordinary meeting of shareholders held on 9 September 2024, 11 members were elected from a pool of 20 candidates, including 6 regular and 5 independent members.

### BoD meeting activities

In 2024, the BoD held a total of 10 meetings, including in-person, electronic, and external voting formats. Of these, 4 were regular meetings, and 6 were extraordinary meetings, resulting in a total of 17 resolutions.

## BOD COMMITTEES

On 20 April 2024, the annual general meeting of shareholders passed Resolution No. 03, restructuring the BoD committees into four:

- **Remuneration Committee**
- **Nomination Committee**
- **Audit and Risk Committee**
- **Strategy and Business Development Committee.**



## KEY DECISIONS MADE BY THE BOD IN 2024

- At the meeting held in the first quarter of 2024, discussed and resolved matters related to the company's operational and financial reports for 2023, external audit findings, dividend distribution, and the announcement of the annual general meeting of shareholders.
- At the meeting held in the second quarter of 2024, addressed issues related to the company's immovable assets, resolving them in accordance with laws and regulations through decisions made by voting members.
- At the meeting held in the third quarter of 2024, reviewed the company's financial and operational report for the first half of the year, approved the 2024 budget adjustments, and announced the extraordinary meeting of shareholders to discuss the election of the BoD members.
- At the meeting held in the fourth quarter of 2024, the newly elected BoD held its first meeting, appointing the Chairman of the BoD, committee chairs, and the secretary. Additionally, during the regular meeting, the company's Q3 2024 report, 2025 goals and budget, and amendments to the BoD's operational procedures were discussed and approved.

The BoD remains committed to enhancing corporate governance, strengthening management oversight, and consistently implementing policies to protect shareholder rights and interests.



# 6

**SUSTAINABLE  
DEVELOPMENT**



# ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) ACHIEVEMENTS IN 2024

In 2024, “Monos Foods” JSC expanded its environmental, social, and governance (ESG) policies and successfully implemented several major initiatives to support sustainable development.

## ECO-FRIENDLY PRODUCTION

By successfully executing the MFC 2.0 integrated factory project, we reduced plastic usage in “Ecos” water packaging by 30%, preventing 43 tons of plastic waste. Additionally, we revamped the packaging for “Enkhjin” tea, cutting plastic use by 90% and paper use by 30%, thereby avoiding 8 tons of waste annually.

We have increased the production of eco-friendly “thin-packaged” products and promoted the responsible use of resources.

## SOCIAL RESPONSIBILITY AND EMPLOYEE DEVELOPMENT

In 2024, we created 22 new jobs and provided training and development programs for over 260 employees to build a highly skilled team.

“Monos Foods” JSC prioritizes the health and safety of its employees, continuously improving working conditions in this regard.





## **INTERNATIONAL STANDARDS AND RESPONSIBLE BUSINESS PRACTICES**

To minimize environmental impact, we successfully implemented international standards such as ISO 14001 (Environmental Management), ISO 9001 (Quality Management System), FSSC 22000 (Food Safety), and ISO 17025 (Laboratory Competence), all certified by the Swiss company SGS.

We adhere to policies that integrate green financing and sustainable development principles into our business operations

## **ENERGY EFFICIENCY AND WATER CONSERVATION**

**We introduced solar energy for facility lighting, reducing energy consumption and greenhouse gas emissions.**

**We utilized gray water for domestic use, cleaning services, and irrigation of the company's green spaces, thereby reducing the consumption of clean water.**

**In 2024, we consistently worked as a company that values environmental responsibility, social accountability, and governance transparency. Moving forward, we will further expand these policies and continue to prioritize sustainable development as our primary goal.**





## **HEAD OFFICE:**

Monos Food JSC Head office, 32/3 Songolongiin Zam road, Industrial West Zone, Bayangol District 20 khoroo, Ulaanbaatar, 16103, Mongolia

## **SALES & MARKETING DEPARTMENT:**

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