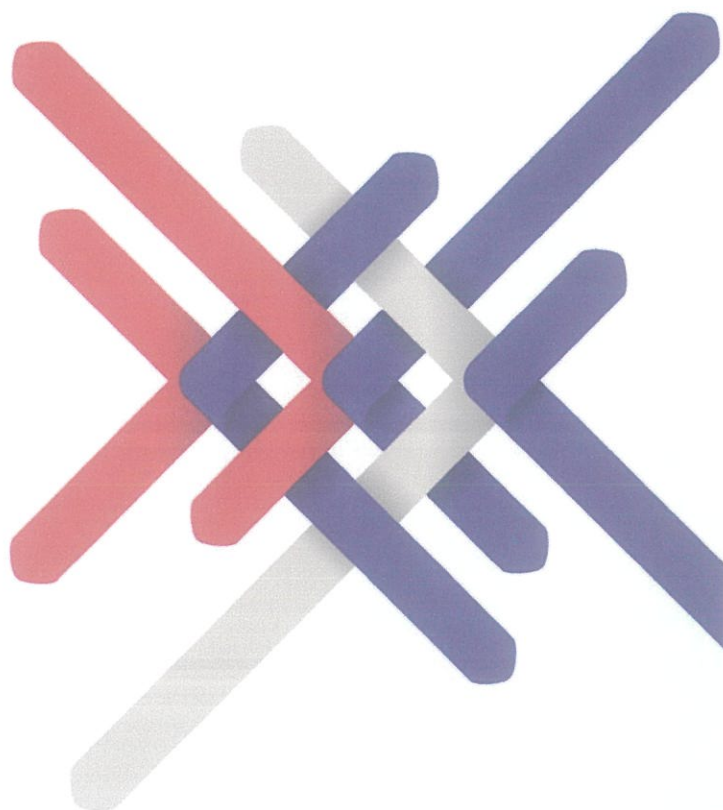


Financial Statements and Independent Auditor's Report

Bodi Insurance JCS

31 December 2024



Corporate information

Name of organization:	Bodi Insurance JSC	
Founding Decision:	The company was initially established on February 5, 1995.	
Board of Directors:	Chairman	B. Bilegt
	Member	B. Boldkhuyag
	Member	G. Saruul
	Member	Sh. Sukhbaatar
	Member	Sh. Bejid
	Member	D. Dayanbilguun
	Independent Member	B. Bujinkham
	Independent Member	E. Byambajav
	Independent Member	L. Banzragch
Management team:	Chief Executive Officer	A. Enkhjargal
	Chief Operating Officer	M. Munkhbaatar
	Reinsurance Director	B. Khudertulga
	Insurance Director	B. Odgerel
	Director of Reporting and Planning Department	M. Byambatseren
	Director of Accounting Department	N. Sansartuya
Address	Mongolia, Ulaanbaatar, Chingeltei District, Baga Toirog-3, Bodi Tower	
Registration number:	2088606	
Principal activity:	General Insurance Operations	
Number of Employees:	154	
Auditor:	Grant Thornton Audit LLC - Professional firm specializing in assurance, tax and advisory services	

Management Representation Letter

Management is responsible for the preparation and fair presentation of the Company's financial statements for the year ended December 31, 2024, and for the related statements of financial performance, cash flows, and changes in equity for the same period, in accordance with International Financial Reporting Standards (IFRS).

In the preparation of the financial statements, management has fulfilled the following responsibilities, which include:

- Selecting and applying appropriate accounting policies, making reasonable accounting estimates and assumptions, and ensuring adherence to all pertinent accounting standards.
- Taking necessary measures to safeguard the company's assets and to detect and prevent any instances of fraud or misconduct.
- Preparing the financial statements on a going concern basis.
- Constantly reviewing and disclosing potential litigation, claims, or contingencies arising from past events or that may result in future losses.

We, the Chairman of the Board of Directors of "Bodi Insurance" JSC, B. Bilegt, the Chief Executive Officer, A. Enkhjargal, and the Head of the Reporting and Planning Department, M. Byambatseren, hereby state that the accompanying financial statements of the Company, presented on pages 8 to 14 of this report, fairly present, in all material respects, the Company's financial position as at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the instructions and regulations approved by the Minister of Finance.

Chairman of the
Board of Directors
B. Bilegt

Date:



Chief Executive
Officer
A. Enkhjargal

Date:

Head of the Reporting
and Planning Department
M. Byambatseren

Date:

Independent Auditor's Report

Grant Thornton Audit LLC
Dalai Tower, UNESCO street,
Sukhbaatar District-1,
Ulaanbaatar 14230,
Mongolia
T + 97670 110744

To shareholders of Bodi Insurance JSC:

Opinion

We have audited the financial statements (hereinafter referred to as the "financial statements") of "Bodi Insurance" JSC (hereinafter referred to as the "Company"), which comprise the statements as at December 31, 2024, including:

- Statement of financial position,
- Statement of comprehensive income,
- Statement of changes in equity,
- Statement of cash flows,
- A summary of significant accounting policies, and
- Material accounting policy information and notes to the financial statements

In our opinion, the financial position of "Bodi Insurance" JSC as at December 31, 2024, and its financial performance and cash flows for the year then ended are presented fairly, in all material respects, in accordance with International Financial Reporting Standards and the instructions and regulations approved by the Minister of Finance.

Basis of 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.

Independence

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") together with the ethical requirements that are relevant to our audit of the financial statements as stated in the Code of Ethics for Professional Accountants of Mongolia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of audit approaches

Key audit matters	<ul style="list-style-type: none"> The Company operates in the insurance industry and uses significant actuarial estimates in determining its insurance reserves, which we identified as a key audit matter.
Materiality	<ul style="list-style-type: none"> The total materiality used in the audit of the financial statements was 686,966.0 thousand MNT, and performance materiality was set at 75% of total materiality, amounting to 515,224.5 thousand MNT. The Company has selected insurance premium revenue as a material key performance indicator, as it aims to increase this revenue by fostering long-term institutional client relationships, thereby strengthening its market reputation and position. Profit before tax is also a key metric that financial statement users focus on.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on each matter.

Key audit matters	Auditors' Response
Insurance Reserves and Calculation Methodology To determine the accuracy and completeness of the data, information requirements, calculations, methodology, and reporting of insurance reserves, as well as an appropriate solvency ratio. The calculation of insurance reserves is considered a key audit matter due to the significant management judgment and major assumptions involved	Audit Procedures Performed: Our audit procedures to assess whether the insurance reserves were adequately established in accordance with the Mongolian Financial Regulatory Commission (FRC) Resolution No. 02 of 2019 approving the "Regulations on the Formation, Utilization, and Supervision of Insurance Reserves, Mandatory Insurance Funds, and Other Funds" (Appendix Three of the "Insurance Package Regulations") and FRC Resolution No. 559 of 2023 on the "Solvency Requirements for Insurers and Procedures for Monitoring Them" included the following: <ul style="list-style-type: none"> Assessing the data and information requirements for insurance reserves. Evaluating the calculation methods and methodologies used, and the accuracy and completeness of the reporting. Examining whether the types, terms, conditions, valuation, premiums, and registration of insurance contracts concluded with policyholders complied with relevant rules, regulations, laws legislation, and standards, and we recalculated the actuarial valuation of the insurance reserves.

Emphasis of matter

"Bodi Daatgal" JSC has prepared and presented its financial statements in accordance with the instructions, forms, and methodologies approved by the Minister of Finance's Order No. 132 dated July 7, 2020, "On Approving the Accounting Guidelines, Chart of Accounts, Financial Statement Forms, Disclosures, and Methodologies for Insurance Companies."

These guidelines are based on the fundamental accounting principles stipulated in IFRS and the Law on Accounting, providing standard account entries. For items not specifically covered in the guidelines, the Company is required to develop and apply a comprehensive accounting policy document and detailed chart of accounts that fully comply with relevant IFRS provisions and applicable laws, rules, and regulations in Mongolia.

The Company consistently adheres to the insurance package regulations approved and issued by the Financial Regulatory Commission in the preparation of its financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the instructions and regulations issued by the Minister of Finance. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation 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.

Auditor's responsibilities regarding fraud and other non-compliant acts

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.

The Company consistently adheres to the insurance package regulations approved and issued by the Financial Regulatory Commission in the preparation of its financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended 31 December 2024, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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Auditor's responsibilities regarding fraud and other non-compliant acts

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the company for the purpose of expressing an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit of the company. We remain solely responsible for our audit opinion..

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.

We have communicated to those charged with governance that we have complied with relevant ethical requirements regarding independence, and we have also communicated all relationships and other matters, including related safeguards where applicable, that in our professional judgment may reasonably be thought to bear on our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Regarding Solvency

As at December 31, 2024, the Company's solvency ratio was at Level Two, which is considered adequate (2023: Level Two), in accordance with Section 2.19 of the "Solvency Requirements for Insurers and Procedures for Monitoring Them" approved by Appendix to the Financial Regulatory Commission Resolution No. 559 of 2023. This indicates that the Company has complied with the requirements of this regulation.

Restriction on the Use of the Auditor's Report

This report is intended solely for the shareholders of the Company in accordance with Article 94 of the Law on Companies and should not be used by other parties. We do not accept any responsibility to any third party in respect of this report.

The engagement partner on the audit resulting in this independent auditor's report is N. Erdenetsog.



B. OSORGARAV
MANAGING PARTNER
Date: _____



N. ERDENETSOG
ENGAGEMENT PARTNER
Date: _____

Statement of financial position

In thousand MNT	Note	Balance as of 31 December 2024	Balance as of December 2023 (Restated)	Balance as of 1 January 2023 (Restated)
Assets				
Current assets				
Cash and cash equivalent	6	748,483	247,377	860,397
Insurance receivables	7	3,597,009	3,143,407	4,659,871
Other financial assets	8	1,427,254	1,457,650	1,932,402
Other non-financial assets	9	1,545,826	324,489	1,983,973
Investments	10	22,442,334	18,690,510	14,794,369
Insurance assets	11	8,367,884	5,845,689	5,760,095
Total current assets		38,128,790	29,709,122	29,991,107
Non-current assets				
Property and equipment (net)	12	2,060,081	2,118,402	1,323,720
Intangible assets (net)	13	200,180	125,225	53,310
Investment property		-	371,280	-
Right-of-use assets	14	1,238,618	-	-
Total non-current assets		3,498,879	2,614,907	1,377,030
Total assets		41,627,669	32,324,029	31,368,137
LIABILITY AND EQUITY				
Liabilities				
Insurance payables	15	2,512,511	646,305	1,702,168
Other financial liabilities	16.1	525,634	901,453	391,220
Other non-financial liabilities	16.2	1,151,186	1,015,569	945,426
Financial lease payments	15.1	1,262,807	-	-
Unearned fee reserve	17	14,615,422	12,593,694	15,249,316
Compensation reserve fund	18	9,117,710	6,476,198	4,186,344
Total liabilities		29,185,270	21,633,219	22,474,474

Statement of financial position

(continued. . .)

In thousand MNT	Note	Balance as of 31 December 2024	Balance as of December 2023 (Restated)	Balance as of 1 January 2023 (Restated)
Equity	19			
Ordinary shares	19.1	5,882,975	5,882,975	5,882,975
Treasury shares		(277,898)	(277,898)	(944,861)
Additional paid-in capital		1,986,510	1,986,510	2,153,309
Changes in asset revaluation	19.3	(163,652)	(20,280)	(445,999)
Retained earnings		5,014,464	3,078,943	2,248,239
Total equity		12,442,399	10,690,810	8,893,663
Total liabilities and equity		41,627,669	32,324,029	31,368,137

This financial statements were apporeved on March.....2025:


A. Enkhjargal
CEO



M. Byambatseren
Head of the Reporting and Planning Department

Statement of comprehensive income

In thousand MNT	Note	2024.12.31	2023.12.31 (restated)
Insurance operations			
Gross insurance premium income		32,117,857	28,989,607
Insurance premium returns	20.1	(753,783)	(775,374)
Reinsurance premium expenses		(9,192,676)	(6,147,002)
Net insurance premium income		22,171,398	22,067,231
Changes in unearned premium reserves	20.1	(2,021,728)	2,655,622
Changes in deferred reinsurance premiums		727,101	(85,763)
Premium recognized in revenue		20,876,771	24,637,090
Total claims paid		(11,168,246)	(14,611,704)
Reinsurer's share of claims/compensation	20.1	2,402,880	2,677,498
Claims recoverable from liable parties		91,050	94,950
Net claims expense		(8,674,316)	(11,839,256)
Changes in claims reserves		(1,059,538)	(2,155,052)
Changes in reinsurer's share of claims reserves	20.1	614,441	450,347
Changes in reserves for potential losses		(446,284)	(134,801)
Claims recognized as expenses		(9,565,697)	(13,678,762)
Insurance contract expenses	20.2	(2,922,192)	(3,564,228)
Reinsurance premium income	20.3	1,819,890	1,237,330
Investment income and gains	20.4	2,915,290	1,100,959
Profit (loss) from insurance operations		13,124,062	9,732,389
Interest and fee income	22.3	50,292	25,366
Other profit	21.1	175,683	111,883
General and administrative expenses	22.1	(4,869,786)	(3,869,040)
Sales and marketing expenses	22.1	(4,713,422)	(4,087,228)
Financial income and expenses	22.3	(85,252)	(54,025)
Other expenses	22.4	(645,615)	(215,367)
Foreign exchange gains (losses)	21.2	(22,371)	(62,985)
Gains (losses) on disposal of tangible and intangible assets	21.3	(63,019)	8,606
Other profit (loss)		(10,173,490)	(8,142,790)
Profit (loss) before tax		2,950,572	1,589,599

in thousand MNT	Note	2024.12.31	2023.12.31 (restated)
Income tax expense	23	(409,549)	(235,046)
Deferred tax benefit		18,393	-
Profit after tax		2,559,416	1,354,553
Other comprehensive income			
Differences arising from investment revaluation		(183,932)	466,279
Total other comprehensive income		(183,932)	466,279
Total comprehensive income		2,375,484	1,820,832
Earnings per share		0.011	0.006

Notes to the consolidated financial statements
For the year ended 31 December 2024 (expressed in thousand MNT unless otherwise specified)

Statement of changes in equity

In thousand MNT	Equity	Treasury shares	Additional paid-in capital	Changes in asset revaluation	Retained Earnings	Total
Balance of 31 December 2022	5,882,975	(944,861)	2,153,309	(445,999)	2,056,253	8,701,677
Effect of changes in accounting policies and error corrections	-	-	-	-	(331,863)	(331,863)
Balance of 31 December 2022 (Restated)	5,882,975	(944,861)	2,153,309	(445,999)	1,724,390	8,369,814
Effect of changes in accounting policies and error corrections	-	-	-	-	-	-
Adjusted balance	5,882,975	(944,861)	2,153,309	(445,999)	1,724,390	8,369,814
Net profit (loss) for the reporting period	-	-	-	-	1,354,553	1,354,553
Changes in equity	-	666,963	(166,799)	-	-	500,164
Revaluation	-	-	-	419,651	46,628	466,279
Balance of 31 December 2023 (Restated)	5,882,975	(277,898)	1,986,510	(26,348)	3,125,571	10,690,810
Effect of changes in accounting policies and error corrections	-	-	-	-	-	-
Net profit (loss) for the reporting period	-	-	-	-	2,559,416	2,559,416
Dividends	-	-	-	-	(623,895)	(623,895)
Revaluation increase	-	-	-	(165,539)	(18,393)	(183,932)
Balance of 31 December 2024 (Restated)	5,882,975	(277,898)	1,986,510	(191,887)	5,042,699	12,442,399

The accompanying notes on pages 15 to 51 form an integral part of this statement of changes in equity.

Statement of cash flows

In thousand MNT	2024	2023
Cash flows from operating activities		
Total cash inflow	34,423,076	27,177,385
Insurance premium income	31,073,349	25,620,997
Reinsurance claims/compensation	-	206,114
Money received from insurance recoveries	3,019,799	-
Other cash flows	329,928	1,350,274
Total cash outflow	31,412,035	27,888,014
Paid to employees	2,873,359	2,436,990
Paid to social insurance authority	842,289	703,517
Acquisition of inventory	1,090	206,553
Paid for utilities	23,442	468,393
Reinsurance premiums paid to reinsurers	3,978,328	4,677,864
Paid for insurance indemnity	14,714,259	14,534,721
Of which: For voluntary insurance	11,299,311	10,847,566
For mandatory insurance	3,414,948	3,687,155
Payments for insurance refunds and cancellations	325,248	-
Insurance agent commission	2,466,961	1,948,002
Payments to insurance brokers	-	944,940
Payments to insurance claims adjusters	-	65,308
Payments for fuel, transportation, and spare parts	37,659	53,959
Interest payments	28,009	36,743
Payments to tax authorities	680,963	852,455
Insurance premium payments	-	198,621
Other cash outflows	5,440,428	759,948
Net cash flow from operating activities	3,011,041	(710,629)
Cash flow from Investing activities		
Total cash inflow	18,207,607	2,856,720
Proceeds from sales of property and equipment	325,510	466,565
Proceeds from sale of investment	17,831,592	1,528,591
Interest received	50,505	837,392
Dividends received	-	24,172

Statement of cash flows

(continued. . .)

In thousand MNT	2024	2023
Total cash outflow	19,174,500	3,145,244
Payments for acquisition of fixed assets	8,500	957,633
Payments for acquisition of intangible assets	-	69,370
Payments for acquisition of investments	19,166,000	2,117,991
Loans and advances provided to others	-	250
Net cash flow from investing activities	(966,893)	(288,524)
Cash flow from financing activities		
Total cash inflow	2,618,837	1,265,163
Received from loan, securities issued	-	770,000
Proceeds from issuance of shares and other equity securities	2,618,837	495,163
Total cash outflow	4,157,842	879,030
Loan, securities payments	3,148,752	783,740
Payments for financial lease obligations	-	95,290
Dividends paid	1,009,090	-
Net cash flow from investing activities	(1,539,005)	386,133
Foreign exchange differences	(4,037)	-
Total net cash flows	501,106	(613,020)
Balance cash and cash equivalents at the beginning of the year	247,377	860,397
Balance cash and cash equivalents at the end of the year	748,483	247,377

The accompanying notes on pages 15 to 51 are an integral part of this statement of cash flows.