

**Annual operational report /Form 1/**

*Article 20 of the Securities Market Law stipulates the ongoing obligations of the issuer, and the issuer is responsible for submitting annual operational report to the Financial Regulatory Commission and the exchange in accordance with the below form, and shall disclose to the public through its website.*

<i>Reporting period</i>	From January 1 <sup>st</sup> 2023 to December 31 <sup>st</sup> 2023
<i>Issuer's name, state registration certificate number, securities symbol, phone number</i>	"BDSec UTsK" JSC Register number: 2052482 State registration number: 9010001030 Security code: 522, BDS Phone: 7555-1919
<i>Name of listed exchange</i>	Mongolian Stock Exchange
<i>Sector of business operation</i>	- Underwriter, broker and dealer activities - Investment advisory service activities
<i>Name and date of registration of the audit firm registered with the FRC that issued an audit opinion on the year-end financial statements</i>	"Panther Midland Audit" LLC 2021
<i>Total number of shares issued by the issuer</i>	13,694,883 shares
<i>Names of the specialist who prepared and the official who reviewed the annual report</i>	Prepared by: Dulguun S. /Information Officer/ Confirmed by: Lkhagvadorj B. /CEO/

	<i>Financial statement for the reporting period /fill out the summary report indicators and attach the financial statement/</i>	
1.	<i>Balance sheet</i>	<b>Annual financial statement is attached. /Appendix No. 1/</b>
	<i>Income statement</i>	
	<i>Statements of retained earnings</i>	
	<i>Cash flow statement</i>	
1.1.	<i>Audit report on annual financial statement</i>	
	<p>"Panther Midland Audit" LLC has performed an external audit on consolidated financial statement of "BDSec UTsK" JSC and its subsidiaries, including a consolidated statement of financial position, a consolidated statement of profit and loss and other comprehensive income at the end of the year, a consolidated statement of changes in equity, a consolidated cash flow statement, and other accounting policies, and submitted a "No violation" opinion.</p> <p>Audit report is attached.</p>	

1.2.	<i>Audit opinion letter /the opinion letter must be developed within the context of the content mentioned in this instruction/</i>		
	– Audit report is attached.		
2.	<i>A brief description of factors affecting the issuer's financial condition and results of operations during the reporting period, as well as the management's assessment and the measures to be taken in the future.</i>		
2.1.	<i>Operational performance /Financial ratios /</i>	Return on assets /ROA/	2.58%
		Return on equity /ROE/	7.59%
		Earnings per share /EPS/	84.78₮
		Price to earnings ratio (P/E Ratio)	18.28
2.2.	<i>Liquidity ratios and financial resources</i>	Profitability	23.83%
		Current ratio	13.02
		Financial leverage	1.83
		Debt ratio	0.66
		Capital adequacy ratio /for an underwriting company/	120.20
2.3.	<i>The external and internal factors affecting the operations of the issuer, its market share in the operating industry, changes or developments in the range of products and services, and measures planned to be taken by the issuer in response to changes and development.</i>	<p><b>- Brokerage activities</b></p> <p>In 2023, the company has opened more than 20,000 securities accounts of foreign and domestic clients within the framework of brokerage operations and enlarged its customer base. Also, in recent years, especially since the post-pandemic period, the interest of customers to online services has increased, and due the improvement of the online system and platform, trading activity has been continuously increasing, and a total of MNT 389.2 billion transactions were made during the reporting period, reflecting an increase of 87.3% compared to the previous year.</p> <p>As of the reporting period, "BDSec UTsK" JSC was the leader in trading activity among the MSE member security companies, performing 26.8%, or MNT 389.2 billion, of the total trades on MSE.</p> <p><b>- Underwriting activities</b></p> <p>Within the framework of underwriting activities, " BDBSec UTsK " JSC worked as an underwriter in the IPO and Green Bond program of KHAN Bank, the closed bonds of "Munkhiin Useg" LLC on OTC market. The company has successfully raised an aggregate value of MNT 203.4 billion from the market.</p>	

		<p>Moreover, during the reporting period, the company worked on the research level of more than 10 projects, and received permission for the IPO of "National Double Insurance" JSC and the "Ulaanbaatar Bond" public issuance.</p> <p><b>- Investment advisory service activities</b></p> <p>Within the scope of advisory services, the company organized the Annual General Meeting of shareholders of 9 companies, including "KHAN Bank" JSC, "APU" JSC, "Bogd Bank" JSC, "Bod Daatgal" JSC, etc., gave consultations, developed and distributed advertisement templates, and cooperated on resolution proposals.</p> <p>Also, the <a href="http://www.agm.mn">www.agm.mn</a> system for organizing general and extraordinary shareholders' meetings of joint-stock companies online has been improved, and it has been updated so that authentication is carried out using the e-Mongolia system and the HUR DAN system, and the above-mentioned joint-stock company meetings have been successfully organized online.</p> <p><b>- Mining Products Exchange broker activities</b></p> <p>The company has approved to operate as a "trading intermediary (broker) of the Mining Products Exchange" at the extraordinary meeting of shareholders on July 24, 2023.</p> <p>Within the framework of this decision, the relevant materials were prepared, and then, per decision of the Financial Regulatory Commission dated October 25, 2023, "Special license to operate as a trading intermediary (broker) of the Mining Products Exchange" was granted, as well as "Membership of Mining Products Exchange intermediary (broker)" per decision of the Mongolian Stock Exchange dated November 27, 2023.</p>
2.4.	<i>Details of off-balance sheet transactions and information on accounting policies</i>	<ul style="list-style-type: none"> <li>- No transactions and activity recorded outside of the report during the reporting period.</li> </ul>
2.5.	<i>Information on loan repayment which received during the reporting period,</i>	-

	<i>and loan pledges and guarantees;</i>																																																													
3.	<p><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 / all conflicts of interest transactions made during the reporting period shall be included/</i></p> <ul style="list-style-type: none"> <li>- No transactions with conflict of interest during the reporting period.</li> </ul>																																																													
5.	<p><i>Information related to corporate governance</i></p> <p>Since 2008, management representatives of the large companies and investors from the USA, Turkey, and Japan have been elected as members of the Board of Directors.</p> <p>The company's Board of Directors has 9 members and operates for 1 year-term. The current members of the Board of Directors were elected at the annual general meeting of shareholders on April 26, 2022.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Name</th> <th>Position</th> <th>Position in BoD</th> <th>Management Certificate Number</th> <th>Number of shares owned by members of the BoD</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dayanbilguun D.</td> <td>"BDSec UTsK" JSC President, Chairnam of BoD</td> <td>Chairman</td> <td>0420034</td> <td>465,436</td> </tr> <tr> <td>2</td> <td>Lkhagvadorj B.</td> <td>"BDSec UTsK" JSC CEO</td> <td>Regular member</td> <td>0420027</td> <td>2,377,150</td> </tr> <tr> <td>3</td> <td>Batgerel N.</td> <td>"BDSec UTsK" JSC First Deputy Director</td> <td>Regular member</td> <td>00048</td> <td>338,014</td> </tr> <tr> <td>4</td> <td>Uluc Bingol</td> <td>Impera Capital Co., Ltd Director</td> <td>Regular member</td> <td>0430584</td> <td>-</td> </tr> <tr> <td>5</td> <td>Uranbaigal O.</td> <td>"BDSec UTsK" JSC Back-office department, Vice President</td> <td>Regular member</td> <td>0430673</td> <td>881</td> </tr> <tr> <td>6</td> <td>Hitoshi Tani</td> <td>Exe Group, President</td> <td>Independent member</td> <td>0420036</td> <td>-</td> </tr> <tr> <td>7</td> <td>Tuya M.</td> <td>"Shildeg" school, founder, Chairwoman of BoD</td> <td>Independent member</td> <td>-</td> <td>-</td> </tr> <tr> <td>8</td> <td>Amgalanbayar D.</td> <td>MSM LLC, administrative specialist</td> <td>Independent member</td> <td>0430105</td> <td>332,129</td> </tr> <tr> <td>9</td> <td>Enkhbayar B.</td> <td>Sanaa Exe LLC, CEO</td> <td>Independent member</td> <td>0520013</td> <td>100</td> </tr> </tbody> </table>		No	Name	Position	Position in BoD	Management Certificate Number	Number of shares owned by members of the BoD	1	Dayanbilguun D.	"BDSec UTsK" JSC President, Chairnam of BoD	Chairman	0420034	465,436	2	Lkhagvadorj B.	"BDSec UTsK" JSC CEO	Regular member	0420027	2,377,150	3	Batgerel N.	"BDSec UTsK" JSC First Deputy Director	Regular member	00048	338,014	4	Uluc Bingol	Impera Capital Co., Ltd Director	Regular member	0430584	-	5	Uranbaigal O.	"BDSec UTsK" JSC Back-office department, Vice President	Regular member	0430673	881	6	Hitoshi Tani	Exe Group, President	Independent member	0420036	-	7	Tuya M.	"Shildeg" school, founder, Chairwoman of BoD	Independent member	-	-	8	Amgalanbayar D.	MSM LLC, administrative specialist	Independent member	0430105	332,129	9	Enkhbayar B.	Sanaa Exe LLC, CEO	Independent member	0520013	100
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At the meeting of the Board of Directors on July 3, 2023, temporary committees under the Board of Directors were appointed with the following composition. It includes:

*Nomination committee:*

Head:	Lkhagvadorj B.	Regular member
Members:	Uluc Bingol	Regular member
	Enkhbayar B.	Independent member

*Audit committee:*

Head:	Amgalanbayar D.	Independent member
Members:	Tuya M.	Independent member
	Uranbaigal O.	Regular member

*Compensation committee:*

Head:	Batgerel N.	Regular member
Members:	Hitoshi Tani	Independent member
	Amgalanbayar D.	Independent member

Company management team information:

No	Name	Position	Years worked in the company
1	Lkhagvadorj B.	"BDSec UTsK" JSC CEO	25
2	Batgerel N.	"BDSec UTsK" JSC First Deputy Director	25
3	Onon B.	"BDSec UTsK" JSC Deputy Director of Trade	5
4	Uranbaigal O.	Back-office department, Vice President	14
5	Damdinsuren S.	IT department, Vice President	14
6	Dulguun S.	Client department, Vice President	5
7	Purevsuren B.	Internal affairs manager	25

6. *Information on market risks*

As for the domestic capital market, the government's policy support is relatively favorable for market participants. However, due to the uncertainty in the domestic market, there are risks of losing customers in some segments of the service and not being able to attract them to the domestic market.

7. *Information of shareholders ownership /names of shareholders with ownership of 5 or more percentage of total shares, and number of total shareholders/*

Information of shareholders owning more than 5 percent of the company /influential shareholders/:

No	Name	Ownership
1	Zwahr Alexander	24.73%
2	Dayanbilguun D.	17.45%
3	Tasgan Invest LLC	15.32%
4	Mongolian Master Management LLC	8.87%
5	Impera Mongolia Holding Co., Ltd	6.25%

8. *If the issuer has issued shares to the public for the purpose of implementing a project, a report on the progress of project implementation and the use of funds raised during the period from the start of the project to its completion.*

- No additional shares were issued for project implementation during the reporting period.

9. Dividend information

- Per Resolution No. 23/01 of the Board of Directors, dated February 19, 2023, it was decided not to distribute dividends based on the results of the company's financial statements of 2022.

10. Information on the report of activities carried out by the issuer in the field of social responsibility during the reporting period

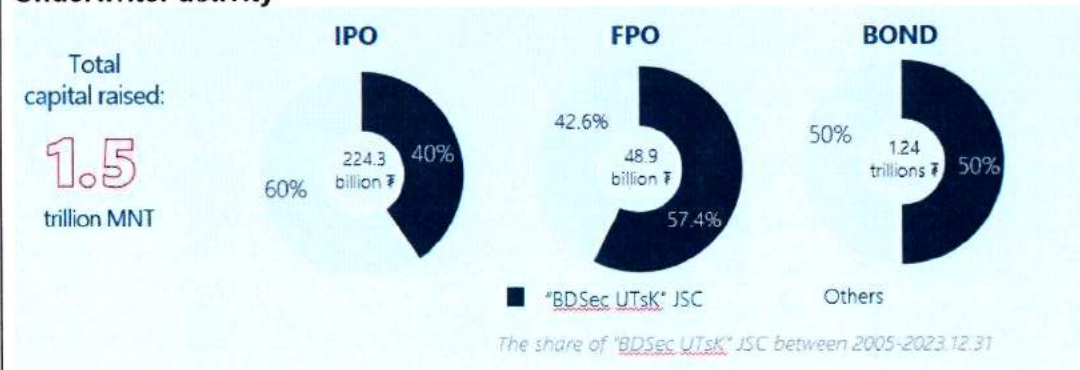
Highlights of 2023



Brokerage activity



Underwriter activity





**ХААН БАНК**  
Initial Public Offering - IPO  
**183.4**  
billion MNT



**ХААН БАНК**  
Mongolia's first green bond program - Phase I  
**17.0**  
billion MNT



**Уламтгай**  
IPO permission for the first Mongolian municipal bond.  
**500.0**  
up to billion MNT



**Mongolian Re**  
IPO approval was obtained from the committee.  
**11.5**  
billion MNT

### Investment advisory service activity

#### GENERAL :



"BD Sec UTsk" JSC



"APU" JSC



"Bogd Bank" JSC



"Bodi Insurance" JSC



"Govin Undur" JSC



"Bayanteeg" JSC



"E-Trans Logistics" JSC



"Erdene Resource Development" JSC

#### EXTRAORDINARY:



"KHAN Bank" JSC



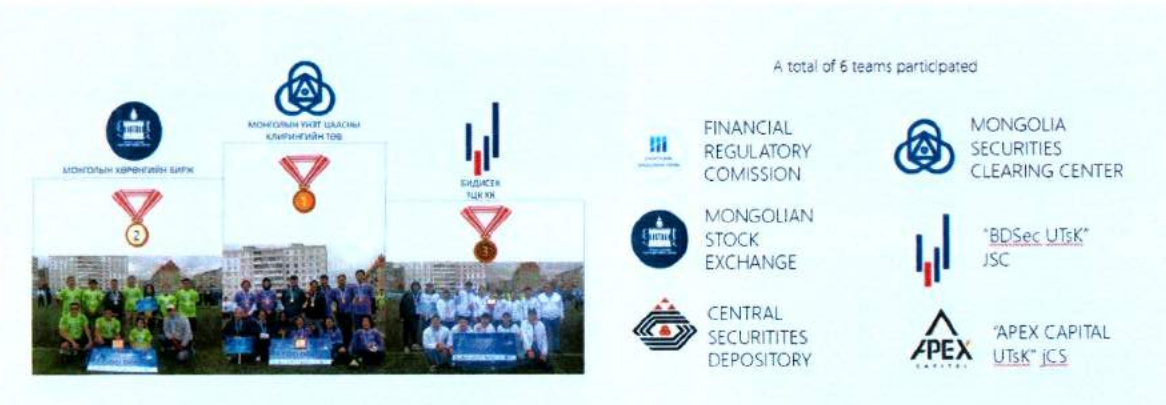
"Munkh Jim" JSC

### 2023 financial indicators

	2022	2023	Change
<b>ASSETS</b>	<b>37,570,404,803</b>	<b>45,027,297,444</b>	<b>19.8%</b>
Current Assets	33,097,030,186	40,653,032,653	22.8%
Cash and cash equivalent	2,660,936,354	2,898,220,700	8.9%
Financial assets	26,172,741,305	34,042,464,947	30.1%
Accounts receivable	4,263,352,527	3,712,347,006	-12.9%
Fixed Assets	4,473,374,617	4,374,264,791	-2.2%
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>37,570,404,803</b>	<b>45,027,297,444</b>	<b>19.8%</b>
Total liabilities	23,427,505,432	29,723,264,383	26.9%
Total shareholders' equity	14,142,899,371	15,304,033,061	8.2%

Every year, within the framework of social responsibility, the company traditionally organizes the "BDS Cup" competition between the capital market participants.

For 2023, more than 70 athletes from 6 organizations participating in the capital market took part in the competition and tested their speed and agility.



Signature of the person who prepared the information, the person who confirmed the accuracy of the information and the date:

Full name: Lkhagvadorj B.

Position: "BDSec UTsK" JSC's CEO

Signature: .....



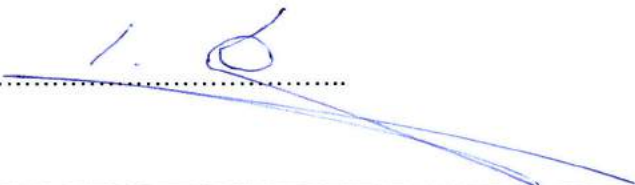
(Stamp)

Signature of the person who prepared and submitted the information and the date:

Full name: Dulguun S.

Position: "BDSec UTsK" JSC's Information Officer

Signature: .....





Date : 2024.03.12

No 24/09

## INDEPENDENT AUDITOR'S REPORT

### "BDSEC UTsK" JSC TO SHAREHOLDERS

#### Summary

We have consolidated financial statements, including consolidated financial statements as of December 31, 2023, consolidated year-end profit, loss and other comprehensive income statements, consolidated equity changes statement, consolidated cash flow statement and summary of significant accounting policies. "BDSec UTsK" JSC and its subsidiary "BDCAP" LLC and "Ikh Chinggis Khaan Khomrug" LLC audited their consolidated financial statements.

In our view, the consolidated financial statements are the financial position of "BDSec UTsK" JSC as at 31 December 2023, as well as the income, results of changes in equity and cash flows for the year ended at that date. In accordance with the International Financial Reporting Standards, the Ministry of Finance of Mongolia and the Financial Regulatory Commission have issued guidelines and procedures.

This conclusion is valid with the attached financial statements and notes on pages 12-29.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Key audit issues

It is determined that there are no major audit issues that would affect our report.

#### Other information

The company prepares the annual operating report after receiving the audited consolidated financial statements and discussing them at the shareholders' meeting. As the management informed us of the submission of the annual report after receiving the audited consolidated report, we did not need to report on it during the audit.

## **Management and Governance Responsibilities of All Shareholders Regarding Financial Reporting**

In addition to being responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, management is responsible for such internal controls as are determined to be essential to the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue in accordance with the principle of continuity of its consolidated financial statements, except in the event of insolvency or termination of operations that is responsible for applying the basics.

The company's management is responsible for overseeing the consolidation process.

### **Responsibilities of auditor the Financial Statements**

Our objective is to obtain the best possible assurance as to whether the consolidated financial statements have been prepared as a whole and are free from material misstatement, whether due to fraud or error, and to prepare an auditor's report expressing our opinion. While best possible assurance is a high level of assurance, an audit performed in accordance with IAS does not guarantee that every misstatement that exists will always be detected. Misstatements may arise due to fraud or error and, individually or in the aggregate, may affect the economic decisions of users based on the financial statements.

In accordance with IAS, we provided professional solutions throughout the audit, following a professional disbelief approach. We also did the following:

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, identified and implemented audit procedures to address those risks, and obtained sufficient audit evidence to provide a basis for an opinion. There is a risk that material misstatements due to fraud, such as fraud, including fraud, forgery, willful omissions, or the failure or distortion of internal controls, are not solely due to a single error.
- An understanding of the company's internal control system was obtained to develop an appropriate audit procedure, but it was not intended to provide an opinion on the effectiveness of internal control.
- Assessed the appropriateness of accounting policies used by the company, calculations and disclosures made by management.
- If we believe there is a material uncertainty about the company's ability to continue as a going concern, we will focus on the relevant disclosures in the financial statements. If this is not adequately addressed in the relevant disclosures, we will change our audit opinion. Our audit opinion is based on audit evidence up to the date of the auditor's report. Therefore, circumstances may arise in the future that affect the company's ability to continue as a going concern.
- We have reviewed the structure, content, presentation and disclosures of the consolidated financial statements in their entirety to evaluate whether the financial statements present fairly the transactions and events.
- We have obtained sufficient appropriate audit evidence related to the financial information of the entities and business operations of the companies to form an opinion on the consolidated financial statements.

We communicated with governance regarding the scope and timing of the audit, other relevant matters, as well as significant audit issues and internal control weaknesses identified during the audit.

We have also communicated to governance the relevant ethical requirements regarding auditor independence and discussed any communications, safeguards and other matters that may affect our independence.

Based on our communication with management, we identified the matters we considered most significant in our audit of the consolidated financial statements for the reporting period and considered them to be key audit matters. We disclose audit matters in our auditor's report except those matters that are prohibited by law because disclosure to the public may have negative consequences.

#### About the nominal account

"BDSec UtsK" JSC has an account of USD 452644001 in TDB, USD 1105391344 in Golomt Bank, MNT 1105057130 in Golomt Bank, and USD 8160011183 in Bogd Bank. When verifying the customer's cash flow report of the nominal account by checking the bank statement and the primary documents and each account through cash, the Financial Regulatory Commission's "Procedures for the Special Permit to Engage in Regulated Activities in the Securities Market", the organization's "Customer's Cash Settlement and Transaction Procedures" and is kept accurately within the framework of other relevant laws and regulations.

#### Use of reports

This report has been prepared for the use of the shareholders of "BDSec UTsK" JSC in accordance with Article 94 of the Company Law, and we do not bear any responsibility to any other third party for the content of this report.

  
"Panther Midland Audit" LLC  
Executive Director Ts. Altantsetseg  


**STATEMENT OF FINANCIAL POSITION**

**"BDSec UTsK " JSC**

(MNT)

Account names	1/1/2023	12/31/2023
<b>PROPERTY</b>		
<b>Non-current Assets</b>		
Cash and cash equivalents	2,660,936,353.93	2,898,220,700.29
Accounts receivable	3,127,553,537.25	2,480,091,489.23
Other receivables	241,913,068.02	663,586,404.43
Other financial assets	26,172,741,305.45	34,042,464,947.26
Receivables from related parties	760,826,678.04	124,707,512.67
Prepaid expenses/bills	133,059,243.46	443,961,599.46
<b>Amount of non-current assets</b>	<b>33,097,030,186.15</b>	<b>40,653,032,653.34</b>
<b>Current assets</b>		
Fixed assets	4,381,510,296.20	4,286,593,093.38
Intangible assets	40,864,320.60	36,671,697.21
Long term investment	51,000,000.00	51,000,000.00
<b>Amount of working capital</b>	<b>4,473,374,616.80</b>	<b>4,374,264,790.59</b>
<b>NET WORTH</b>	<b>37,570,404,802.95</b>	<b>45,027,297,443.93</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Short-term liabilities</b>		
Accounts payable	1,156,799,486.23	1,567,061,210.71
Payment of wages	40,409,163.52	68,449,673.74
Income tax liability	166,845.07	34,545,907.63
Accounts Payable of Personal income tax	20,865,477.25	31,161,930.12
Payables of the NPC	3,469,200.00	0.00
VAT payable	939,882.18	1,272,238.52
Prepaid income	477,871.19	477,871.18
Bills Payable	377,938,477.04	0.00
Assets (Liabilities)	41,084,649.00	41,084,649.00
Other short-term liabilities	999,831,700.91	0.01
Other payables /Nominal/	168,584,869.68	615,306,696.09
Payment interest	0.00	2,597,980.80
Payment of health insurance premiums	24,438,131.88	33,769,802.93
<b>Amount of short-term liabilities</b>	<b>2,835,005,753.95</b>	<b>2,395,727,960.73</b>
<b>Long-term liabilities</b>		
Long term loan	20,592,499,677.94	27,327,536,422.46
<b>Amount of long-term liabilities</b>	<b>20,592,499,677.94</b>	<b>27,327,536,422.46</b>
<b>Total liabilities</b>	<b>23,427,505,431.89</b>	<b>29,723,264,383.19</b>
<b>Property of owners</b>		
Property: - state	0.00	0.00
- personal	1,369,488,300.00	0.00
- stock	0.00	9,326,763,118.32
Pocket stock	0.00	
Additional paid-in capital	7,957,309,291.00	34,472.68
Capital revaluation surplus	3,824,524,382.82	3,824,524,382.82
Foreign currency translation reserve	0.00	
Other parts of the owners' property	(600,193,925.70)	(600,193,925.70)
Retained Earnings (Loss)	1,591,771,322.94	2,752,905,012.62
<b>Amount of owners' equity</b>	<b>14,142,899,371.06</b>	<b>15,304,033,060.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,570,404,802.95</b>	<b>45,027,297,443.93</b>

*These are the notes on pages 12-29  
and an integral part of financial statements*

**DETAILED STATEMENT OF AUDITED INCOME**  
**"BDSEC UTsK" JSC**

(MNT)

No	Indicator	Previous year	Reporting year
<b>INCOME FROM PRINCIPAL ACTIVITIES</b>			
<b>1.1.1</b>	<b>Operating income:</b>	<b>2,467,961,884.26</b>	<b>4,873,387,264.97</b>
1.1.1.1	Brokerage operations	209,782,656.24	1,677,612,491.78
1.1.1.2	Underwriting activities	1,844,881,146.17	784,616,211.50
1.1.1.3	Investment management and investment consulting services	20,716,112.92	40,750,000.00
1.1.1.4	Net income from securities trading	392,581,968.93	2,286,270,394.08
1.1.1.5	Dealer Operating Income	0.00	84,138,167.61
<b>1.1.2</b>	<b>Investment income</b>	<b>995,780,700.00</b>	<b>476,893,322.03</b>
1.1.2.1	Interest income from corporate bonds	544,518,046.92	0.00
1.1.2.2	Dividend income	149,583,739.36	109,711,735.73
1.1.2.3	Other income	141,531,542.80	169,710,946.66
1.1.2.4	Rental income	160,147,370.92	197,470,639.64
1.1.2.5	Payment interest	0.00	1,460,648,306.75
<b>AMOUNT OF INCOME FROM PRINCIPAL ACTIVITIES</b>		<b>3,463,742,584.26</b>	<b>6,810,928,893.75</b>
<b>1.3</b>	<b>Total profit loss/</b>	<b>3,463,742,584.26</b>	<b>6,810,928,893.75</b>
<b>1.4</b>	<b>Operating /sales and general management/ expenses</b>		
1.4.1	Basic and additional salary	996,306,126.50	1,408,554,546.50
1.4.2	Social security contributions	123,947,781.87	175,278,716.50
1.4.3	Maintenance costs	142,162,351.91	82,226,304.55
1.4.4	Operating expenses / Internet, rent/	114,450,735.92	117,674,352.99
1.4.5	Training costs	7,139,000.00	6,142,000.00
1.4.6	Mission expenses	5,261,659.00	61,643,125.93
1.4.7	Stationery costs	44,951,160.00	45,777,919.38
1.4.8	Transportation costs	540,500.00	0.00
1.4.9	Fuel costs	24,179,647.00	24,771,376.00
1.4.10	Cost of material supplies	0.00	0.00
1.4.11	Depreciation cost	157,739,709.28	155,002,107.31
1.4.12	Advertising costs	88,082,917.25	173,591,130.00
1.4.13	Postal costs	30,733,794.22	81,192,735.48
1.4.14	Interest expense	1,147,185,685.19	0.00
1.4.15	Cost of cross-examination	14,485,350.00	15,009,021.00
1.4.16	Security guard costs	22,932,000.00	27,107,359.60
1.4.17	Insurance costs	2,151,890.00	3,810,834.00
1.4.18	Securities trading costs	444,323,103.00	556,129,911.48
1.4.19	Cost of the ceremony	39,929,167.84	39,974,504.00
1.4.20	Newspaper and magazine subscription costs	148,000.00	10,367,824.00
1.4.21	Rental costs	7,580,000.00	14,280,000.00
1.4.22	Other financial expenses	15,050,000.00	0.00
1.4.23	Costs of contributions and fees MDB	33,112,957.40	587,660,594.48
1.4.24	Expenses of contributions and fees	11,323,185.98	421,899,699.92
1.4.25	Cost of contributions and fees FRC	6,669,167.64	16,816,848.00
	<i>Membership fees</i>	19,800,000.00	36,989,999.91
1.4.26	Other fees	92,403,308.09	140,871,241.94
<b>1.4.32</b>	<b>Amount of operating expenses</b>	<b>3,592,589,198.09</b>	<b>4,202,772,152.97</b>
<b>1.5</b>	<b>Operating profit (loss)</b>	<b>(128,846,613.83)</b>	<b>2,608,156,740.78</b>
<b>2</b>	<b>Profit (loss) from non-core activities</b>	<b>0.00</b>	<b>0.00</b>
2.1.1	<b>Profit (Loss) of Penalties and Discounts</b>	<b>0.00</b>	<b>0.00</b>
2.1.6	Income from sale of fixed assets	15,812,500.29	0.00

2.1.7	Exchange rate loss	(983,985,467.65)	240,416,321.09
2.1.8	Gains (losses) on exchange rate changes	(13,353,206.17)	32,302,711.71
2.1.10	Equity Valuation Equation Gain	(2,232,184,089.07)	457,620,216.12
2.1.12	Financial costs	0.00	2,040,641,887.58
2.1.13	Donation costs	(1,800,000.00)	0.00
2.1.14	Other cost	0.00	11,598,548.91
2.2	Amount of profit/loss of non-core activities/	<b>(3,215,510,262.60)</b>	<b>1,321,901,187.57</b>
3	<b>Profit before tax</b>	<b>(3,344,356,876.43)</b>	<b>1,286,255,553.21</b>
3.1	<b>Income tax expense</b>	151,758.81	125,121,863.53
4	<b>Profit / loss after tax</b>	<b>(3,344,508,635.24)</b>	<b>1,161,133,689.68</b>
4.1	<b>Minority share</b>	0.00	0.00
5	<b>Normal operating profit/loss/</b>	<b>(3,344,508,635.24)</b>	<b>1,161,133,689.68</b>
5.1	<b>Special features (net)</b>	0.00	0.00
6.0	<b>Net result for the reporting period</b>	<b>(3,344,508,635.24)</b>	<b>1,161,133,689.68</b>

*These are the notes on pages 12-29  
and an integral part of financial statements*

## STATEMENT OF CASH FLOWS

"BDSEC UTsK" JSC

(MNT)

Indicator	Amount of previous year	Amount of the reporting year
<b>Cash flow from operating activities</b>		
Amount of cash income (+)	3,659,612,946.55	7,044,396,111.36
Income from the sale of goods and services	3,659,015,210.51	6,753,252,854.44
Compensation from the insurance	0.00	2,776,596.00
Other cash income	597,736.04	288,366,660.92
Amount of money spent (-)	10,678,919,535.02	(15,895,336,307.40)
Paid to employees	(895,380,935.38)	(1,045,015,964.37)
Paid to Social Security	(233,954,081.54)	(309,201,606.64)
Paid for the purchase of inventory	13,530,701,941.31	(10,749,830,088.09)
Paid for operating expenses	(100,987,985.97)	(160,422,732.38)
Paid for fuel, transportation and spare parts	(4,204,061.00)	(24,966,937.00)
Paid for interest	(747,394,340.52)	(1,584,817,156.82)
Paid to the tax authorities	(220,555,911.58)	(157,177,734.79)
Paid for insurance	(2,151,890.00)	(3,810,834.00)
Other monetary expenses	(647,153,200.30)	(1,860,093,253.31)
<b>Amount of net cash flow from operating activities</b>	<b>14,338,532,481.57</b>	<b>(8,850,940,196.04)</b>
<b>Cash flows from investing activities</b>		
	0.00	0.00
Amount of cash income (+)	4,420,145,106.10	12,337,302,162.24
Income from sale of fixed assets	9,700,000.00	0.00
Income from sale of other long-term assets	4,410,445,106.10	11,160,929,191.87
Refunds of loans and cash advances made to others	0.00	1,176,372,970.37
Amount of money spent (-)	16,932,582,619.00	(3,749,956,159.58)
Paid for acquiring fixed assets	48,286,049.00	(56,441,372.00)
Paid to acquire intangible assets	16,848,897,834.75	0.00
Loans and cash advances to others	35,398,735.25	(3,693,514,787.58)
<b>Amount of net cash flow from investing activities</b>	<b>(12,512,437,512.90)</b>	<b>8,587,346,002.66</b>
<b>Cash flow from financing activities</b>		
Amount of cash income (+)	25,842,856,386.89	80,855,664,139.04
Received from loans and debt securities issued	11,575,850,591.66	26,270,907,484.58
Received from the issuance of shares and other equity securities	14,241,567,082.11	0.00
Other cash income	27,238,713.12	54,584,756,654.46
Various donations	(1,800,000.00)	0.00
Amount of money spent (-)	26,782,100,787.44	(80,354,785,599.30)
Paid for loans and debt securities	11,185,249,067.05	(5,366,363,291.10)
Paid for finance leases	0.00	(14,943,575,791.55)
Paid to buy back shares	14,992,553,969.58	(13,027,303,844.78)
Dividends paid	597,216,660.00	0.00
Other expenses	24,717.22	(46,741,912,663.33)
Loss on exchange rate difference	7,056,373.59	(275,630,008.54)
<b>Amount of net cash flow from financing activities</b>	<b>(939,244,400.55)</b>	<b>500,878,539.74</b>
<b>ALL NET CASH TRANSACTIONS</b>	<b>886,850,568.12</b>	<b>237,284,346.36</b>
<b>Initial balance of cash and cash equivalents</b>	<b>1,774,085,785.81</b>	<b>2,660,936,353.93</b>
<b>Closing balance of cash and cash equivalents</b>	<b>2,660,936,353.93</b>	<b>2,898,220,700.29</b>

*These are the notes on pages 12-29  
an integral part of financial statements*

**AUDITED STATEMENT OF CHANGES IN EQUITY**

**"BDSEC\_UTSK" JSC**

(MNT)

Indicator	Equity capital	Revaluation Reserve	Additional paid-in capital	Other parts of the owner's property	Accumulated profit	Total
<b>Balance as of December 31, 2021</b>	<b>1,369,488,300.00</b>	<b>3,824,524,382.82</b>	<b>7,957,309,291.00</b>	<b>(600,193,925.70)</b>	<b>0.00</b>	<b>12,551,128,048.12</b>
Effect of changes in accounting policies and correction of errors	0.00	0.00	0.00	0.00	0.00	0.00
<b>Corrected Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Net profit (loss) for the reporting period	0.00	0.00	0.00	0.00	1,591,771,322.94	1,591,771,322.94
Other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00
Changes in ownership	0.00	0.00	0.00	0.00	0.00	0.00
Dividend declared	0.00	0.00	0.00	0.00	0.00	0.00
Realized amount of revaluation increment	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as of December 31, 2022</b>	<b>1,369,488,300.00</b>	<b>3,824,524,382.82</b>	<b>7,957,309,291.00</b>	<b>(600,193,925.70)</b>	<b>1,591,771,322.94</b>	<b>14,142,899,371.06</b>
Effect of changes in accounting policies and correction of errors	0.00	0.00	0.00	0.00	0.00	0.00
<b>Corrected Balance</b>	<b>1,369,488,300.00</b>	<b>3,824,524,382.82</b>	<b>7,957,309,291.00</b>	<b>(600,193,925.70)</b>	<b>1,591,771,322.94</b>	<b>14,142,899,371.06</b>
Net profit (loss) for the reporting period	0.00	0.00	0.00	0.00	1,161,133,689.68	1,161,133,689.68
Other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00
Changes in ownership	7,957,274,818.32	0.00	(7,957,274,818.32)	0.00	0.00	0.00
Dividend declared	0.00	0.00	0.00	0.00	0.00	0.00
Realized amount of revaluation increment	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance as of December 31, 2023</b>	<b>9,326,763,118.32</b>	<b>3,824,524,382.82</b>	<b>34,472.68</b>	<b>(600,193,925.70)</b>	<b>2,752,905,012.62</b>	<b>15,304,033,060.74</b>

*These are the notes on pages 12-29 and an integral part of financial statements.*