



2022 HALF-YEARLY OPERATIONAL REPORT

Stronger. Together.

Report Content

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Management letter

Management letter



Dear Esteemed Shareholders of Ard Financial Group!

It is with great responsibility and privilege that I present to you the latest updates on the company's performance, entrusted as I am to lead our organization during a period of exceptional global and local challenges. Over the past year, we have navigated through some of the most adverse conditions in our operational environment. These include disruptions in global supply chains triggered by the COVID-19 pandemic and inflationary pressures arising from the ongoing Russia-Ukraine conflict. Consequently, Mongolia's inflation rate surged to 16%, while the Mongolian Tugrik depreciated by over 10% against the US Dollar, reaching 3,150 MNT. The Central Bank of Mongolia responded by increasing its policy interest rate from 6% to 10%. Furthermore, border closures disrupted Mongolia's exports of raw materials to its key trading partner, China, leading to significant supply chain inefficiencies.

In parallel, the so-called "crypto winter" has exerted downward pressure on the cryptocurrency market, with Bitcoin reaching its lowest price in over a year and major players in the industry encountering severe liquidity challenges. These external factors have had a profound impact on our operations. The share prices of Ard's subsidiaries declined by 50-75% year-on-year, and the value of ArdCoin experienced a precipitous drop of up to 95%, from 475 MNT.

Are these trends unique to Ard? Will they persist? To provide context, Tesla's share price has declined by 60%, Coinbase has depreciated by 85% since its IPO, and Bitcoin has fallen by 77%. Similarly, the TOP 20 Index of the Mongolian Stock Exchange contracted by 25%.

Amidst these challenges, Ard Financial Group has remained steadfast in ensuring business continuity while implementing adaptive measures. We have optimized our organizational structure by streamlining our workforce and reorganizing the management team. This included establishing new functional roles, expanding responsibilities for certain members of the management team, and integrating subsidiaries into clusters to enhance management and operational efficiency.

We are also pursuing additional structural adjustments across the Group. Concurrently, we are consolidating the operations of specific subsidiaries and advancing efforts to list several companies on UBX through initial public offerings (IPOs). Despite market volatility, Ard-related securities continue to dominate trading activity on the Mongolian Stock Exchange. Notably, the AARD stock price has grown 1.2 times compared to two years ago, reaching 3,300 MNT—a testament to our solid underlying performance. Similarly, ArdCoin, which was valued at 1 MNT 18 months ago, achieved a significant milestone by reaching 20 MNT by the end of 2021, in line with our strategic objectives.

Our efforts to strengthen the companies within our portfolio continue unabated. For instance, Tenger Television has successfully launched its operations and has rapidly gained public recognition, reflecting the ongoing expansion of TengerLig Media Group. DAX has undergone a rebranding to become iDAX, and in June, it submitted an application for registration as a Virtual Asset Service Provider. UBX is actively developing its inaugural IPO project, while Investor Nation, our first open-end fund, has successfully registered its prospectus with the Financial Regulatory Commission and received approval to issue units on the primary market.

Our commitment to navigating these challenging times while delivering value to our shareholders remains unwavering. Thank you for your continued trust and confidence in Ard Financial Group.

Management letter

We continue to work diligently to meet our financial obligations, managing bond payments, deferred investment obligations, tax liabilities, and other commitments professionally.

- A delegation was sent to the Microfinance Center Conference held in Istanbul, Turkey, in June, and we are expecting tangible results in terms of new financing and investors this year.
- After a two-year hiatus, we sponsored the Mongolian Economic Forum 2022 and remain steadfast in our advocacy for pension reform.
- Shareholders of Crypto Nation JSC approved the transfer of its operations to UBX.
- The open NFT marketplace was launched on ard.art.
- Our decentralized finance project, ArdMoney, continues to progress, with its decentralized exchange (DEX) component launched in June.
- During the Investor Nation conference, traditionally held in Ulaanbaatar, we organized the annual shareholder meeting.
- The Investor Nation documentary premiered in May.
- Ard Financial Group, Ard Insurance, and Ard Credit distributed 2021 dividends to their shareholders.
- We entered into an agreement to support The HU, the globally acclaimed Mongolian rock band, in hosting their first concert in the metaverse, with the Ard ecosystem serving as the platform for this innovative project.
- We successfully launched SCOPA, a fintech project focused on supply chain solutions, along with its Good Platform.
- Ard Insurance achieved a record-breaking MNT 12 billion in premium revenue during the first half of the year.
- Ard Credit's loan portfolio reached MNT 42 billion.
- Ard Assets has maintained its steady growth.

In the next six months, we anticipate key challenges. Liquidity constraints remain tight, making cash flow management critical—cash will be king.

We plan to

- Transfer the DAX platform to UBX and restructure it into a crowdfunding and/or security token trading platform.
- Release the fifth version of the Ard App by the end of this year.
- Stabilize operations of the Investor Nation Open-End Fund in the upcoming quarter.

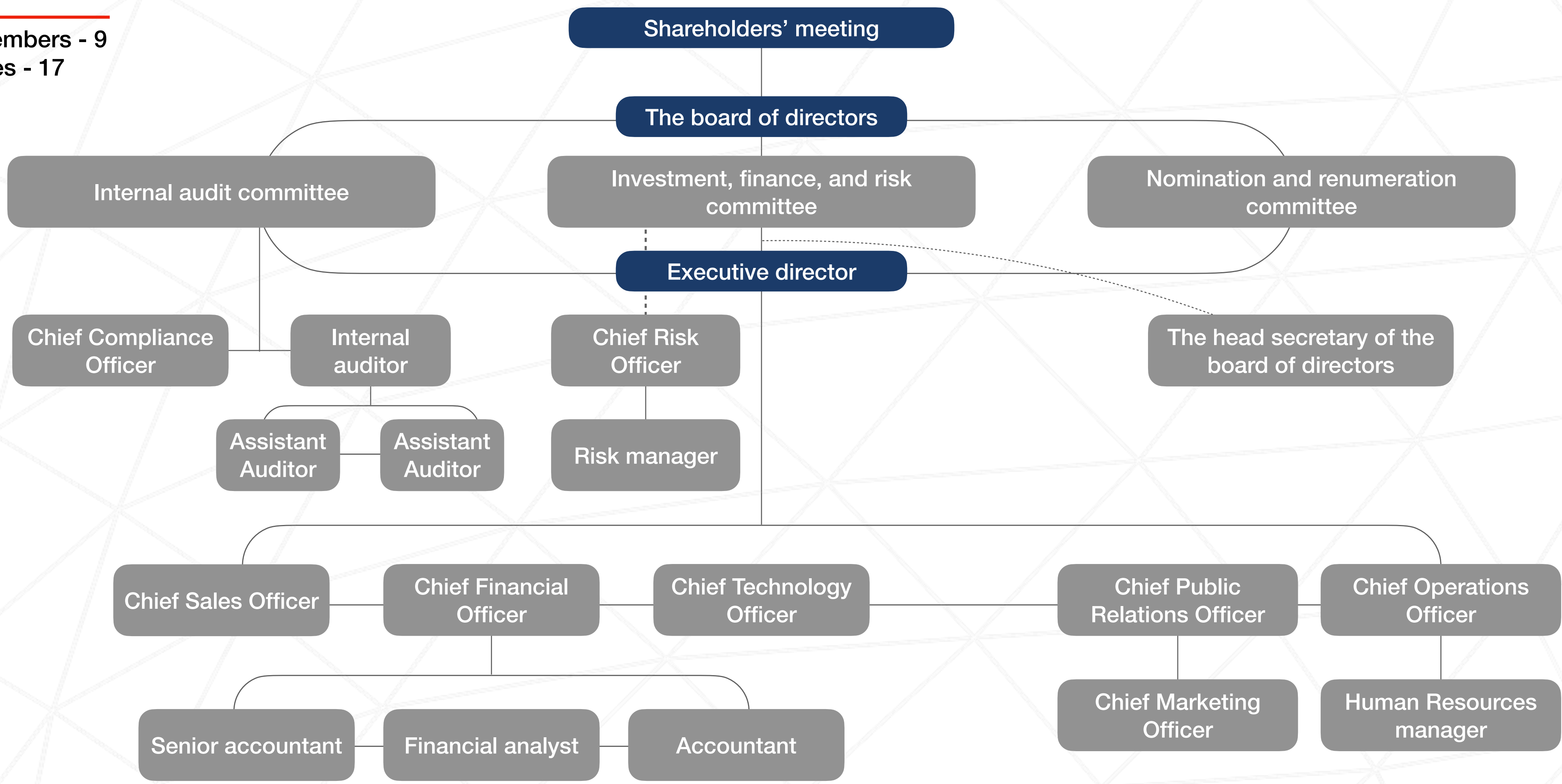
Sincerely,

Ganhuyag Chuluun Hutagt, The CEO of Ard Financial Group JSC

Company structure

Company structure

Board members - 9
Employees - 17



Management team

Board of Directors

Ordinary members



Ganhuyag Chuluun
Executive Director,
Ard Financial Group



Bruno Raschle
Vice president,
Schroder Adveq



Suhdorj Avir
Founder,
GrapeCity Mongolia, MOST Fintech



Odbayar Odonchimed
Board member,
Ard Insurance

Chairman of the BoD



Batbayar Purevjargal
Chairman of the BoD,
Ard Financial Group

Independent members



Sergelen Munh-Ochir
Director,
Mongol Koosen College of Technology



Mihail Zeldovich
Chairman of the Supervisory Board,
Cocoon Capital



Munhbat Chuluun
President,
SouthGobi Sands



Arno Ventura
Managing Partner,
Gojo Company

Management team



Ganhuyag Chuluun
Chief Executive Officer



Zolboo Batbileg
Chief Financial Officer



Altangunii Jargalan
Chief Politics and Public
Relations Officer



Oyuttsetsen Baysaihan
Chief Risk Officer



Amarbold Otgonbayar
Chief Sales Officer



Anar-Erdene Suhbaatar
Chief Compliance Officer



Munh-Erdene Munhbat
Internal auditor



Bayarmagnai Erdenebat
Chief Technology Officer

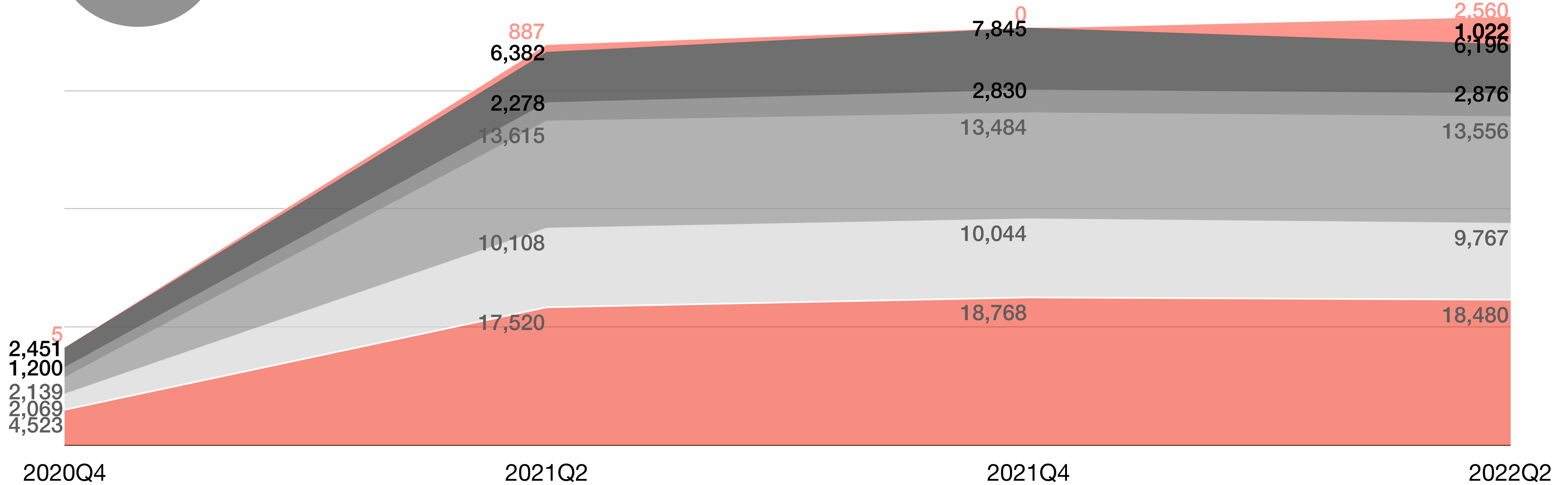
SHAREHOLDERS'S STRUCTURE

#	Shareholder	2021 Q2	Ownership	2021 Q4	Ownership	2022 Q2	Ownership	YTD	YTD %
1	EIT	4,586,973	16.0%	4,212,438	14.7%	3,745,605	13.1%	(466,833)	(11.1%)
2	Ardx	891,569	3.1%	1,057,697	3.7%	1,076,380	3.8%	18,683	1.8%
3	Ard Pension Account	2,139,994	7.5%	2,204,781	7.7%	2,166,340	7.6%	(38,441)	(1.7%)
4	Bruno Raschle	2,104,592	7.4%	2,104,592	7.4%	2,106,396	7.4%	1,804	0.1%
5	A. Suhdorj	568,266	2.0%	1,226,377	4.3%	1,941,591	6.8%	715,214	58.3%
6	Ard Holdings International	1,599,616	5.6%	1,470,419	5.1%	1,454,202	5.1%	(16,217)	(1.1%)
7	G. Uyanga	1,346,936	4.7%	1,381,936	4.8%	1,385,113	4.8%	3,177	0.2%
8	Ch. Ganhuyag	1,349,513	4.7%	1,368,264	4.8%	1,384,948	4.8%	16,684	1.2%
9	Ard Leasing		0.0%	803,072	2.8%	836,453	2.9%	33,381	4.2%
10	Ard Securities	1,076,316	3.8%	962,620	3.4%	529,578	1.9%	(433,042)	(45.0%)
11	N. Munhnasan	603,401	2.1%	603,401	2.1%	486,401	1.7%	(117,000)	(19.4%)
12	S. Gereltuya	455,935	1.6%	455,935	1.6%	455,935	1.6%	0	
13	Ronoc Limited	479,111	1.7%	479,111	1.7%	443,816	1.6%	(35,295)	(7.4%)
14	Ard Insurance	411,455	1.4%	411,455	1.4%	406,850	1.4%	(4,605)	(1.1%)
15	S. Orgil	283,800	1.0%	283,800	1.0%	390,680	1.4%	106,880	37.7%
Top 15 Shareholders		17,897,477	62.5%	19,025,898	66.5%	18,810,288	65.7%	(215,610)	(1.1%)
Other Shareholders		10,716,786	37.5%	9,588,365	33.5%	9,803,975	34.3%	215,610	2.2%
Total Outstanding Shares		28,614,263	100.0%	28,614,263	100.0%	28,614,263	100.0%		
Shareholders Count		17,520		18,793		18,480		(313)	(1.7%)
ARDT Shareholders Count		7,673		6,591		6,596		5	0.1%

SHAREHOLDERS

TOTAL
54,457

6,592 **ARDT** holders at DAX



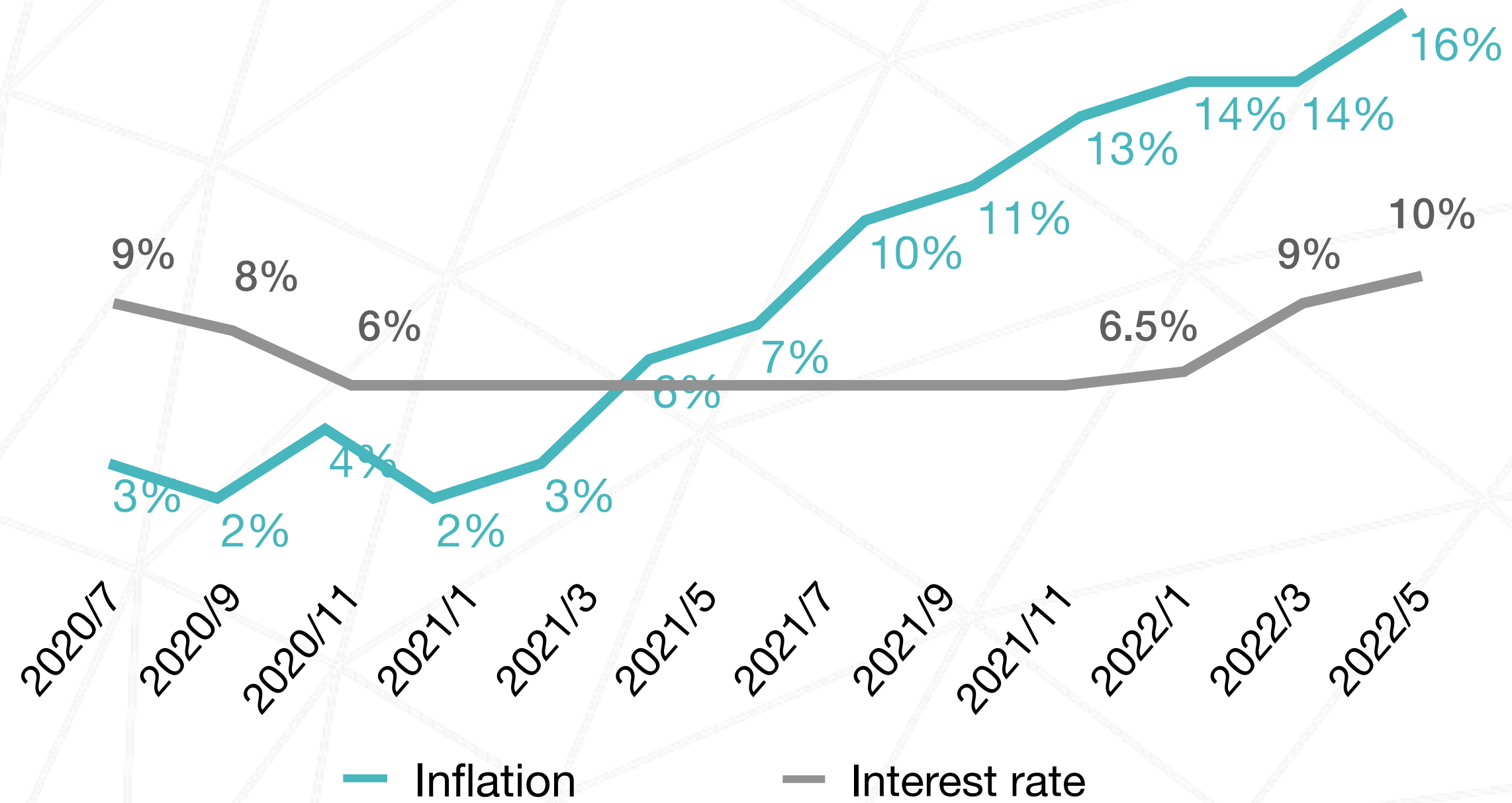
■ AARD
 ■ AIC
 ■ ADB
 ■ MNP
 ■ XOC
 ■ BUN
 ■ TNGR

Stronger. Together.

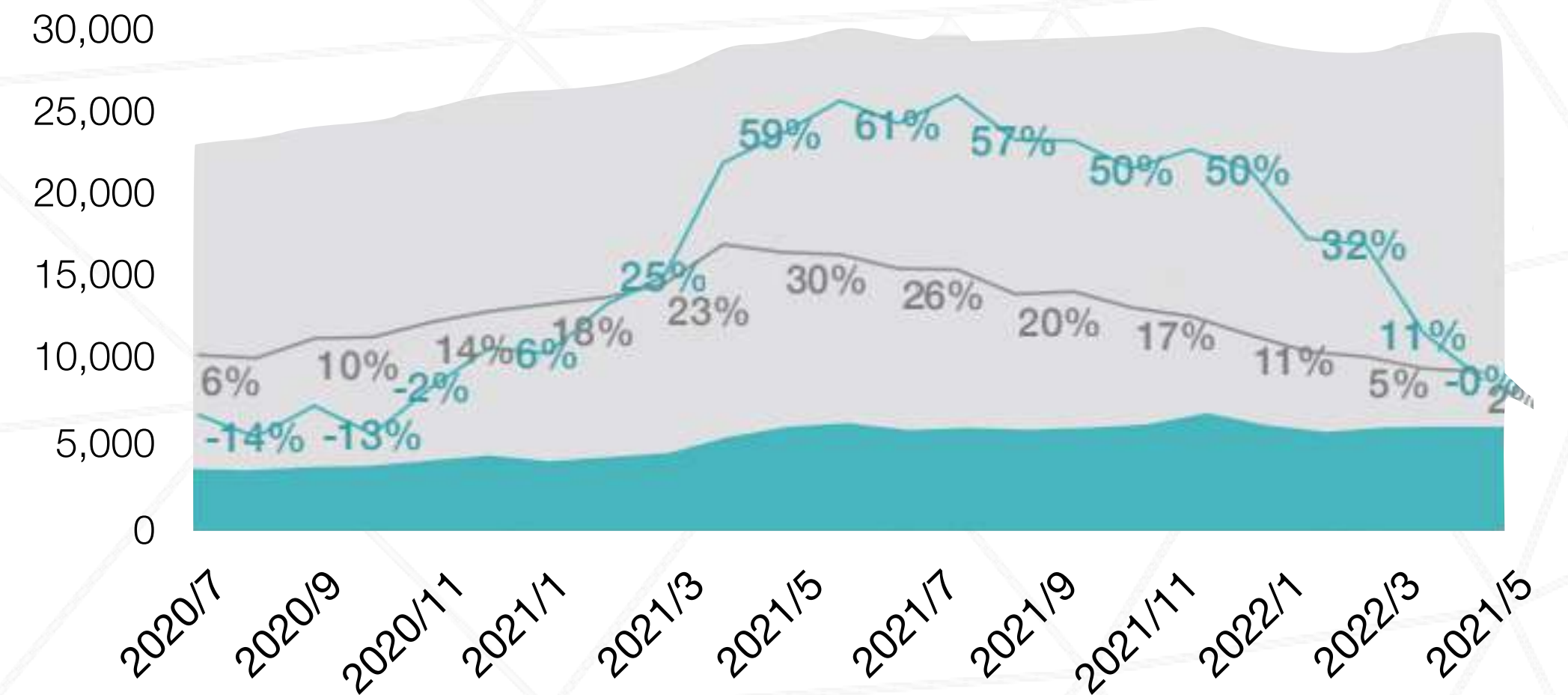
External and internal environment

SHAREHOLDERS

Interest rates and inflation



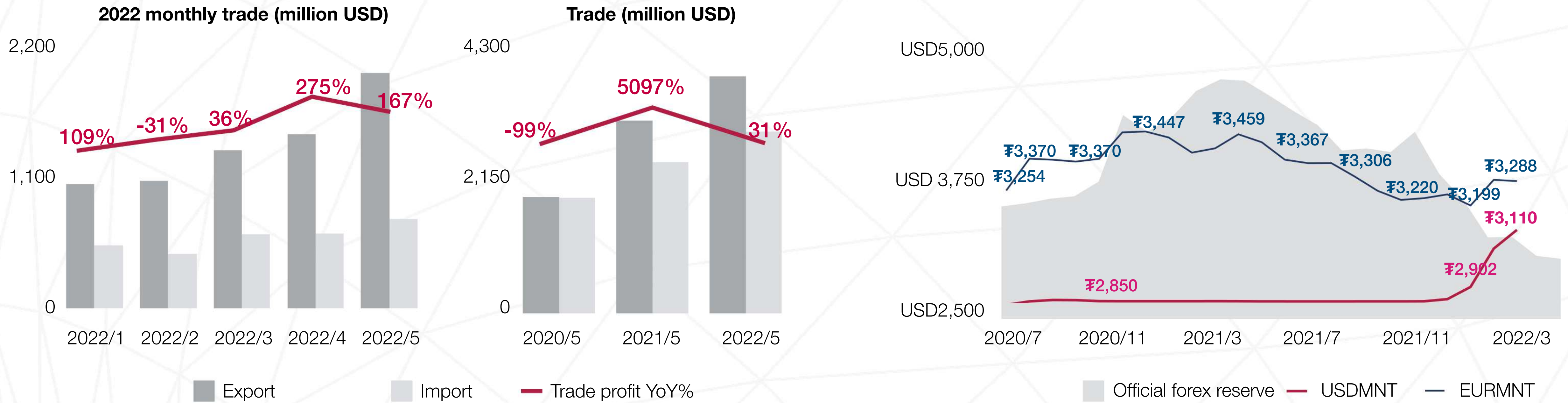
Money supply (billion MNT)



In May 2022, the national inflation rate increased by 7.9% since the beginning of the year and by 16.2% compared to the same period in the previous year, negatively affecting real income and household consumption. This inflation, driven by supply-side factors beyond the Central Bank's control, reflects the impact of global economic conditions and is expected to average 14.5% in 2022.

To mitigate the rising inflation, absorb external shocks to the exchange rate, and ensure the sustainability of external and national debt, the Central Bank raised its policy rate from 6% to 10%.

FOREIGN TRADE



Since the beginning of the year, Mongolia has traded with 145 countries, achieving a total trade turnover of \$9.3 billion, of which \$5.3 billion was exports and \$3.9 billion was imports. Compared to the same period in 2021, total trade turnover increased by \$1.9 billion (26.0%), with exports rising by \$1.2 billion (29.9%) and imports by \$687.0 million (21.1%). The trade surplus reached \$1.4 billion, up \$534.8 million from the same period last year.

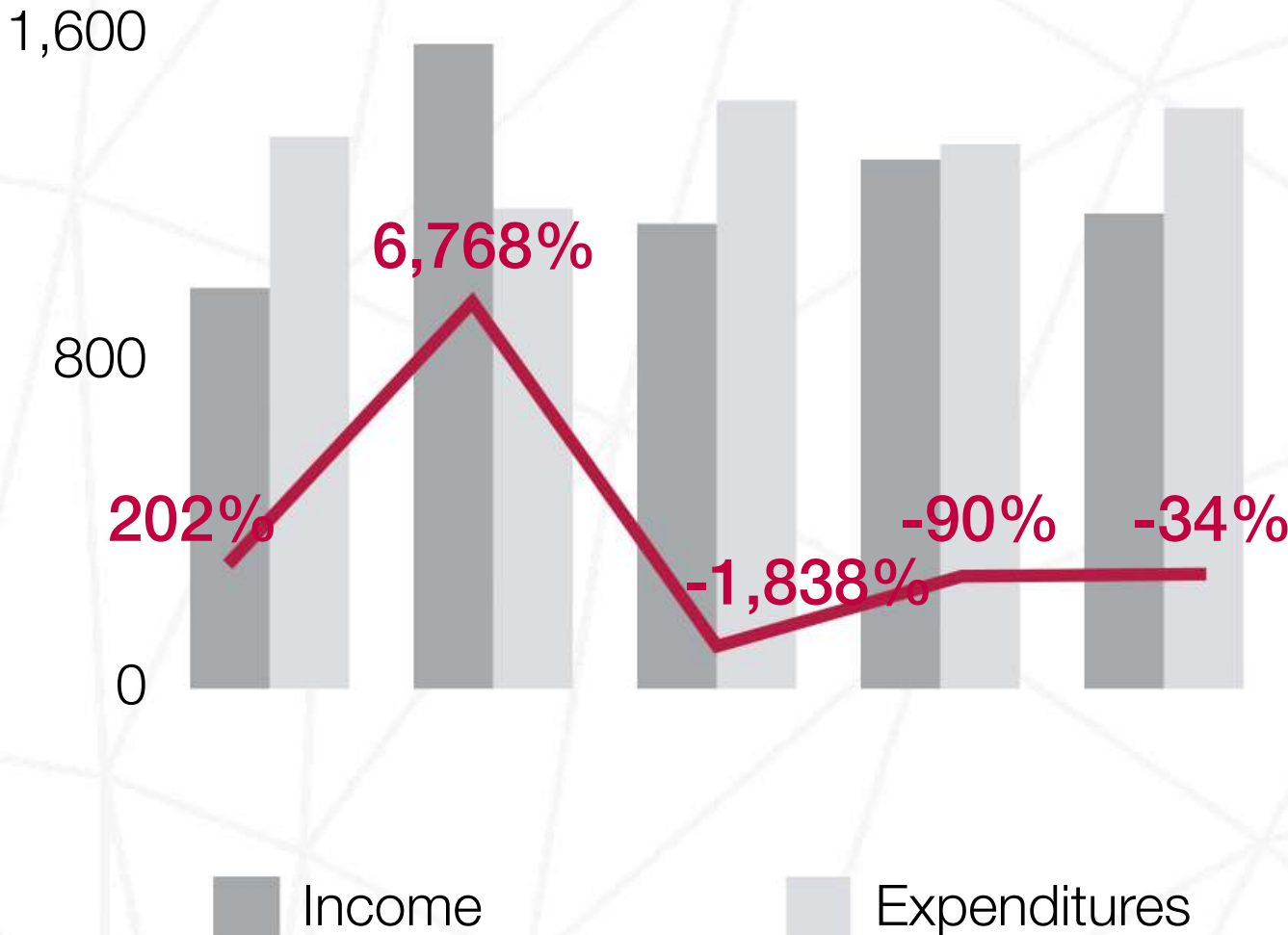
The Russia-Ukraine war has heightened external risks, leading to increased demand for foreign currency and a further depletion of international reserves. As a result, the value of the national currency has depreciated.

FISCAL BUDGET AND FOREIGN DEBT

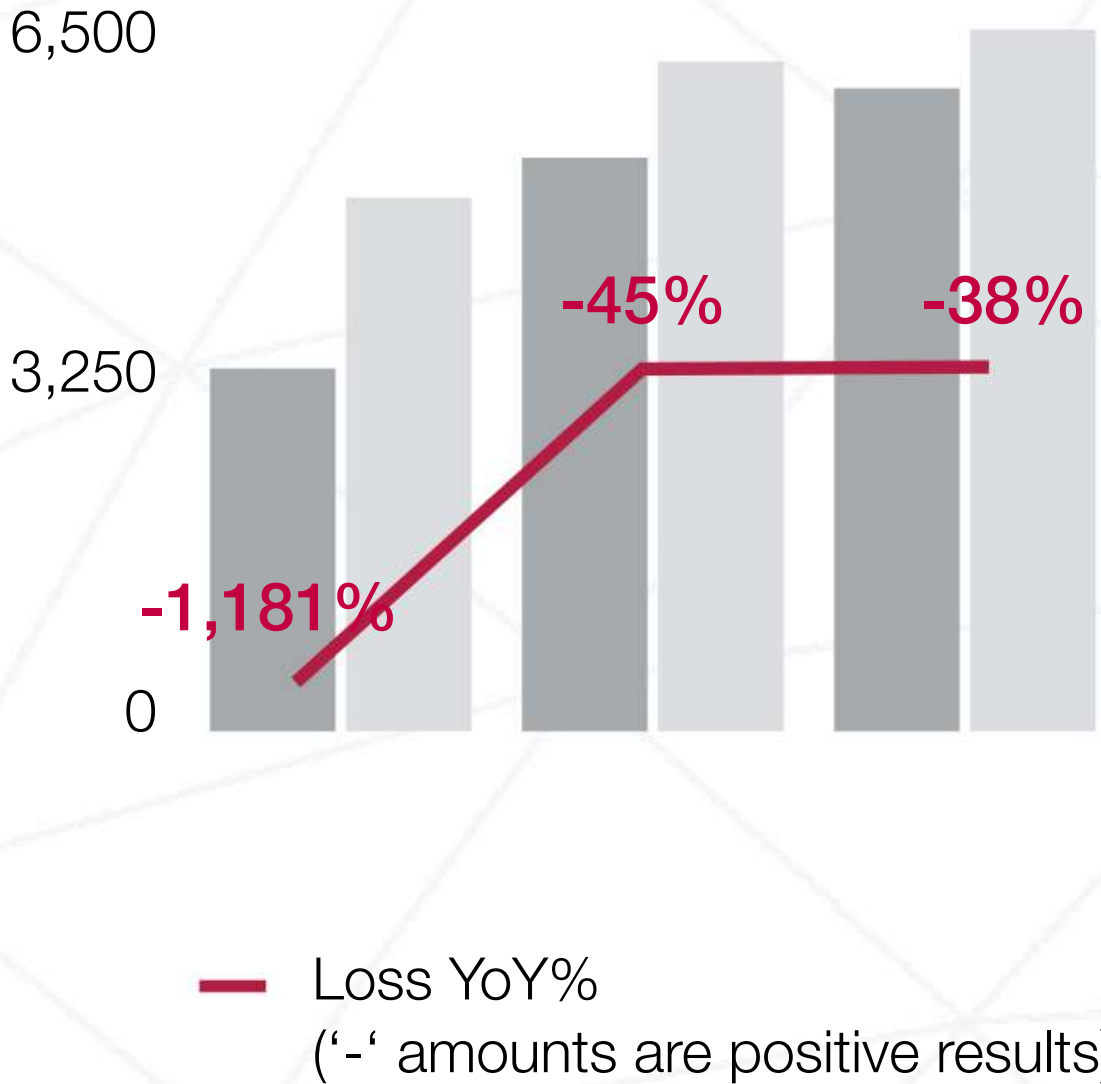
FitchRatings

B 'Stable'

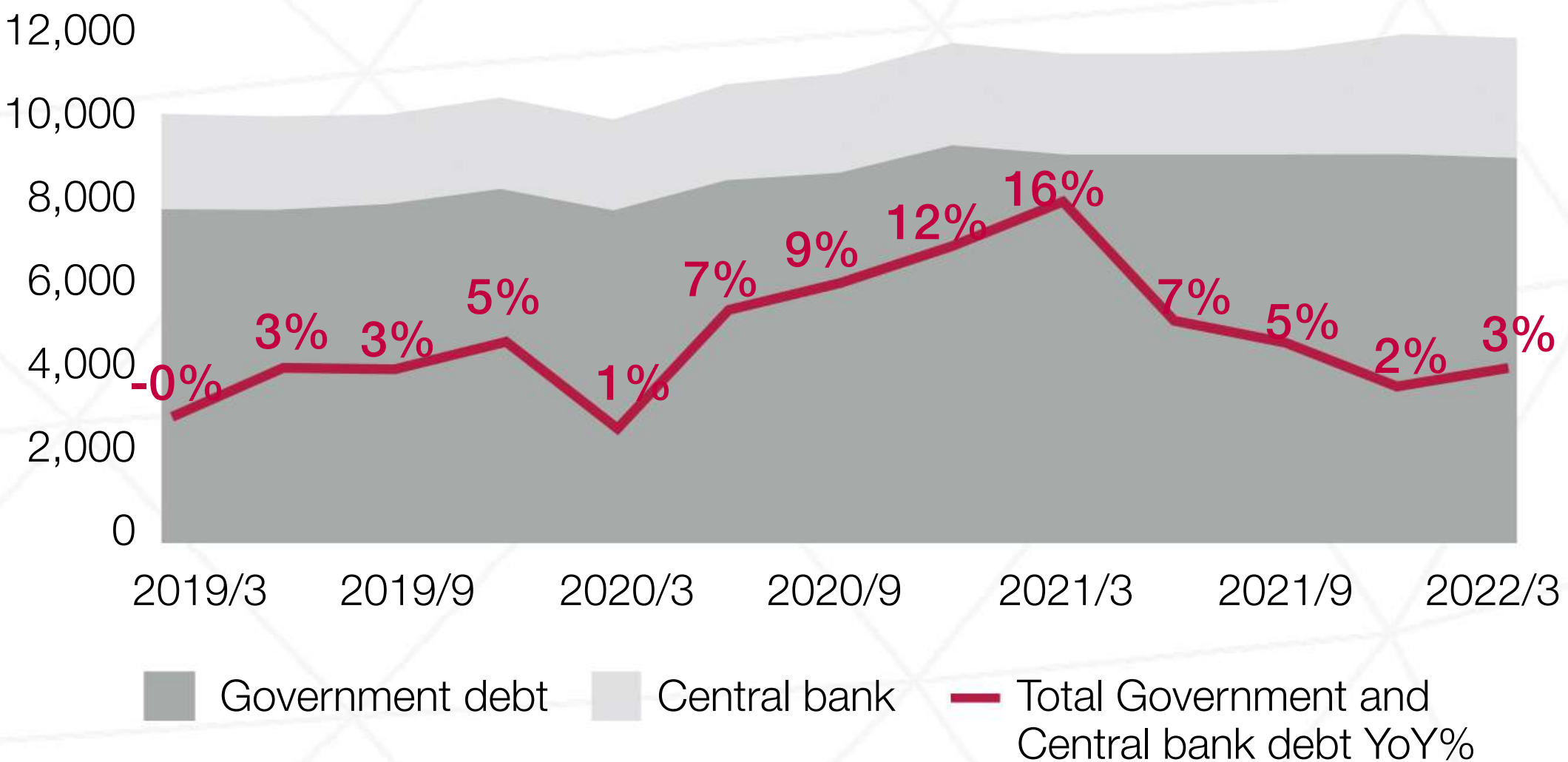
2022 monthly (billion USD)



5 month YTD (billion USD)



Foreign debt (million USD)



In the first half of the year, the total consolidated revenue and aid of the state budget amounted to 7.3 trillion MNT, representing an increase of 919.2 billion MNT or 14.3%. Meanwhile, total expenditures and net lending reached 8.2 trillion MNT, resulting in a deficit of 844 billion MNT, equivalent to 8.8% of GDP.

The ratio of government debt to GDP decreased in the most recent quarter, having peaked at 73.6% in the fourth quarter of 2020, and falling to 62% by the first quarter of 2022. Over 90% of the government's total debt is external, with one-third of principal payments due in the coming year. Therefore, the government is expected to focus on maintaining fiscal consolidation. In May, Fitch Ratings affirmed Mongolia's long-term default rating for foreign currency bond issuers at 'B'.

CAPITAL MARKET

Trades on Mongolian Stock Exchange

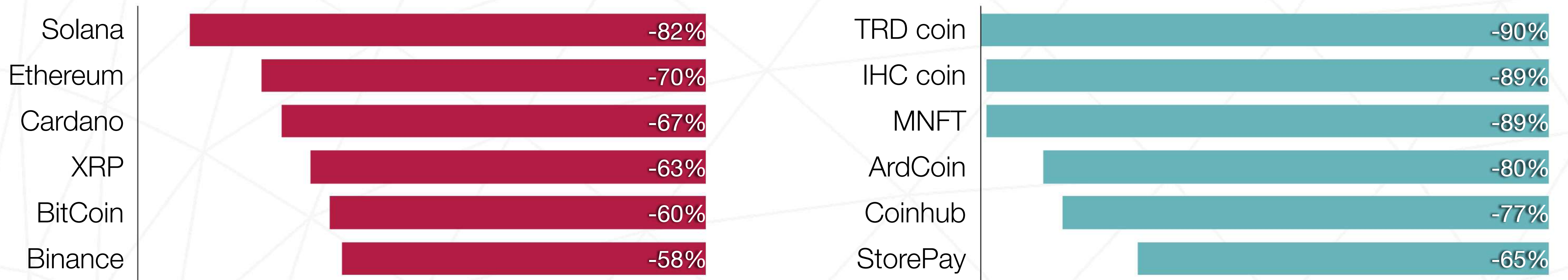
Security	Market	2021H1	2022H1	YoY
Stock	Secondary	119.55	113.69	-5%
Asset backed securities	Primary	4.00	55.00	1,275%
	Secondary	0.14	2.99	2,018%
Corporate bond	Primary	355.74	79.72	-78%
	Secondary	161.73	22.20	-86%
Investment fund	Primary	5.49	2.34	-57%
		646.65	275.93	-57%



As of the first half of the year, the total market capitalization of the Mongolian Stock Exchange (MSE) reached 4.9 trillion MNT, marking a 19.1% decrease but a 27.2% increase compared to the same period last year. Among the listed companies, those affiliated with Ard Financial Group account for 4.5% of the total market capitalization. The TOP 20 index ranged from 32,796 to 44,119, with an average of 37,759. By the end of the quarter, the index stood at 32,796, showing a 2% decrease or a drop of 719.33 points compared to the same period last year.

During the first half of the year, a total of 275.9 billion MNT in transactions were carried out, a decline of 57.3% or 370.7 billion MNT compared to the previous year. The average daily trading volume was 2.3 billion MNT, with all seven Ard-listed companies ranking among the most actively traded securities. The total trading volume accounted for 23.1 billion MNT, which represents 20% of the total transactions in shares and investment funds during the period.

CRYPTOCURRENCY MARKET

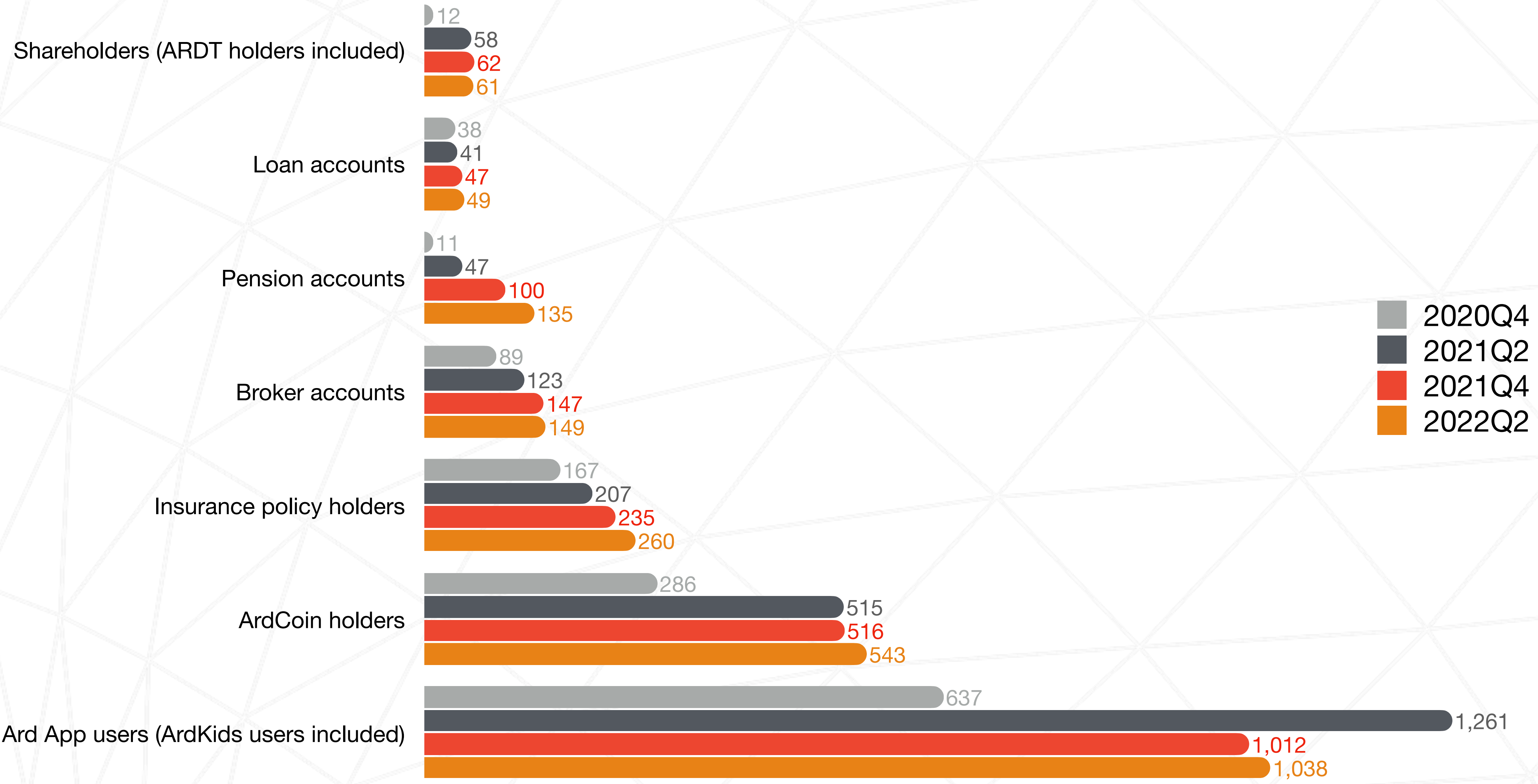


Since the onset of 2021, cryptocurrencies have experienced a loss in value amounting to 2 trillion USD. In the first half of the year, the price of Bitcoin plummeted by 60%, a decline that has mirrored the adverse effects on stock prices, driven by factors such as inflation and rising interest rates. The cryptocurrency sector has been further destabilized by significant events that have eroded investor confidence, notably the collapse of the Terra blockchain and UST stablecoin, which resulted in investor losses totaling 40 billion USD. Additionally, the hedge fund Three Arrows Capital (3AC), which was heavily invested in digital assets, was liquidated, and Celsius, a company offering returns exceeding 18% on crypto deposits, declared bankruptcy.

This devaluation of virtual assets has contributed to a downturn in the domestic market. During the period of growth in 2021, the cryptocurrency market in Mongolia was estimated to have mobilized billions of MNT. In response, the Law on Virtual Asset Service Providers came into effect on February 24, 2022, accompanied by regulations issued by the Financial Regulatory Commission (FRC).

Operational report

GROWTH IN THE NUMBER OF CUSTOMERS



ARD APP

2021

2022

625k

new users are registered

22k

62.6

billion MNT was disbursed as online loans

40.2

29.6

billion MNT of securities trades are executed

9.7

744.3

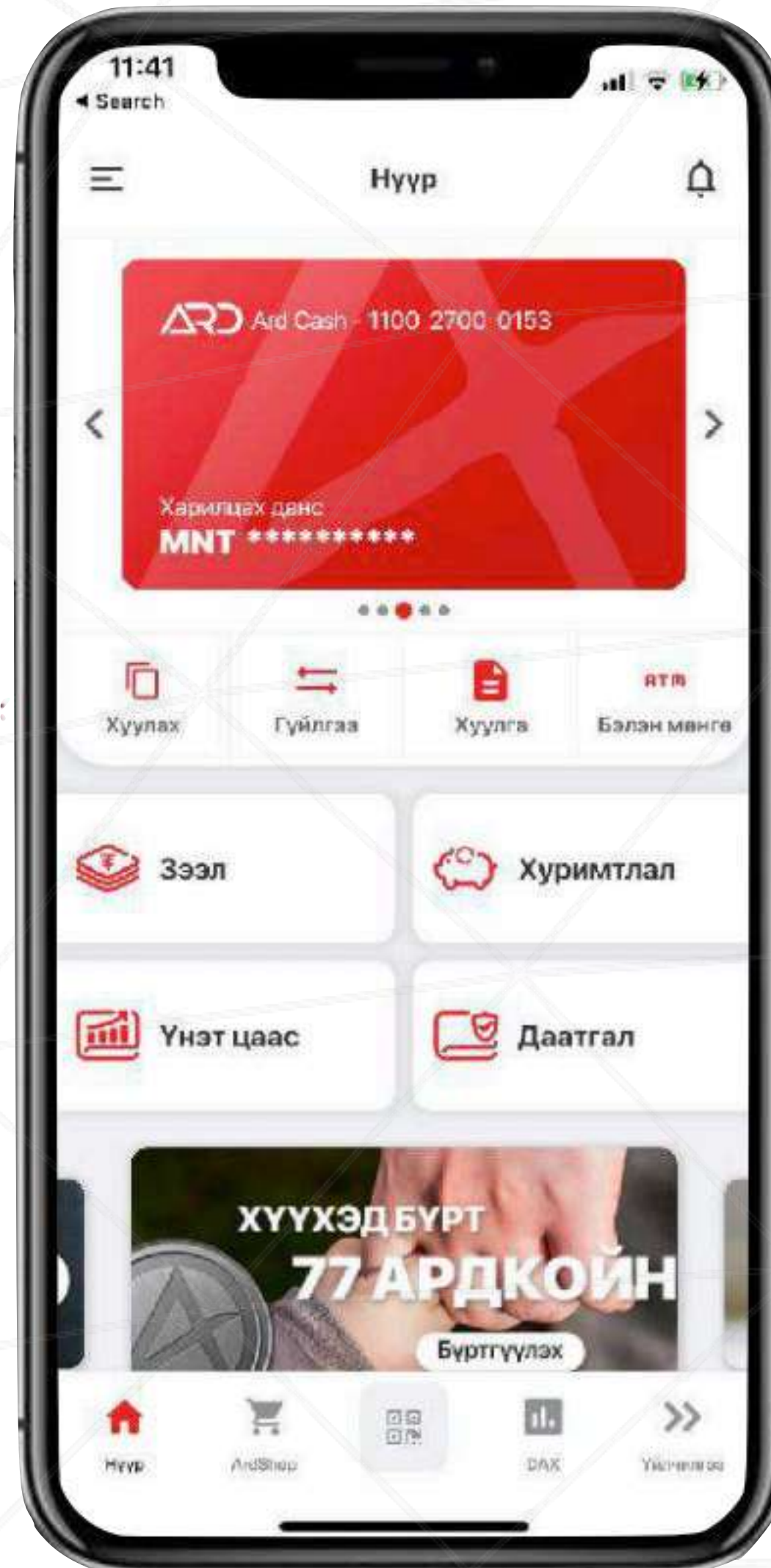
billion MNT of transactions are made

216

4.7

billion MNT of savings are created

2.5



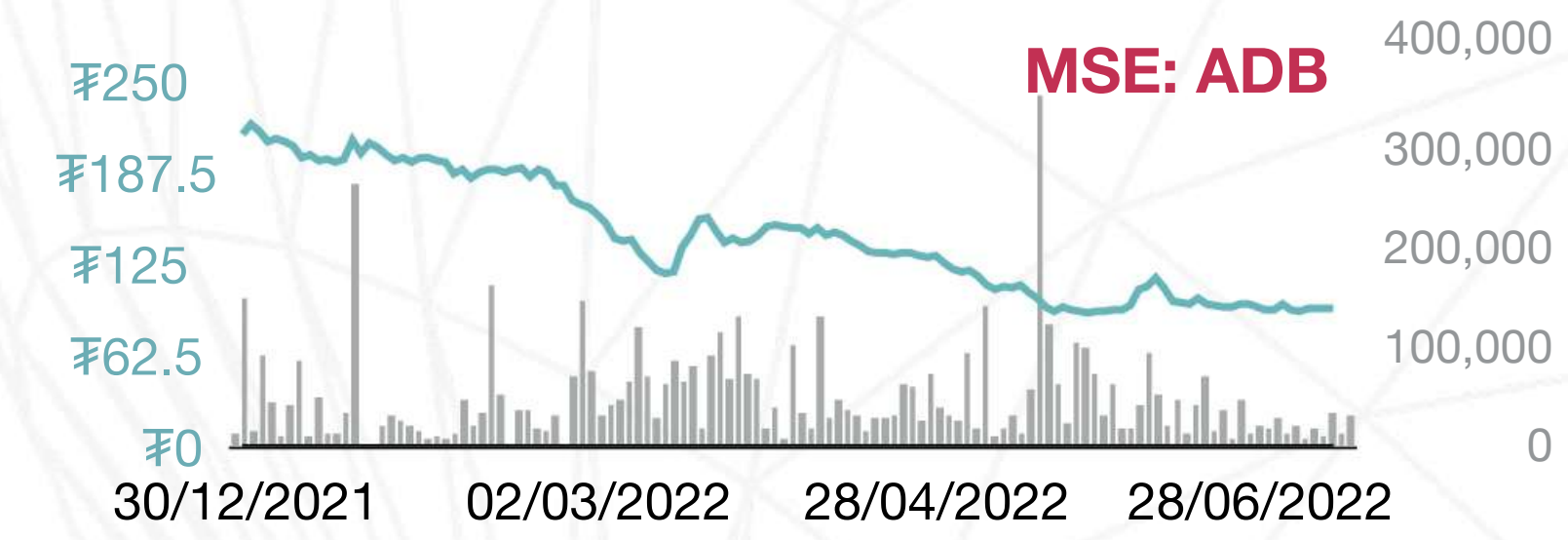
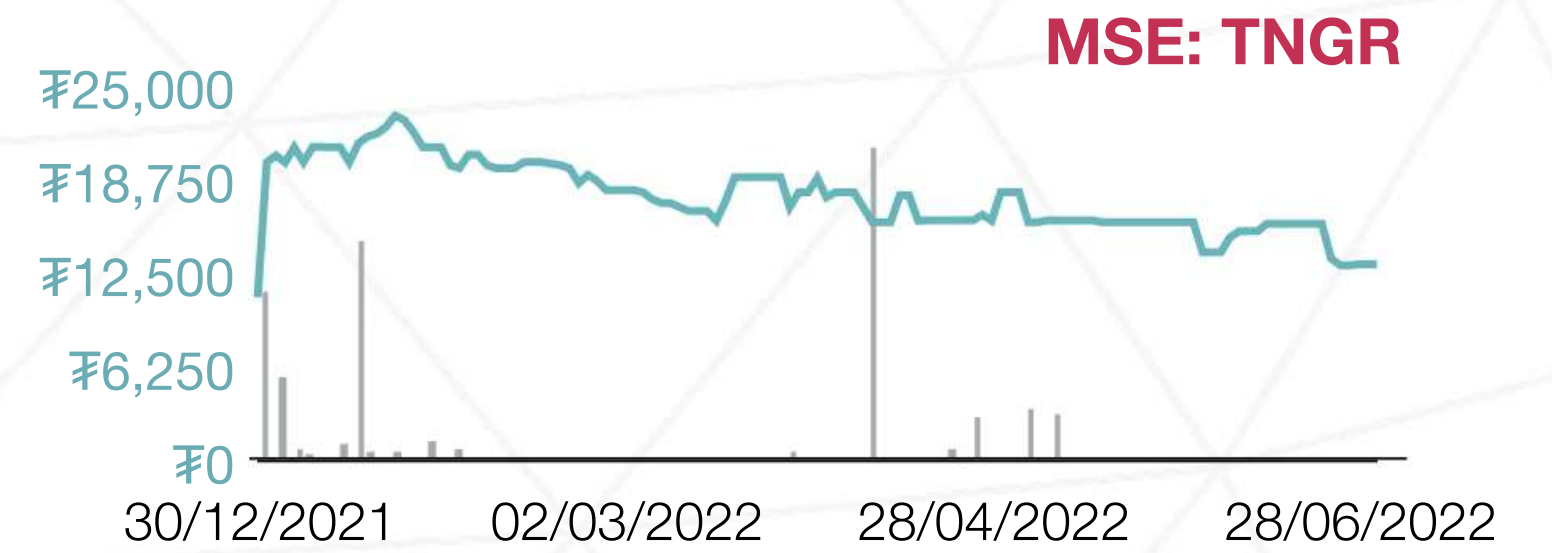
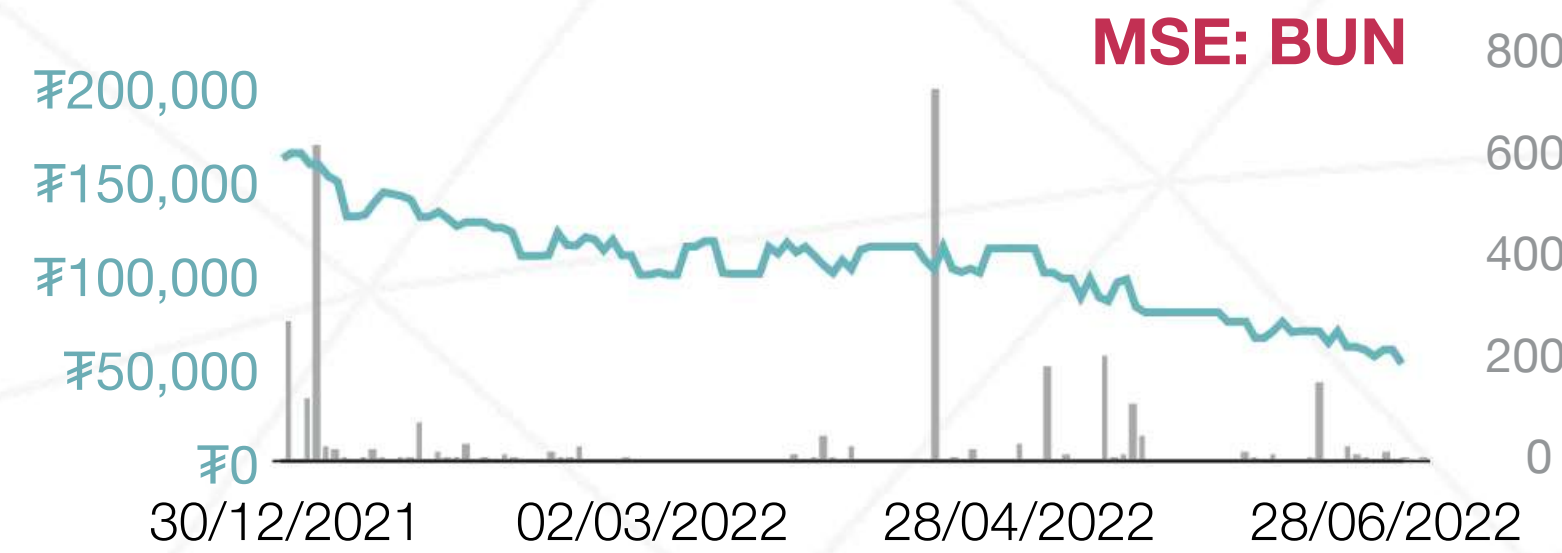
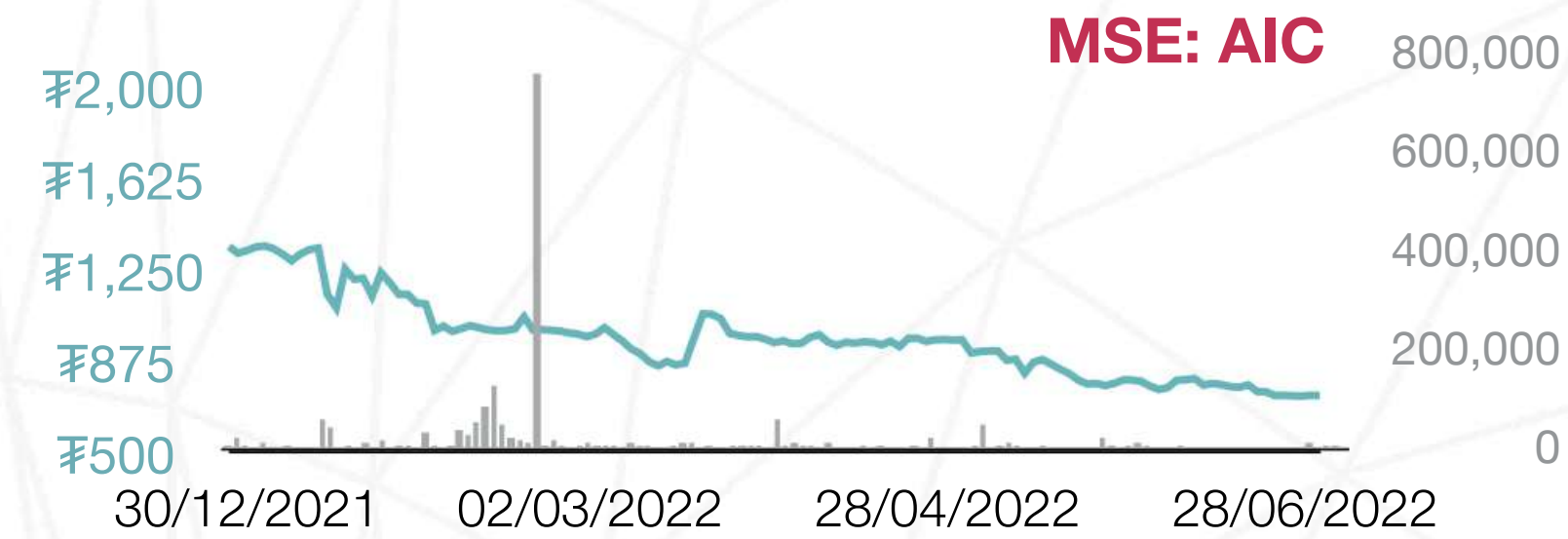
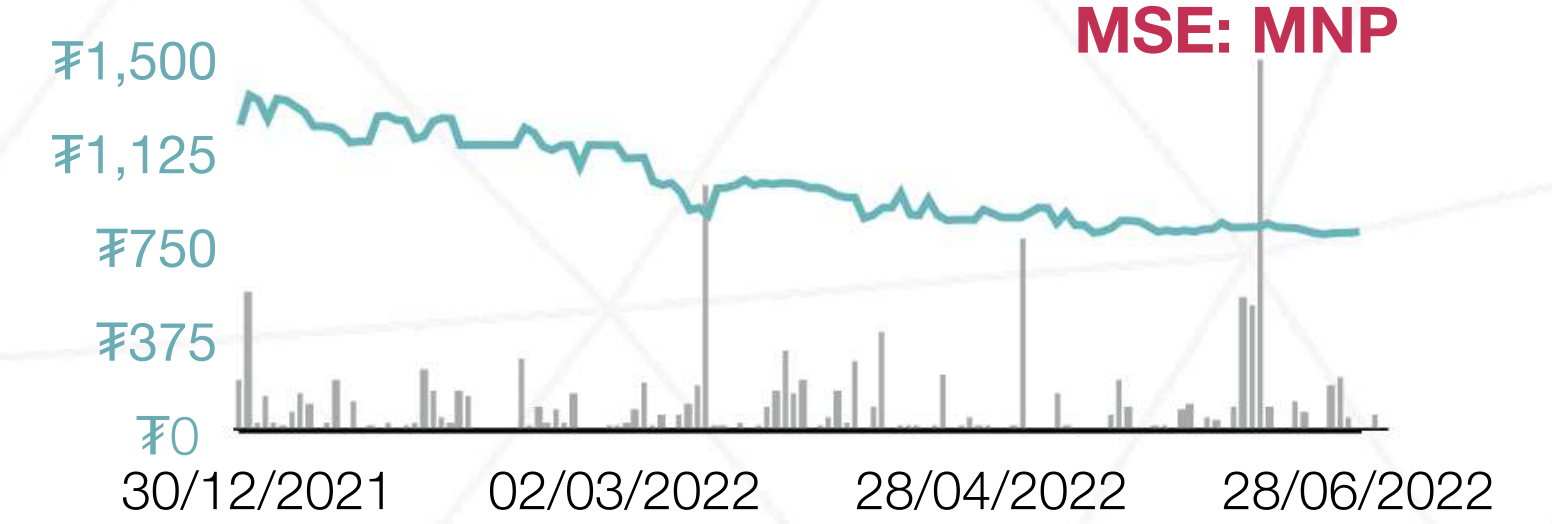
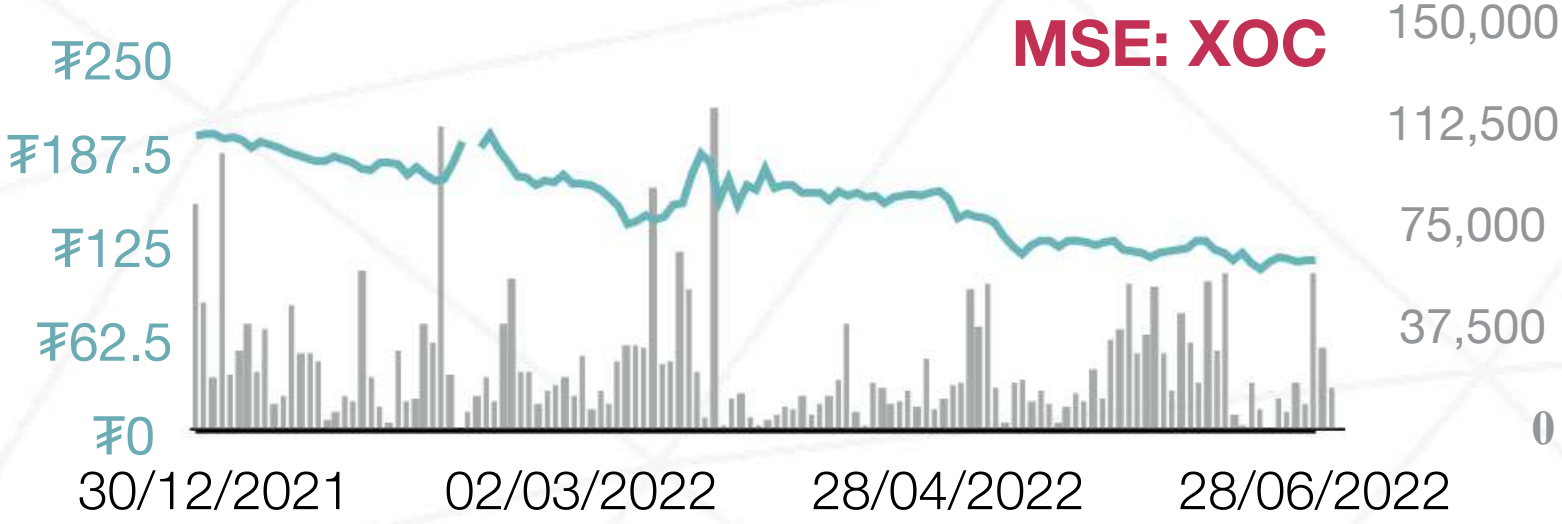
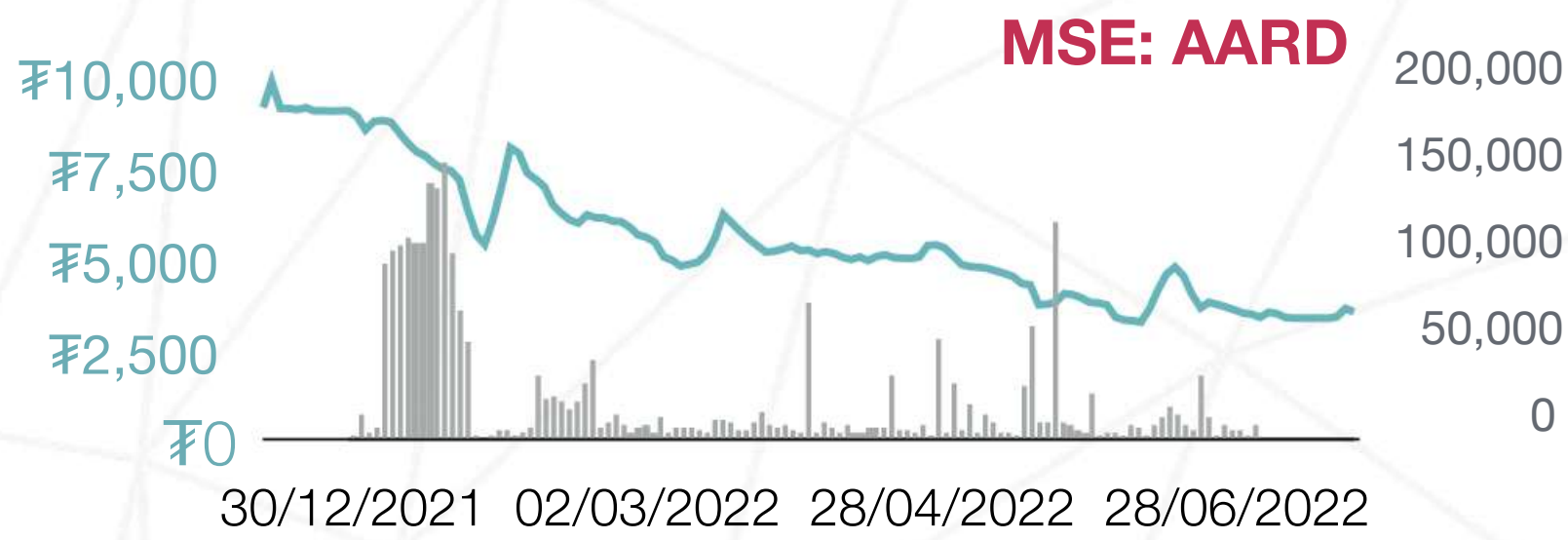
Improvement and development

- Customer registration has been updated and connected to the DAN system
- Customer protection has been improved
- New products: trust-based loans, collateralized loans, auctions
- Implemented the CASPO project, along with UBX and MSE trading
- QR and QPay integration
- ArdKids app

Ard App V5

- UX / UI improvement
- Speech-to-Text
- Artificial intelligence

TRADING



(MNT)	Open (2022/1/1)	YTD low	YTD high	Close (2022/6/30)	YTD change	MV (billion)	Turnover (%)	Trade volume (billion)	% of MSE stock & funds
AARD	9,080	3,215	9,785	3,323	(63%)	95	9.6%	19.2	16.7%
AIC	1,346	719	1,349	735	(45%)	18	8.7%	2.1	1.8%
ADB	213	91	220	93	(56%)	26	2.3%	0.9	0.8%
XOC	198	109	199	115	(42%)	6	6.1%	0.5	0.4%
BUN	162,000	52,600	164,900	52,600	(68%)	6	2.9%	0.4	0.3%
TNGR	19,000	11,000	23,100	13,200	(31%)	79	0.4%	0.5	
MNP	1,231	788	1,350	804	(35%)	80	0.1%	0.1	
						310		23.7	

— Price
■ Trade

Investment portfolio

Banking

Insurance

Investment banking

Infrastructure



40.6%
15.3%

Real estate



100%



9.91%
85%

Leasing



100%



45.4%
9.1%

Pension fund



95%
Life insurance



97%



90%

Investment management



100%

Investment



100%



0.2%
21.9%

XOC



23.6%
7.4%

Loyalty






100%

Ard Academy



100%

-  Ard Financial Group
-  Affiliated entity
-  Public company

* As of June 30, 2022

Investment portfolio

Trading

Platform

Technology

Media group

Securities exchange

Payment system

Supply chain

Software development

IT

Media group

Content

Media



43.7%*



45%



45%



100%



41.83%



66%



100%*

Virtual exchange

DeFi initiative

Online shopping

NFT

Developer

TV

TV

Studio



70%



25%



61.2%



49%



51%



20%*



100%*



20%*

Virtual exchange

Metaverse developer

Content



100%



10%



20%

- Ard Financial Group
- Affiliated entity
- ▲ Public company

* As of June 30, 2022

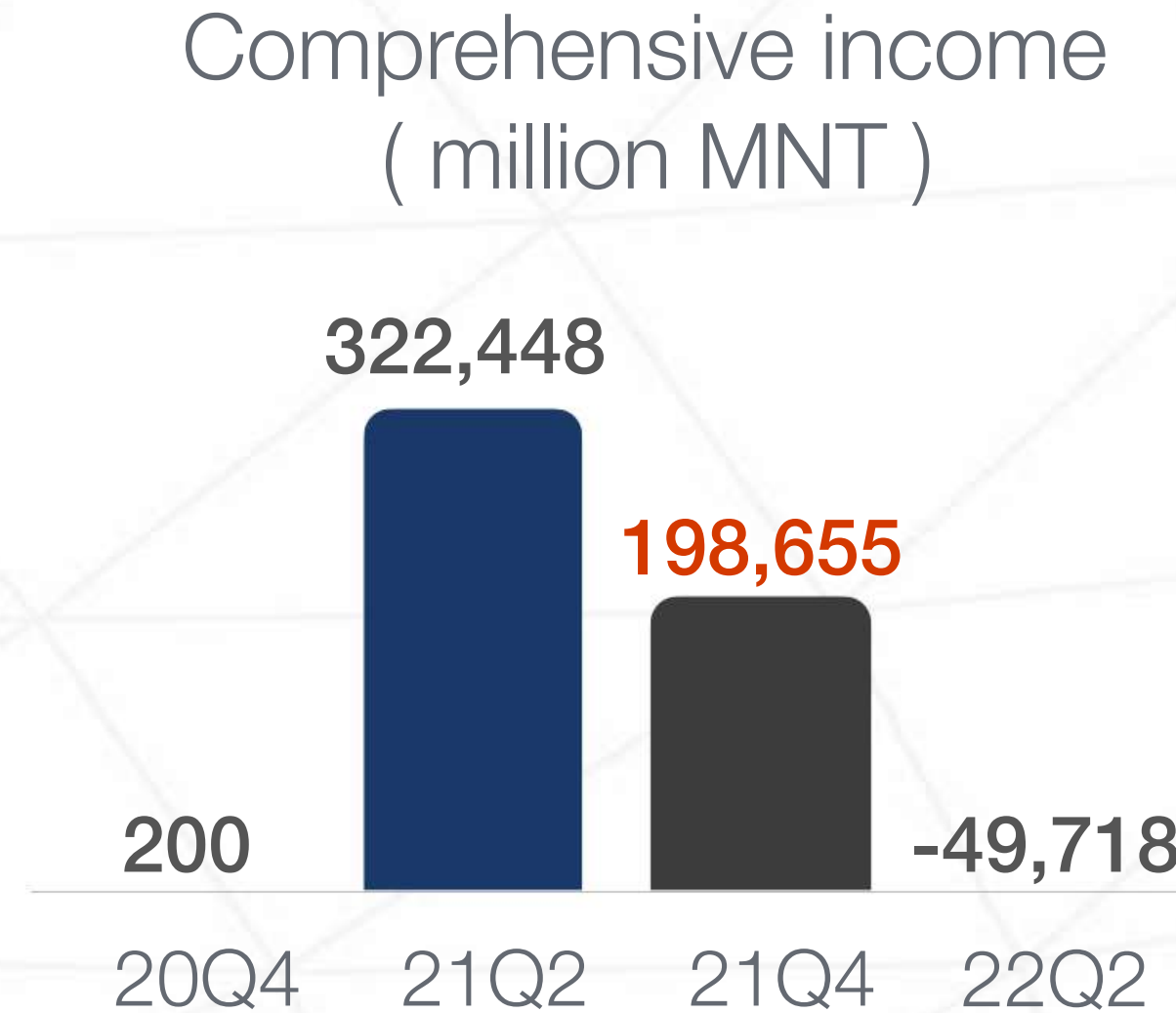
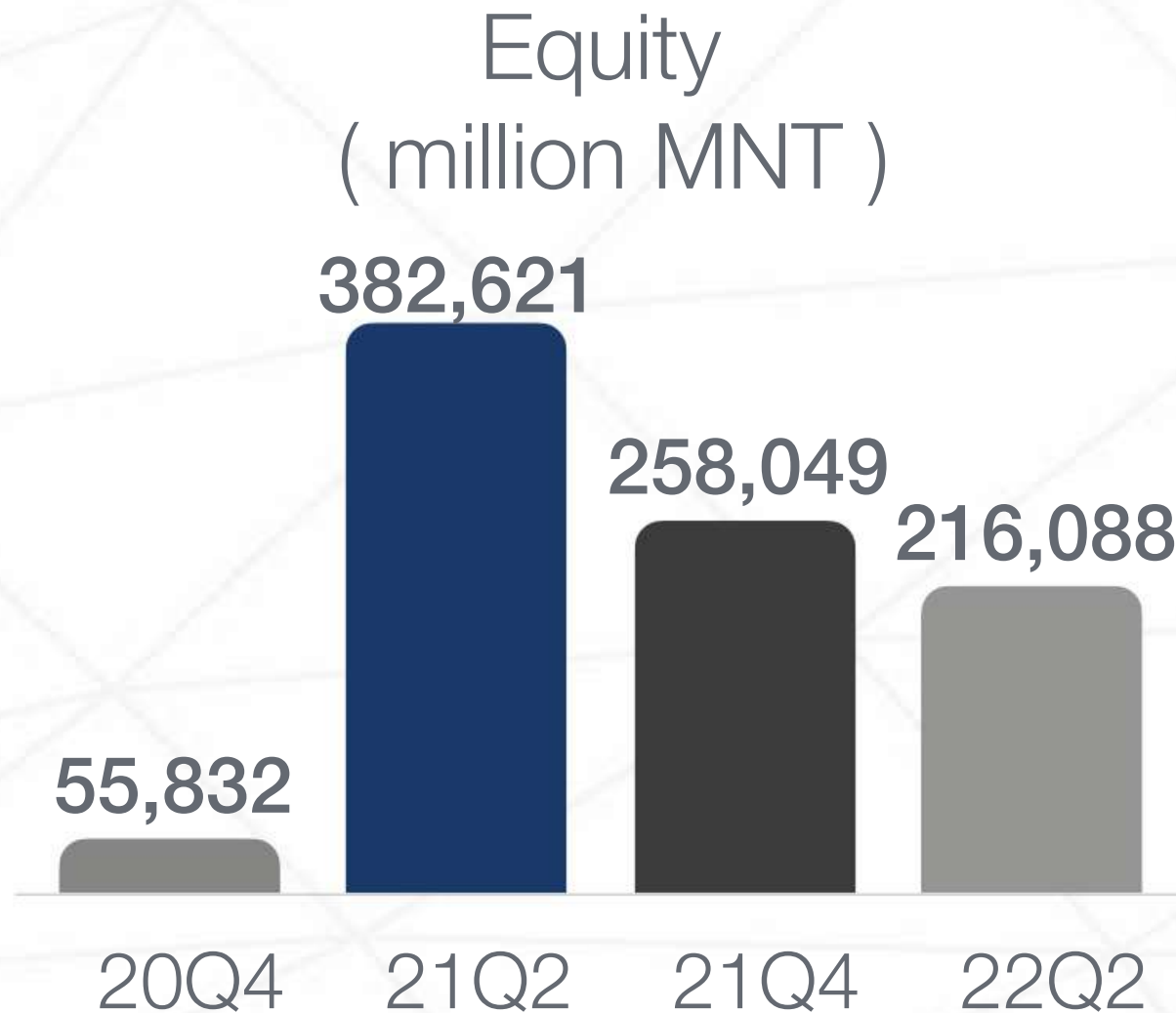
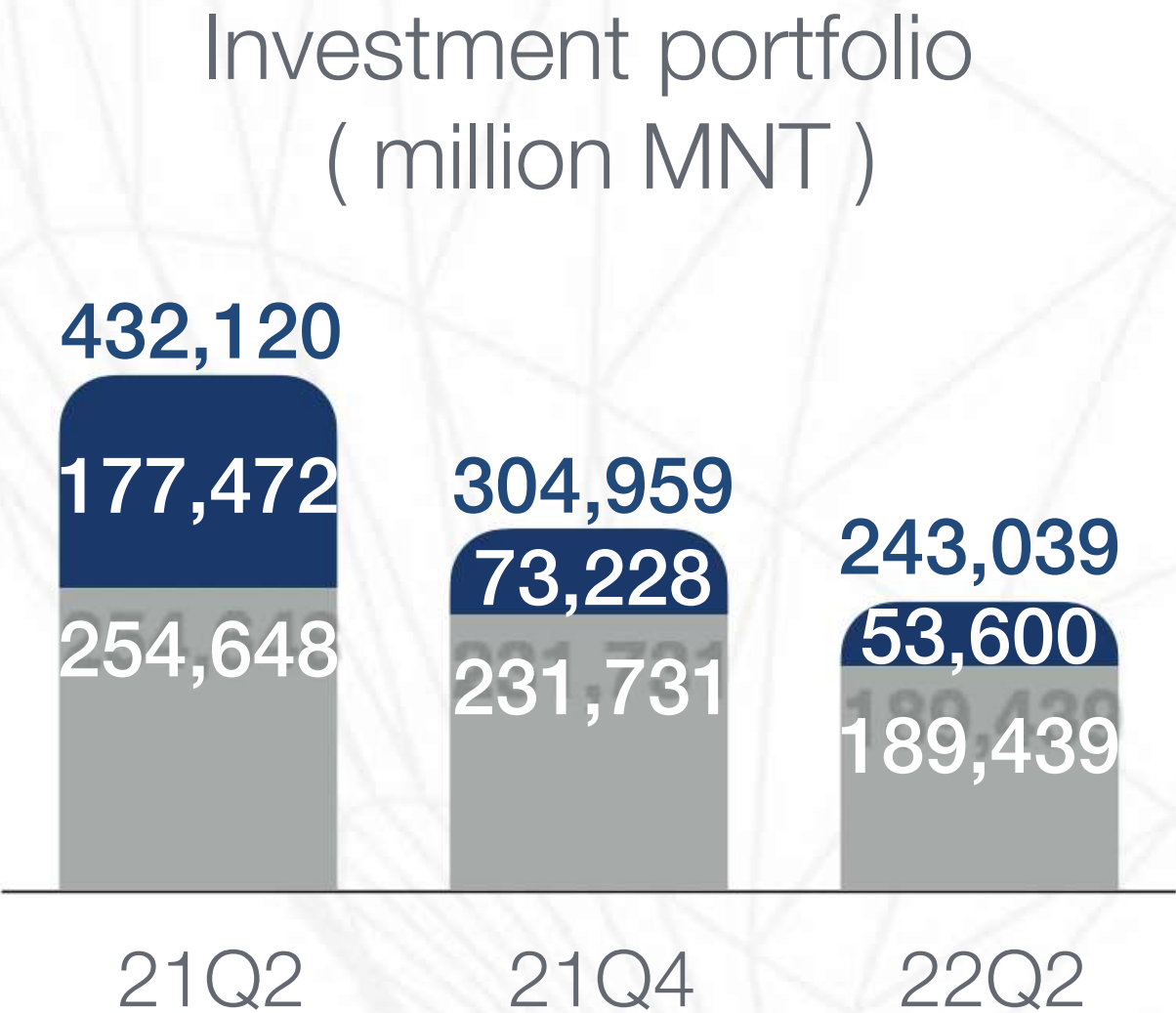
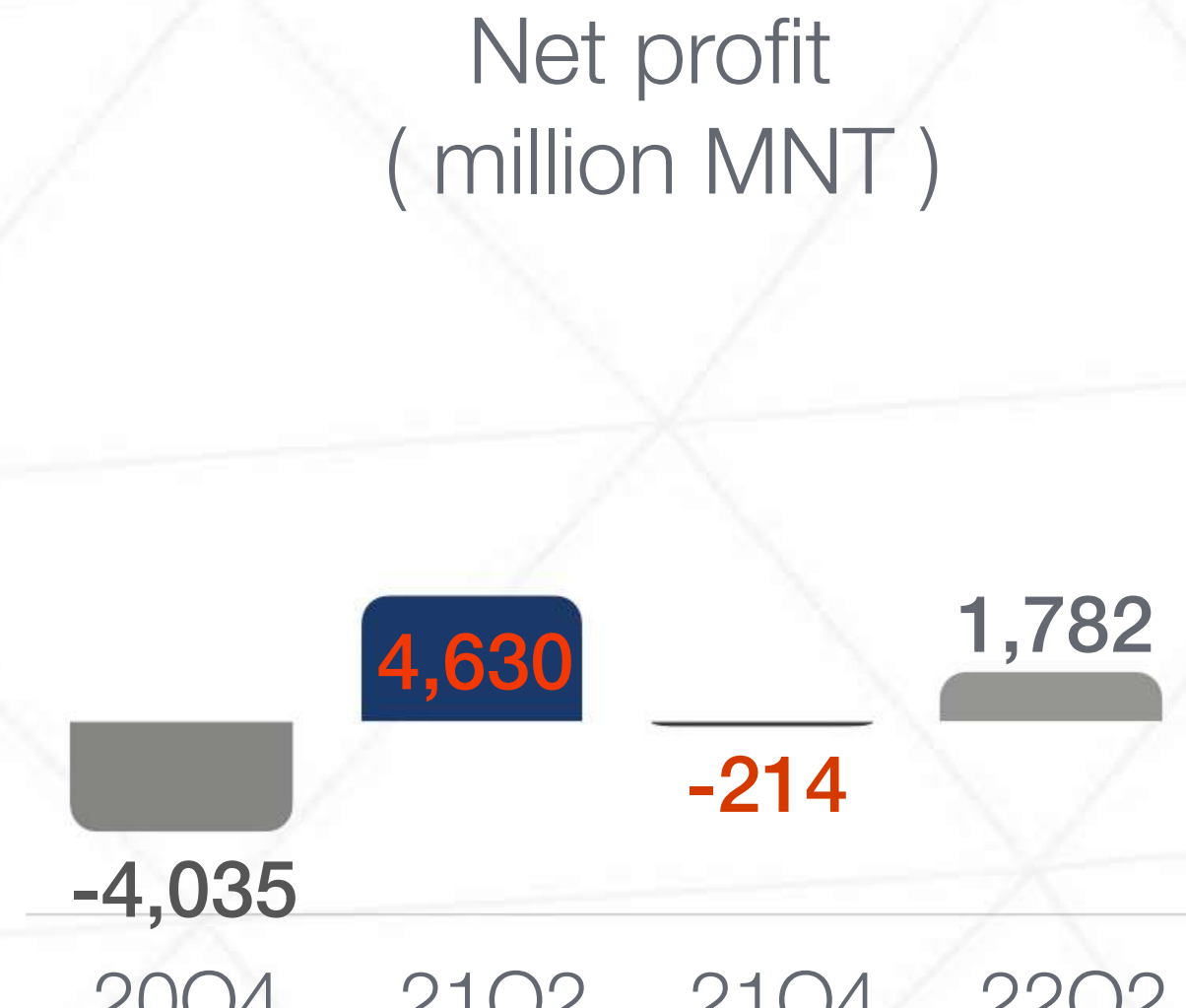
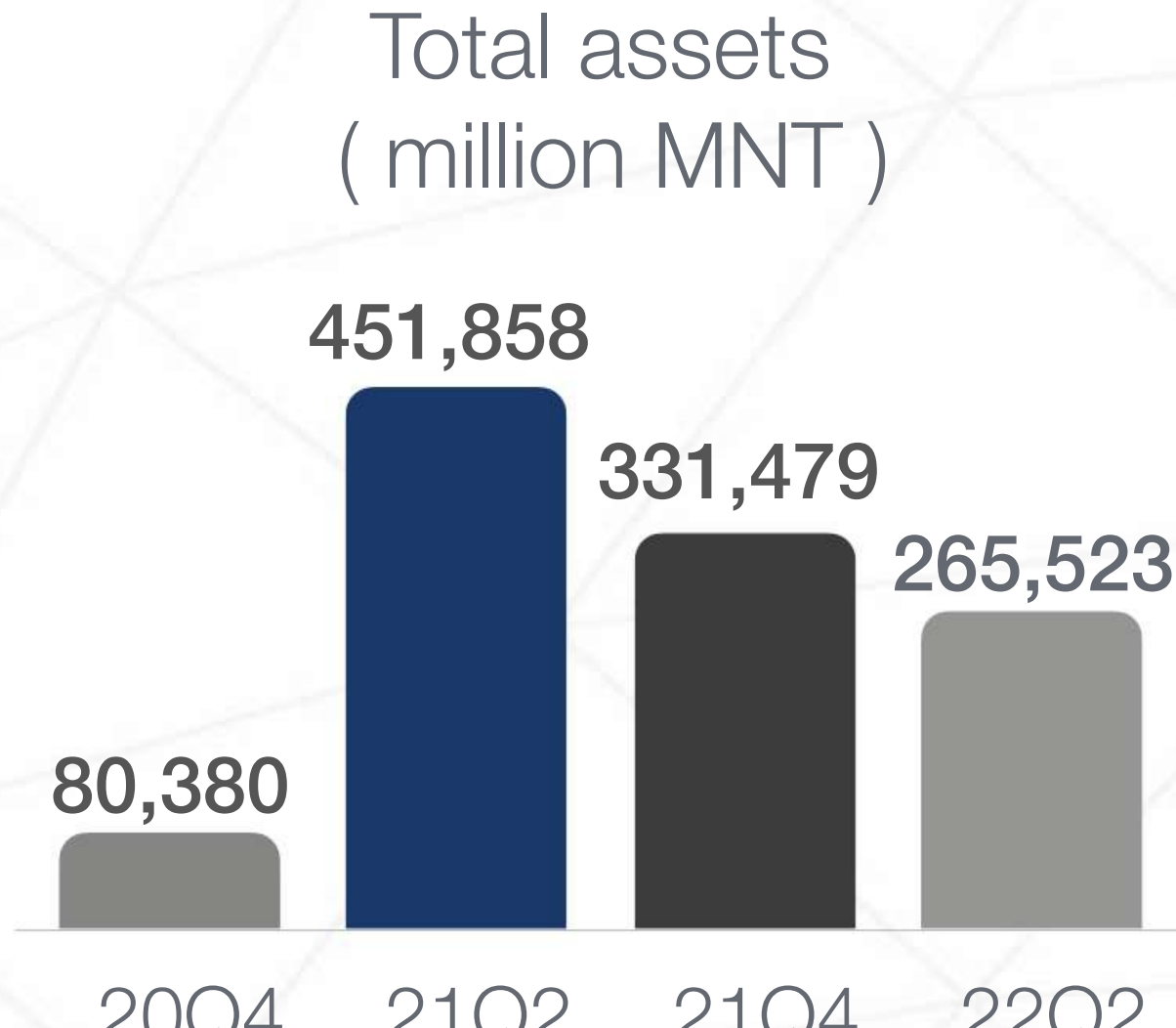
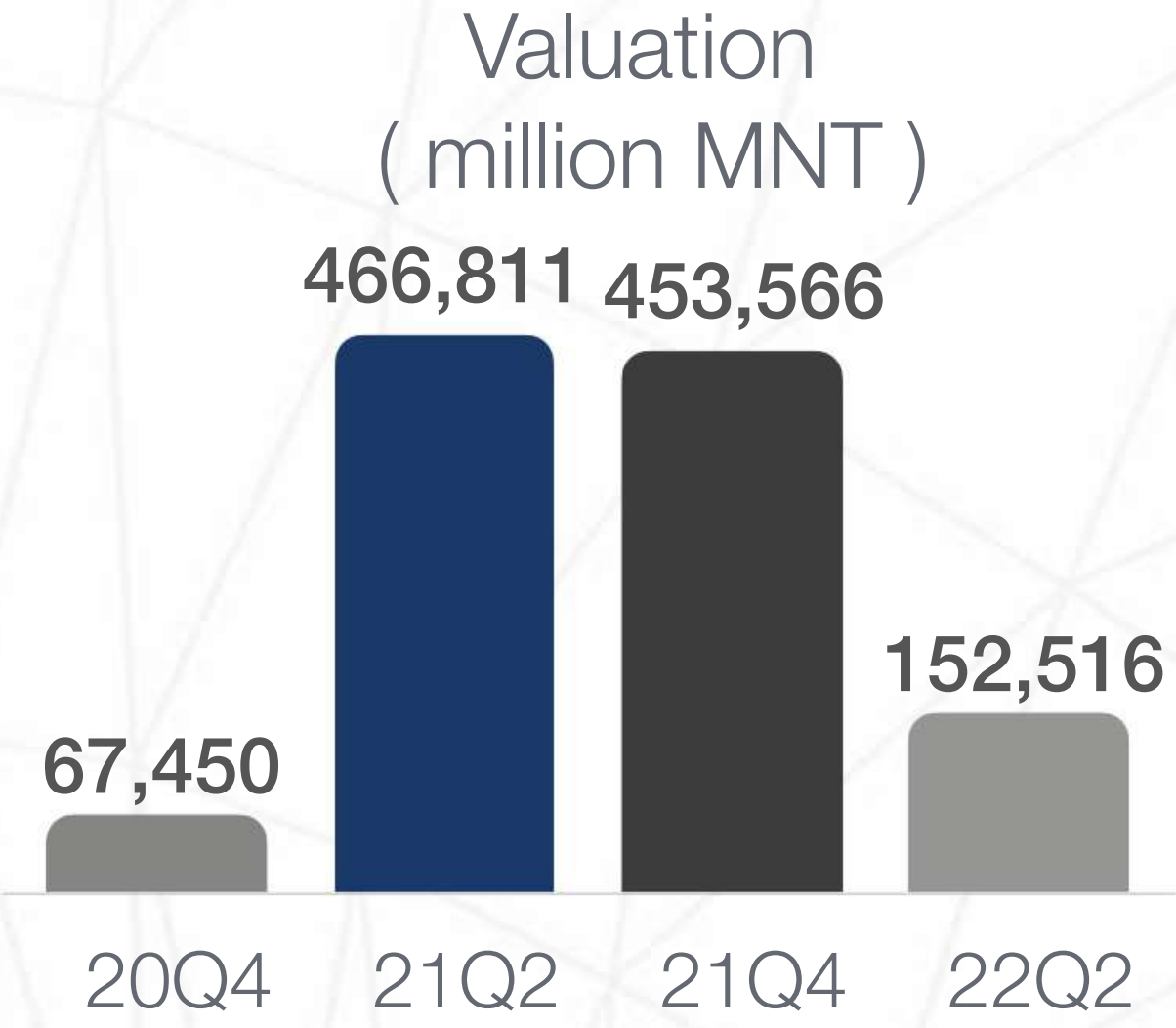
Financial performance

Audit Committee resolution

The internal audit reviewed and verified the financial statements for the first half of 2022, along with the detailed income statement, and presented them to the internal audit committee. It was concluded that the financial statement balances were accurately and truthfully represented in accordance with International Accounting Standards and International Financial Reporting Standards.

For the financial statements of the first half of 2022 and the year-end financial report, it was recommended to engage Grant Thornton, an internationally registered audit firm, to perform the interim and year-end external audits.

KEY INDICATORS



■ Стратегийн ■ Тактикийн

KEY INDICATORS

Key Financials	Q4 2020	Q2 2021	Q4 2021	Q2 2022	YTD	YoY
Share Price (MV)	1,758	9,385	9,785	3,323	(66%)	(65%)
# of Shares	27,175,629	28,614,263	28,614,263	28,614,263	0%	0%
MV of AARD (MNT million)	47,775	268,545	279,991	95,085	(66%)	(65%)
Net Assets (MNT million)	55,832	382,621	258,049	216,088	(16%)	(44%)
BV per Share	2,054	13,372	9,018	7,552	(16%)	(44%)
Earnings (TTM, MNT million)	(4,034)	(181)	(214)	445	308%	346%
EPS	(148)	(6)	(8)	16	308%	348%
PE Ratio	(12)	(1,484)	(1,308)	214	116%	114%
PB Ratio	0.90	0.70	1.10	0.40	(64%)	(43%)
ROE (TTM)	(0.08)	0.00	0.00	0.00	433%	322%
ROA (TTM)	(0.05)	0.00	0.00	0.00	420%	300%
LT Investments to Assets	95%	95%	88%	90%	2%	(5%)
LT Investments to Equity	137%	112%	113%	110%	(2%)	(2%)
Debt to Equity	31%	5%	8%	7%	(13%)	48%
Current Ratio	0.15	1.02	0.83	1.06	28%	4%

COMPREHENSIVE INCOME STATEMENT

(MNT million)	Q4 2020	Q2 2021	Q4 2021	Q2 2022	YoY
Realized gain from sale of investments	304	8,429	17,708	3,503	(58%)
Dividend Income	1,312	965	1,004	965	0%
Interest Income	31	938	1,316	449	(52%)
Rental Income	770	240	753	1,000	317%
Other Operating Income	0	33	32	498	1,409%
Management Income	688	839	2,030	1,455	73%
Total Revenue	3,106	11,445	22,843	4,367	(62%)
Financial Expenses	2,889	1,497	3,346	1,728	15%
Personnel Expenses	1,552	927	1,681	798	(14%)
Professional Service Expenses	0	0	10,944	0	
Other Operating Expenses	2,676	3,388	6,523	3,214	(5%)
Total Expenses	7,117	5,811	22,495	5,739	(1%)
FX Gain (Loss)	(170)	(1)	(45)	(208)	(4,400%)
Other Gains (Losses)	145	(323)	(590)	(208)	36%
Profit Before Tax	(4,037)	5,309	(242)	(1,625)	(131%)
Tax Expenses	(2)	679	(27)	(890)	(231%)
Net Profit (Loss)	(4,035)	4,630	(214)	(735)	(116%)
Investment revaluation gain (loss)	4,235	317,817	198,869	(51,500)	(116%)
Comprehensive Income (Loss)	200	322,448	198,655	(52,235)	(116%)

(1) Retained earnings increased by the profit for the reporting period and gains from the sale of investments, but decreased by the amount of dividends distributed. In accordance with the accounting standards for investments, as outlined in IAS 10, gains from the sale of investments have been recorded separately from the profit for the reporting period.

STATEMENT OF FINANCIAL POSITION

(MNT million)	Q4 2020	Q2 2021	Q4 2021	Q2 2022 (1)	YTD	YoY
Cash and Cash Equivalents	101	35	331	409	24%	1,069%
Receivables	1,687	19,151	23,184	19,779	(15%)	3%
Prepaid Expenses	1,244	4,017	3,708	4,570	23%	14%
Short-Term Investments	19	19	20	20	0%	5%
Fixed Assets	906	380	2,995	2,442	(18%)	543%
Intangible Assets	113	207	350	266	(24%)	29%
Virtual Assets	8,828	173,401	58,810	53,821	(8%)	(69%)
Long-Term Investments	67,481	254,648	242,081	189,439	(22%)	(26%)
Total Assets	80,380	451,858	331,479	270,746	(18%)	(40%)
Accounts Payable	2,810	5,995	8,049	12,734	58%	112%
Tax Liabilities	170	467	1,250	1,425	100%	205%
Interest Liabilities	597	582	403	226	100%	(61%)
Other Current Liabilities	29	29	11,017	9,379		32,241%
Short-Term Debt	1,297	709	8,964	1,760	100%	148%
Issued Bonds	14,305	9,920	5,268	2,886	(45%)	(71%)
Long-Term Debt	1,935	7,298	14,290	10,322	(28%)	41%
Deferred Tax Liabilities	3,405	44,238	24,189	18,443	(24%)	(58%)
Total Liabilities	24,548	69,237	73,431	57,175	(22%)	(17%)
Common Stock	27,176	28,614	28,614	28,614	0%	0%
Paid-In Capital	0	2,928	2,928	2,928	0%	0%
Retained Earnings	1,359	5,964	12,145	19,168	58%	221%
Revaluation Reserves	27,284	345,101	214,347	162,847	(24%)	(53%)
Other Equity Components	14	14	14	14	0%	0%
Total Equity	55,832	382,621	258,049	213,571	(17%)	(44%)

VALUATION

(MNT million)	Method	Q4 2020	%	Q2 2021	%	Q4 2021	%	Q2 2022	%	YTD	YoY
Strategic Investments		67,450		344,081		397,700		169,999		(57.25%)	(50.59%)
Mongol Post (MSE: MNP)	MV	17,689	23.68%	28,181	23.6%	31,727	23.6%	18,895	23.6%	(40.45%)	(32.95%)
Ard Insurance (MSE: AIC)	MV	13,108	65.54%	16,523	45.5%	14,970	45.4%	8,339	45.4%	(44.30%)	(49.53%)
Ard Credit (MSE: ADB)	MV	14,080	61.25%	28,408	40.6%	25,009	40.6%	10,611	40.6%	(57.57%)	(62.65%)
Ard Securities	BV	2,305	100%	19,126	100%	15,756	100%	6,279	100%	(60.15%)	(67.17%)
Ard Management	BV	1,265	100%	12,271	100%	6,708	100%	2,181	100%	(67.49%)	(82.23%)
Ard Assets	BV	99	9.5%	415	9%	741	9%	757	9%	2.16%	82.41%
Ard Life	BV	11,426	100%	46,048	95%	33,217	95%	2,308	95%	(93.05%)	(94.99%)
Ard Leasing	BV	10,168		5,256	100%	4,676	100%	-	100%	(11.04%)	(54.01%)
Tenger Systems	BV	1,154	100%	9,302	100%	9,950	100%	3,684	100%	(62.97%)	(60.40%)
Ard Holdings International	BV	6,324	100%	13,193	100%	15,002	100%	5,659	100%	(62.28%)	(57.11%)
Ard Properties	BV	48,472		34,965	100%	2,198	100%	-	100%	(93.71%)	(95.47%)
Ard Bit	BV	111,974		84,023		3,683		-		(95.62%)	(96.71%)
DAX*	DCF			45,000	60%	45,000	60%	-	60%	0.00%	-
Daats Investments (54% of UBX)	Cost			4,096		4,096		-		0.00%	-
TengerLeague Media Group	MV			57,780		38,135	48%	-	48%	(34.00%)	-
GrapeCity Mongolia	Cost			9,000		9,000		-		0.00%	-
Most Fintech	Cost			4,500		4,500		-		0.00%	-
Tactical Investments		50		5,707		15,729		1,941		(87.66%)	(65.99%)
National Privatization Fund (MSE: XOC)	MV	3	0.05%	0	0%	19	0%	11	0%	(42.11%)	-
Bulgan Undraga (MSE: BUN)	MV	28	32.89%	5,667	30%	5,319	28%	1,893	28%	(64.41%)	(66.60%)
Other Equities and Bonds		19		40		10,391		37		(99.64%)	(7.50%)
Others		(8,263)		117,023		40,137		(13,214)		(132.92%)	(111.29%)
Tangible and Intangible Assets		9,407		118,820		62,155		11,433		(81.61%)	(90.38%)
Cash and Cash Equivalents		101		35		331		406		22.66%	1,060.00%
Other Net Assets		(17,771)		(1,832)		(22,349)		(25,052)		(12.09%)	(1,267.47%)
Total Valuation		59,237		466,811		453,566		158,727		(65.00%)	(66.00%)
Outstanding Shares		27,175,629		28,614,263		28,614,263		28,614,263		-	-
Per Share Valuation (MNT)		2,180		16,314		15,851		5,547		(65.01%)	(66.00%)

Corporate Governance

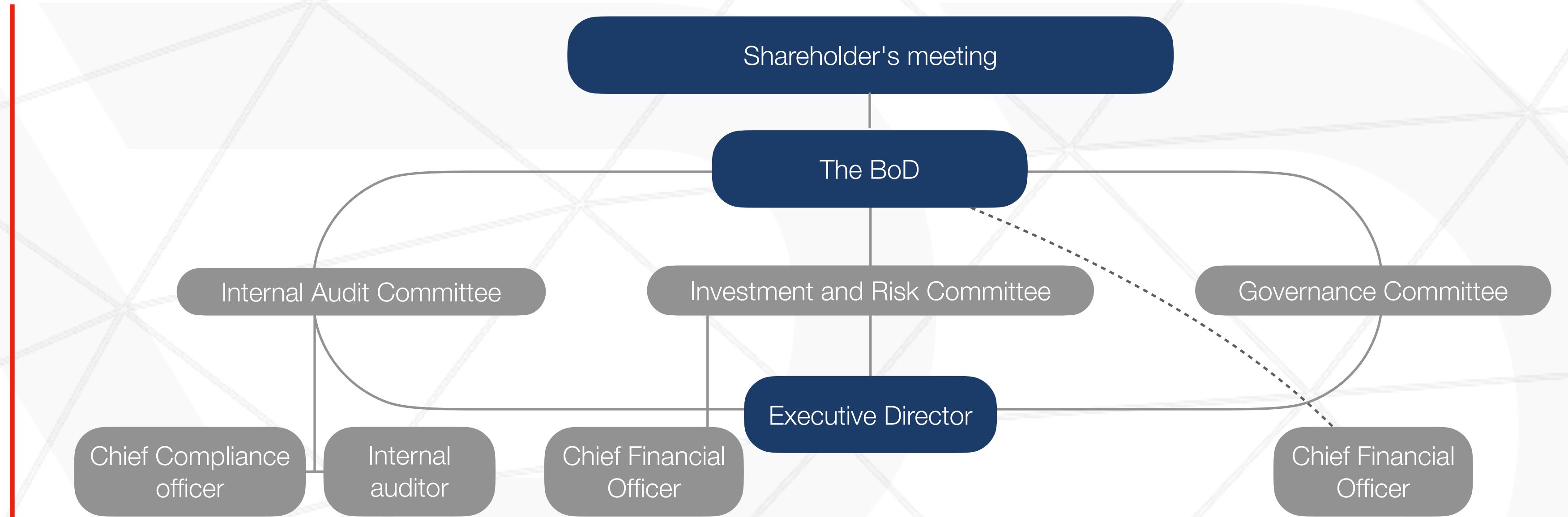
Corporate Governance evaluation

AARD	Ard Financial Group JSC - Self evaluation	Score	Percentage
№	9 CORE PRINCIPLES OF CORPORATE GOVERNANCE	72	100%
ONE.	STRUCTURE AND ORGANIZATION OF BoD - 12		
	The BoD is composed of a well-rounded and effective structure that ensures a diverse set of skills, knowledge, experience, and independence. It is forward-thinking, creative, and results-oriented	11	15%
TWO.	THE COMMITTEES UNDER THE BoD AND THEIR ROLES - 10		
	The BoD delegates its activities through specialized committees responsible for specific functions, while retaining ultimate accountability for the outcomes	7	10%
THREE.	REPORTING AND INFORMATIONAL TRANSPARENCY - 6		
	The BoD ensures the accuracy, completeness, and balance of financial and non-financial reporting, maintaining transparency in the information disclosed	6	8%
FOUR.	AUDIT AND CONTROL SYSTEM - 6		
	The BoD ensures the independence and effectiveness of the audit and control system	6	8%
FIVE.	RISK MANAGEMENT - 8		
	The BoD organizes risk management and compliance controls appropriately and independently, and regularly monitors their effectiveness	6	8%
SIX.	COMPENSATION AND INCENTIVES OF AUTHORIZED OFFICIALS - 6		
	The compensation and bonuses of authorized officers are aligned with the company's vision and characteristics, and are fair and transparent	4	6%
SEVEN.	INTERESTS OF STAKEHOLDERS - 8		
	The company shall respect the interests of stakeholders involved in its operations	8	11%
EIGHT.	CORPORATE CULTURE - 6		
	The members of the BoD shall establish high ethical standards for the company and lead by example, serving as a model for the executive management and employees to follow	6	8%
NINE.	INTERESTS OF SHAREHOLDERS - 10		
	The company and the BoD will respect the rights of shareholders, treat them equally, and fully ensure their access to information and the ability to exercise their rights	9	13%
	TOTAL SCORE	63	87.5%

Governance structure



Exemplary
Governance
System



Three **layers**
of protection
system

Third layer

Internal auditor

Internal audit provides independent risk assessment and corporate governance, assurance and recommendations. Communicate financial management, information security, and risk management implementation to board members in a timely manner.

Second layer

Supervising departments

First layer

All departments and employees

Implement internal control of day-to-day operations

Stronger. Together.