

**Mongolia Growth Group  
Ltd.**

Consolidated Financial Statements

**December 31, 2025**

(Expressed in Canadian dollars)

# DAVIDSON

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Mongolia Growth Group Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of Mongolia Growth Group Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

### Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Canadian generally accepted auditing standards 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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.

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants

Vancouver, Canada

April 8, 2026

**Mongolia Growth Group Ltd.**  
Consolidated Statements of Financial Position  
As at December 31

(Expressed in Canadian dollars)

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 6)	34,966,943	13,286,090
Marketable securities owned (note 8)	-	32,205,889
Due from broker (note 7)	-	3,246
Other assets (note 11)	74,007	58,575
	<u>35,040,950</u>	<u>45,553,800</u>
<b>Non-current assets</b>		
Property and equipment (note 12)	-	1,776,992
	<u>-</u>	<u>1,776,992</u>
<b>Total assets</b>	<b><u>35,040,950</u></b>	<b><u>47,330,792</u></b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables and accrued liabilities (note 13)	660,771	497,687
Unearned revenue (note 9)	-	950,615
Due to broker (note 7)	-	5,341,296
Income taxes payable	29,547	-
	<u>690,318</u>	<u>6,789,598</u>
<b>Non-current liabilities</b>		
Deferred income tax liability (note 14)	-	173,000
	<u>-</u>	<u>173,000</u>
<b>Total liabilities</b>	<b><u>690,318</u></b>	<b><u>6,962,598</u></b>
<b>Equity</b>		
Share capital (note 15)	47,770,719	48,046,823
Contributed surplus	6,849,976	6,849,976
Accumulated other comprehensive gain (loss)	(35,948)	278,786
Deficit	(20,234,115)	(14,807,391)
	<u>34,350,632</u>	<u>40,368,194</u>
<b>Total equity</b>	<b><u>34,350,632</u></b>	<b><u>40,368,194</u></b>
<b>Total equity and liabilities</b>	<b><u>35,040,950</u></b>	<b><u>47,330,792</u></b>

**Commitment and contingencies (note 19)**

**Subsequent events (note 23)**

**Approved by the Board of Directors**

“Harris Kupperman”

Director

“Robert Scott”

Director

# Mongolia Growth Group Ltd.

## Consolidated Statements of Operations

For the years ended December 31

(Expressed in Canadian dollars)

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Revenue</b>		
Rental income	76,879	99,995
<b>Total revenue</b>	<b>76,879</b>	<b>99,995</b>
<b>Expenses</b>		
Salaries and wages	335,166	577,767
Other expenses (note 22)	1,988,589	1,656,698
Depreciation (note 12)	79,605	83,565
<b>Total operating expenses</b>	<b>(2,403,360)</b>	<b>(2,318,030)</b>
Interest income (expense)	148,770	(55,391)
CEBA loan forgiveness	-	20,000
Unrealized loss on short term investments	(3,275,777)	(12,199,797)
Realized gain (loss) on short term investments	(1,869,499)	5,732,592
Realized loss on digital assets (note 10)	-	(72,254)
Gain on disposal of PPE (note 12)	313,018	-
Foreign currency loss	(17,748)	(16,864)
<b>Total other loss</b>	<b>(4,701,236)</b>	<b>(6,591,714)</b>
<b>Net loss before income taxes</b>	<b>(7,027,717)</b>	<b>(8,809,749)</b>
Income tax recovery (note 14)	100,442	94,679
Loss from continuing operations	(6,927,275)	(8,715,070)
Income from discontinued operations (note 5)	1,500,551	1,323,954
<b>Net loss for the year</b>	<b>(5,426,724)</b>	<b>(7,391,116)</b>
<b>Net income (loss) per share</b> (note 15)		
Basic		
From continuing operations	(0.27)	(0.33)
From discontinued operations	0.06	0.05
From net loss for the year	(0.21)	(0.28)
Diluted		
From continuing operations	(0.27)	(0.33)
From discontinued operations	0.06	0.05
From net loss for the year	(0.21)	(0.28)

The accompanying notes are an integral part of these consolidated financial statements

**Mongolia Growth Group Ltd.**  
Consolidated Statements of Comprehensive Loss  
For the years ended December 31

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(Expressed in Canadian dollars)

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Net loss for the year</b>	<b>(5,426,724)</b>	<b>(7,391,116)</b>
<b>Other comprehensive gain (loss)</b>		
Items that may be subsequently reclassified to income or loss		
Unrealized gain (loss) on translation from functional currency to Canadian dollar reporting currency	<u>(314,734)</u>	<u>325,449</u>
<b>Total comprehensive loss</b>	<b><u>(5,741,458)</u></b>	<b><u>(7,065,667)</u></b>

The accompanying notes are an integral part of these consolidated financial statements.

**Mongolia Growth Group Ltd.**  
Consolidated Statements of Changes in Equity  
For the years ended December 31

(Expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive gain \$	Retained earnings (deficit) \$	Total \$
<b>Balance at January 1, 2024</b>	49,773,082	6,849,976	(46,663)	(7,416,275)	49,160,120
Net loss for the year	-	-	-	(7,391,116)	(7,391,116)
Other comprehensive gain	-	-	325,449	-	325,449
	49,773,082	6,849,976	278,786	(14,807,391)	42,094,453
Share repurchase	(1,726,259)	-	-	-	(1,726,259)
<b>Balance at December 31, 2024</b>	<b>48,046,823</b>	<b>6,849,976</b>	<b>278,786</b>	<b>(14,807,391)</b>	<b>40,368,194</b>

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive loss \$	Retained earnings (deficit) \$	Total \$
<b>Balance at January 1, 2025</b>	48,046,823	6,849,976	278,786	(14,807,391)	40,368,194
Net loss for the year	-	-	-	(5,426,724)	(5,426,724)
Other comprehensive loss	-	-	(314,734)	-	(314,734)
	48,046,823	6,849,976	(35,948)	(20,234,115)	34,626,736
Share repurchase	(276,104)	-	-	-	(276,104)
<b>Balance at December 31, 2025</b>	<b>47,770,719</b>	<b>6,849,976</b>	<b>(35,948)</b>	<b>(20,234,115)</b>	<b>34,350,632</b>

# Mongolia Growth Group Ltd.

## Consolidated Statements of Cash Flow

As at December 31, 2025

(Expressed in Canadian dollars)

	2025 \$	2024 \$
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the year from continuing operations	(6,927,275)	(8,715,070)
Items not affecting cash		
Depreciation (note 12)	79,605	83,565
Deferred taxes	(173,000)	(327,522)
CEBA loan forgiveness	-	(20,000)
Unrealized loss on marketable securities	3,275,777	12,199,797
Realized loss on marketable securities	1,869,499	(5,732,592)
Realized gain on sale of PPE (note 12)	(313,018)	-
Realized loss on digital assets (note 10)	-	72,254
	<b>(2,188,412)</b>	<b>(2,439,568)</b>
Net change in non-cash working capital balances (note 20)*	(5,160,851)	(1,537,047)
	<b>(7,349,263)</b>	<b>(3,976,615)</b>
<b>Cash provided by discontinued operating activities (note 5)</b>	549,936	1,148,130
<b>Financing activities</b>		
Share repurchase (note 15)	(276,104)	(1,726,259)
	<b>(276,104)</b>	<b>(1,726,259)</b>
<b>Investing activities</b>		
Net sale of marketable securities	27,060,613	7,761,120
Disposal (acquisition) of property and equipment (note 12)	2,023,843	(203,018)
Sale of digital assets (note 10)	-	381,771
	<b>29,084,456</b>	<b>7,939,873</b>
<b>Increase in cash from continued operations</b>	21,459,089	2,236,999
<b>Increase in cash from discontinued operations</b>	549,936	1,148,130
<b>Effect of exchange rates on cash and cash equivalents</b>	(328,172)	165,737
<b>Increase in cash and cash equivalents</b>	21,680,853	3,550,866
<b>Cash and cash equivalents– Beginning of year</b>	13,286,090	9,735,224
<b>Cash and cash equivalents – End of year</b>	<b>34,966,943</b>	<b>13,286,090</b>

\*Supplementary cash flow information (note 20)

# Mongolia Growth Group Ltd.

## Notes to the Consolidated Financial Statements

### For the years ended December 31, 2025 and 2024

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(Expressed in Canadian dollars)

#### 1 Corporate information

Mongolia Growth Group Ltd. ("MGG" or the "Company") was incorporated in Alberta on December 17, 2007, and is a Merchant bank, and operated a subscription product business, which was sold during the year, and a public securities portfolio, which was liquidated. The Company has approved a plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta), pursuant to which shareholders will receive \$1.28 in cash per common share, subject to shareholder and court approval at a special meeting on May 14, 2026

The Company trades on the NEX, having the symbol YAK.H.

MGG has three wholly-owned subsidiaries as of December 31, 2025; Mongolia (Barbados) Corp., MGG US Inc., and Lemontree PR LLC. Both MGG US Inc. and Lemontree PR LLC no longer have operations as of the year ended of December 31, 2025 and will be closed once all legal requirements have been met.

At December 31, 2025 and 2024, the principal subsidiaries of the Company, their geographic locations, and the ownership interest held by the Company, were as follows:

Name	Principal Activity	Ownership		Location
		December 31, 2025	December 31, 2024	
Mongolia (Barbados) Corp.	Holding Company and Brokerage Account	100%	100%	Barbados
Lemontree PR LLC	Real estate operations	100%	100%	Puerto Rico
MGG US Inc.	Investments	100%	100%	United States

The Company is registered in Alberta, Canada, at its registered and records address at Centennial Place, East Tower, 1900, 520 – 3<sup>rd</sup> Avenue S.W. Calgary, Alberta, Canada T2P 0R3. The Company's Canadian headquarters are located at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, Canada.

At December 31, 2025, the Company is organized into two segments based on the business operations:

- The MGG Corporate segment manages the Company's corporate affairs, capital management and public securities portfolio.
- The Subscription Products segment manages the Company's subscription product business (discontinued).

#### 2 Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The material accounting policies used in the preparation of these consolidated financial statements are summarized in note 3.

These consolidated financial statements have been prepared on a going concern basis, meaning that the Company will continue in operation for the foreseeable future and will be able to realize

**Mongolia Growth Group Ltd.**  
Notes to the Consolidated Financial Statements  
**For the years ended December 31, 2025 and 2024**

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(Expressed in Canadian dollars)

**2 Basis of presentation (continued)**

assets and discharge liabilities in the ordinary course of operations. The Company estimates it has sufficient working capital to continue operations for the upcoming 12 months.

The consolidated financial statements, including the notes to the consolidated financial statements, are presented in Canadian dollars (\$) which is the presentation currency and the functional currency of the parent Company. The functional currency of the Company's operating subsidiary in Barbados is the Canadian Dollar. The functional currency of the Company's operating subsidiaries in the United States and Puerto Rico is the US Dollar.

These consolidated financial statements were approved by the Board of Directors of the Company for issue on April 8, 2026.

**3 Material accounting policies**

**a. Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, and digital assets, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**b. Basis of consolidation**

These consolidated financial statements include the accounts of MGG and its wholly-owned subsidiaries. Subsidiaries are entities controlled by MGG. Control exists when MGG is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are prepared for the same reporting year as MGG, using consistent accounting policies. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Upon the disposal of a subsidiary, amounts previously recognized in other comprehensive income in respect of that entity, are reclassified to profit or loss.

**c. Discontinued Operations**

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative period. The results of operations associated with disposal groups sold, or classified as held for sale, are reported separately as income or loss from discontinued operations.

**Mongolia Growth Group Ltd.**  
Notes to the Consolidated Financial Statements  
For the years ended December 31, 2025 and 2024

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(Expressed in Canadian dollars)

**d. Financial instruments**

*Classification and measurement*

The classification of financial assets is based on the Company's business models and the financial asset's contractual cash flow characteristics. Business models are reassessed periodically, and contractual cash flow characteristics are assessed to determine whether they are "Solely payments of principal and interest" (SPPI).

Financial assets, including hybrid contracts, are classified as either amortized cost, fair value through other comprehensive income (FVOCI), or the residual classification of fair value through profit and loss (FVTPL).

Financial assets with cash flows that are SPPI and are held within a business model where the objective is to hold the financial assets in order to collect contractual cash flows ("Hold to collect" business model) are measured at amortized cost.

Financial assets with cash flows that are SPPI and are held within a business model where the dual objective is to hold the financial assets in order to collect contractual cash flows and selling financial assets ("Hold to collect and sell" business model) are measured at FVOCI.

Financial assets with cash flows that are SPPI but are not held within the "Hold to collect" or "Hold to collect and sell" business models are measured at FVTPL.

Financial assets with cash flows that do not meet the SPPI conditions are measured at FVTPL.

Marketable securities held for trading are classified as FVTPL. For all other marketable securities that are not held for trading, the Company, on initial recognition, may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or if the Company elects to measure them at fair value through profit or loss.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and financial liabilities are recognized on the trade date, the date on which the Company commits to purchase or sell the investment.

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable and

unconditional right to offset the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

i) Financial assets and financial liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition it is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-

**Mongolia Growth Group Ltd.**  
Notes to the Consolidated Financial Statements  
**For the years ended December 31, 2025 and 2024**

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(Expressed in Canadian dollars)

**d. Financial instruments (continued)**

term profit taking. Derivatives are also categorized as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions.

From time to time, the Company enters into derivative financial instruments for speculative purposes. These instruments are marked to market, and the corresponding gains and losses for the year are recognized in the consolidated statement of operations. The carrying value of these instruments is fair value, which approximates the amount that would be received or paid if the derivative were to be transferred to a market participant at the consolidated statement of financial position date. The fair value is included in marketable securities if in an asset position or marketable securities sold short if in a liability position.

ii) Financial assets managed as fair value through profit or loss

Financial assets managed as fair value through profit or loss are financial instruments that are not classified as held for trading but form part of a portfolio that is managed and whose performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The Company's marketable securities owned, and marketable securities sold short are all classified as held for trading and carried at FVTPL.

*Recognition, derecognition and measurement*

Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statement of operations. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are presented in the consolidated statement of operations in realized and unrealized gain on short-term investments.

Financial assets at amortized cost

*Classification*

Financial assets at amortized cost are non-derivative financial assets with cash flows that are "solely from the payment of principal and interest" (SPPI) and that are managed under a "held to collect" business model.

The Company's financial assets at amortized cost consist of cash, due from broker, as well as accounts receivable and long-term receivable, which are included in other assets.

*Recognition and measurement*

At initial recognition, the Company measures its financial assets at its fair value plus transactions costs incurred. The amortized cost is the amount at which the financial asset is

**Mongolia Growth Group Ltd.**  
Notes to the Consolidated Financial Statements  
**For the years ended December 31, 2025 and 2024**

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(Expressed in Canadian dollars)

**d. Financial instruments (continued)**

measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets.

Financial liabilities at amortized cost

*Classification*

The Company's financial liabilities at amortized cost are non-derivative liabilities that comprise trade payables, accrued liabilities and due to broker.

*Recognition and measurement*

Trade payables and accrued liabilities are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest method. Due to brokers and CEBA loans are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

*Impairment*

Substantially all of the Company's financial assets at amortized cost are short-term assets and from sources with low credit risk. The Company monitors its financial assets measured at amortized cost and counterparty risk.

**Fair Value of Financial Instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities recorded at fair value in the consolidated statement of financial position are measured and classified in a hierarchy consisting of three levels for disclosure purposes. The three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

***Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities***

- The Company defines active markets based on the frequency of valuation and any restrictions or illiquidity on disposition of investments. The size of the bid/ask spread is used as an indicator of market activity for fixed maturity securities. Fair value is based on market price data for identical assets obtained from the investment custodian, investment managers or dealer markets. The Company does not adjust the quoted price for such instruments.

**Mongolia Growth Group Ltd.**  
Notes to the Consolidated Financial Statements  
For the years ended December 31, 2025 and 2024

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(Expressed in Canadian dollars)

**d. Financial instruments (continued)**

***Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)***

Level 2 inputs include observable market information, including quoted prices for assets in markets that are considered less active. Fair value is based on or derived from market price data for same or similar instruments obtained from the investment custodian, investment managers or dealer markets.

***Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities***

- Level 3 assets and liabilities would include financial instruments whose values are determined using internal pricing models, discounted cash flow methodologies, or similar techniques that are not based on observable market data, as well as assets or liabilities for which the determination of estimated fair value requires significant management judgement or estimation.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

The levels of the fair value inputs used in determining estimated fair value of the Company's financial assets at fair value through profit or loss as at December 31, 2024, is shown below. As at December 31, 2025, the Company does not hold any financial assets at fair value.

	Estimated fair values			
	December 31, 2024	Level 1	Level 2	Level 3
Marketable securities	\$32,205,889	\$32,205,889	-	-
Marketable Securities sold short	-	-	-	-
	<b>\$32,205,889</b>	<b>\$32,205,889</b>	-	-

At December 31, 2025 and 2024 there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as level 2 and 3 in the fair value hierarchy above.

**e. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The Company's specific revenue recognition criteria are as follows:

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i) Rental revenue

The Company has not transferred substantially all of the benefits and risk of ownership of its investment properties, and therefore, the Company accounts for leases with its tenants as operating leases. Rental revenue includes all amounts earned from tenants related to lease agreements including property tax and operating cost recoveries.

The Company reports rental revenue on a straight-line basis, whereby the total amount of cash to be received under a lease is recognized into earnings in equal periodic amounts over the term of the lease.

Contingent rents are recognized as revenue in the period in which they are earned.

Amounts payable by tenants to terminate their lease prior to their contractual expiry date (lease cancellation fees) are included in rental revenue at the time of cancellation.

ii) Interest income

Interest income is recorded as it accrues using the effective interest method.

iii) Subscription Revenue

Subscription revenue consists of subscriptions to an investment data analytics service. The subscription service provides customers the right to access its weekly data publications. The Company's subscription service represents a series of distinct publications produced each week and are made available to the customer continuously throughout the contractual period. However, the extent to which the customer uses the services may vary at the customer's discretion.

A performance obligation is a commitment in a contract with a customer to transfer products or services that are distinct. Determining whether products and services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgment. The Company's data analytics service is considered to have a single performance obligation where the customer simultaneously receives and consumes the benefit, and as such revenue is recognized ratably over the term of the contractual agreement.

For the Company's data subscription product, the Company generally receives payment for the full subscription contract up front.

The Subscription business has been fully disposed of as at December 31, 2025. Accordingly, the results of the subscription business have been presented as discontinued operations. Refer to the discontinued operations note for further details.

**f. Unearned revenue**

Payments received in advance of services being rendered are recorded as unearned revenue and recognized ratably over the requisite service period.

**g. Cash**

Cash includes cash held at banks or on hand and demand deposits.

**h. Property and equipment**

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the

# **Mongolia Growth Group Ltd.**

## Notes to the Consolidated Financial Statements

### **For the years ended December 31, 2025 and 2024**

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Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses. All repairs and maintenance costs are charged to the consolidated statement of operations during the period in which they occur.

Depreciation is recognized in the consolidated statement of operations and is provided on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	Straight-line over 40 years
Furniture and fixtures	Straight-line over 5 to 10 years
Equipment	Straight-line over 1 to 5 years

Impairment reviews are performed when there are indicators that the net recoverable amount of an asset may be less than the carrying value. The net recoverable amount is determined as the higher of an asset's fair value less cost to dispose and value in use. Impairment is recognized in the consolidated statement of operations, when there is objective evidence that a loss event has occurred which has impaired future cash flows of an asset. In the event that the value of previously impaired assets recovers, the previously recognized impairment loss is recovered in the consolidated statement of operations at that time.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of operations in the period the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

#### **i. Income taxes**

Income taxes are comprised of both current and deferred taxes. Current tax and deferred tax are recognized in the statement of operations except to the extent that it relates to items recognized in Other Comprehensive Income ("OCI") or directly in equity. In this case, the tax is recognized in OCI or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income and are measured at the amount expected to be recovered from or paid to the taxation authorities for the current and prior periods.

Deferred income tax assets and liabilities are recorded for the expected future income tax consequences of events that have been included in the consolidated financial statements or

# **Mongolia Growth Group Ltd.**

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### **For the years ended December 31, 2025 and 2024**

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(Expressed in Canadian dollars)

#### **i. Income taxes (continued)**

income tax returns. Deferred income taxes are recognized for all significant temporary differences between the tax and financial statement bases for assets and liabilities and for certain carry-forward items, such as losses and tax credits not utilized from prior years.

However, if the deferred income tax arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income, it is not accounted for.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where, in the opinion of management, it is probable that future taxable profit will be available against which the deferred tax asset can be realized. Deferred income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates, on the date the changes in tax laws and rates have been enacted or substantively enacted.

#### **j. Foreign exchange translations**

Foreign currency transactions are translated at the rate of exchange in effect on the dates they occur. Gains and losses arising as a result of foreign currency transactions are recognized in the consolidated statement of operations. At reporting dates, monetary items are translated at the closing rate of exchange in effect at the consolidated statement of financial position date.

For the purpose of the consolidated financial statements, the results and financial position of the Company's operations are expressed in Canadian dollars, which is the functional currency of the parent, and the presentation currency of the consolidated financial statements.

The Company translates the assets, liabilities, income and expenses of its subsidiaries which have a functional currency other than the Canadian dollar, to Canadian dollars on the following basis:

- Assets and liabilities are translated at the closing rate of exchange in effect at the consolidated statement of financial position date.
- Income and expense items are translated using the average rate for the month in which they occur, which is considered to be a reasonable approximation of actual rates.
- Equity items are translated at their historical rates.
- The translation adjustment from the use of different rates is included as a separate component of equity, in accumulated other comprehensive income (loss).

#### **k. Comprehensive income**

Comprehensive income consists of net income (loss) and OCI. OCI includes changes in unrealized gains (losses) on the translation of subsidiaries with a functional currency other than the Canadian dollar.

# **Mongolia Growth Group Ltd.**

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### **For the years ended December 31, 2025 and 2024**

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#### **l. Share capital and deferred share issuance costs**

Ordinary shares issued by the Company are classified as equity. Costs directly identifiable with the raising of capital will be charged against the related share issue, net of any tax effect.

Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share issuance or charged to operations if the shares are not issued.

#### **m. Earnings (loss) per share**

For both continuing and discontinued operations, the Company presents basic and diluted earnings (loss) per share (EPS) data for its common shares. Basic EPS is calculated by dividing the results of operations attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the results of operations attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise share options.

#### **n. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of operations, has been identified as the Chief Executive Officer. The Company is now managed as two operating segments based on how information is produced internally for the purpose of making operating decisions. The segments are defined as subscription products and corporate.

#### **o. Leases**

IFRS 16, Leases ("IFRS 16") sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor.

The Company has entered into commercial and residential property leases on its investment properties. The Company as a lessor, has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains the significant risks and rewards of ownership of these properties and therefore accounts for these agreements as operating leases.

For other leases of low-value assets or short-term leases that end within 12 months of the commencement date and which have no renewal or purchase option, the Company has elected to apply the recognition exemptions specified in IFRS 16, allowing the Company to continue to expense the lease payments in the period in which they are incurred. The total of such expenses was \$nil for the 2025 fiscal year (2024 - \$9,869).

#### **p. Provisions and contingent liabilities**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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(Expressed in Canadian dollars)

**p. Provisions and contingent liabilities (continued)**

When the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense of any provision is recognized in the consolidated statement of operations net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

**q. Due from and to brokers**

Amounts due from and to brokers represent negative cash balances or margin accounts, and pending trades on the purchase or sale of securities. Where terms in the prime brokerage agreements permit the prime broker to settle margin balances with cash accounts or collateral, the due from brokers cash balances are offset against the due to brokers margin balances at each prime broker.

**r. Marketable Securities**

The Company presents results from trading marketable securities on both a realized and unrealized basis separately in the consolidated statements of operations. A realized gain or loss is recorded upon transfer of ownership of a marketable security, calculated as proceeds (net of broker fees) less its cost which is measured on a first-in-first-out (“FIFO”) basis. Unrealized gains and losses are the fair value adjustments to positions still held at reporting dates.

**s. Futures Contracts**

The Company may invest in financial futures contracts (“futures contracts”) for the purpose of hedging its existing portfolio securities or for speculative reasons.

Upon entering into a futures contract, the Company is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This payment is known as “initial margin.” Subsequent payments, known as “variation margin,” are calculated each day, depending on the daily fluctuations in the fair value/market value of the underlying assets. An unrealized gain or loss equal to the variation margin is recognised on a daily basis and carried on the consolidated statements of financial position. When the contract expires or is closed the gain (loss) is realised and is presented in the Statement of Operations as a realised gain (loss) on short term investments. Futures contracts are valued daily at their last quoted sale price on the exchange they are traded. A “sale” of a futures contract means a contractual obligation to deliver the securities or foreign currency called for by the contract at a fixed price at a specified time in the future. A “purchase” of a futures contract means a contractual obligation to acquire the securities, commodities or foreign currency at a fixed price at a specified time in the future.

# **Mongolia Growth Group Ltd.**

## Notes to the Consolidated Financial Statements

### **For the years ended December 31, 2025 and 2024**

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(Expressed in Canadian dollars)

#### **t. Future Accounting Policy Changes**

On April 9, 2024, the IASB issued a new standard – IFRS 18, “Presentation and Disclosure in Financial Statements” with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its ‘operating profit or loss’. The Company is currently evaluating the guidance and its impact to the consolidated financial statements.

#### **4 Significant accounting estimates and judgements**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the consolidated statements of operations in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant estimates made in the preparation of these consolidated financial statements include the following areas:

- Valuation of marketable securities – The Company recognizes marketable securities at fair value. Fair value is determined on the basis of market prices from independent sources, if available. If there is no market price, then the fair value is determined by using valuation models with inputs derived from observable market data where possible but where observable data is not available, judgement is required to establish fair values. All marketable securities are classified as level 1 under the fair value hierarchy.
- Deferred tax assets and liabilities – The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**Mongolia Growth Group Ltd.**  
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**4 Significant accounting estimates and judgements (continued)**

- Judgement is required in determining whether an asset meets the criteria for classification as assets held for sale and or as discontinued operations in the consolidated financial statements. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the probability of the sale being completed within an expected time frame of one year and the period of time any amounts have been classified within assets held for sale.

The Company reviews the criteria for assets held for sale each quarter and reclassifies such assets to or from this financial position category as appropriate. On completion of the sale, management exercises judgement as to whether the sale qualifies as a discontinued operation.

During the year ended December 31, 2025, management determined that the Company's subscription business (KEDM) qualified as a discontinued operation. The sale of KEDM was completed during the year (note 5).

**5 Discontinued Operations**

On October 31, 2025, the Company completed the sale of its KEDM subscription business (the "KEDM Transaction") to an arm's length third party. The KEDM business was operated directly by the Company and was not held through a subsidiary. The consideration received consisted of the buyer's assumption of all deferred revenue obligations associated with the KEDM business up to and including October 31, 2025, totaling CAD\$841,809.

As the KEDM business had a carrying value of nil on the Company's consolidated statement of financial position at the date of disposal, the full value of the consideration has been recognized as a gain on disposal in the consolidated Statement of Operations of Discontinued Operations for the year ended December 31, 2025. No cash proceeds were received in connection with the KEDM Transaction.

**Comprehensive Statement of Operations of Discontinued Operations**

	<b>For the year ended December 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Subscription income	1,684,322	2,603,175
Gain on disposal of KEDM	841,809	-
<b>Total Income</b>	<b>2,526,131</b>	<b>2,603,175</b>
<b>Expenses</b>		
Subscription processing fees	59,898	90,176
Salaries and Wages	150,473	-
Other expenses	815,209	1,189,045
<b>Total expenses</b>	<b>(1,025,580)</b>	<b>(1,279,221)</b>
<b>Net income before tax from discontinued operations</b>	<b>1,500,551</b>	<b>1,323,954</b>

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**5. Discontinued Operations (continued)**

**Cash flows from (used in) discontinued operations:**

	<b>Year ending December 31, 2025 \$</b>	<b>Year ending December 31, 2024 \$</b>
Net income for the year from discontinued operations	1,500,551	1,323,954
Less gain on disposal	(841,809)	-
	<b>658,742</b>	<b>1,323,954</b>
Changes in non-cash working capital items:	-	-
Unearned Revenue	(108,806)	(175,824)
<b>Net cash from operating activities</b>	<b>549,936</b>	<b>1,148,130</b>
<b>Increase in cash from discontinued operations</b>	<b>549,936</b>	<b>1,148,130</b>

**Mongolia Growth Group Ltd.**  
Notes to the Consolidated Financial Statements  
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**6 Cash and cash equivalents**

Cash at banks earns interest at floating rates based on daily bank deposit rates. The component of cash accounts currently consists only of cash amounts held in banks or on hand.

The following table discloses the geographical location of cash:

	<b>2025</b>	<b>2024</b>
	\$	\$
Barbados	38,992	12,218,010
Canada	34,733,690	288,653
United States	194,261	779,427
<b>Total cash</b>	<b><u>34,966,943</u></b>	<b><u>13,286,090</u></b>

Cash is not collateralized. The carrying amount of cash approximates fair value.

The following table discloses the breakdown of cash and cash equivalents:

	<b>2025</b>	<b>2024</b>
	\$	\$
Cash	<u>34,966,943</u>	<u>13,286,090</u>
<b>Total cash and cash equivalents</b>	<b><u>34,966,943</u></b>	<b><u>13,286,090</u></b>

The credit quality of cash balances may be summarized based on Standard and Poor's ratings or equivalents of Moody's and/or Fitch ratings. The credit quality at December 31 was as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
Cash on hand	451	473
A-, A or A+ rated	34,867,133	13,170,717
BBB- rated	-	59,977
Unrated	<u>99,359</u>	<u>54,923</u>
<b>Total cash</b>	<b><u>34,966,943</u></b>	<b><u>13,286,090</u></b>

The unrated balance relates to one private bank in Barbados (2024 – one), one brokerage company in Canada (2024 – one). The BBB- rating relates to a bank in Puerto Rico.

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**7 Credit facilities and due from and due to brokers**

Due from and due to brokers

The Company has margin facilities with its prime brokers. As at December 31, 2024, the Company's amounts due to brokers have no specific repayment terms, and they are governed by the margin terms set forth in the prime brokerage agreements. The fair value of the collateral-listed equity securities is calculated daily and compared to the Company's margin limits. The prime brokers can at any time demand full or partial repayment of the margin balances and any interest thereon or demand the delivery of additional assets as collateral. As at December 31, 2025, there are no amounts due to/from broker.

Due from and due to brokers balances are presented on a net basis by broker in the consolidated statement of financial position. Under the prime broker agreements, the broker may upon events of default offset, net and/or regroup any amounts owed by the Company to the broker by amounts owed to the Company by the broker.

The following table set out the offsetting of the Company's various accounts with prime brokers.

	<b>2024</b>		
	<b>Gross amounts due from brokers</b>	<b>Gross amounts due to brokers</b>	<b>Net amounts</b>
	\$	\$	\$
Due from brokers	17,264	(14,018)	<b>3,246</b>
Due to brokers	-	(5,341,296)	<b>(5,341,296)</b>

**8 Equity investments and other holdings, securities sold short, derivatives and futures**

**Equity Investments and other holdings**

During the third quarter of 2025, the Company liquidated its entire equity investment portfolio, including equity securities, options on futures, calls, and puts, other than certain Russian securities, which remain impaired and illiquid, as part of its strategy to return capital to shareholders. As a result, the Company had no realisable holdings remaining as at December 31, 2025.

As at December 31, 2025, the Company held Russian equity securities with an observable value of \$2,861,876 based on the Moscow Exchange (MOEX) market prices, as well as Russian Ruble cash balances of \$71,106. These assets were transferred by Interactive Brokers to a segregated account following sanctions-related trading restrictions. In addition, the Company held 75,689 shares of the RSX ETF, which has been suspended from trading. All Russian-related holdings are considered impaired and illiquid and have been written down to \$nil in the Company's consolidated financial statements as at December 31, 2025 and 2024. As of April 8, 2026, the Company continues to hold these assets at a carrying value of \$nil.

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## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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### 8 Equity investments and other holdings, securities sold short, derivatives and futures (continued)

	December 31, 2025 \$	December 31, 2024 \$
<b>Assets</b>		
Equity securities	-	32,007,160
Options on futures	-	174,612
Calls	-	24,117
Puts	-	-
	<u>-</u>	<u>32,205,889</u>

### 9 Subscription Revenue (Discontinued Operations)

The KEDM subscription business was classified as a discontinued operation effective October 31, 2025. The results of this business are presented separately in the consolidated statements of operations and in note (5) -Discontinued Operations.

The Company's revenue from contracts with customers is comprised of investment data analytics subscriptions. The Company built a data analytics service, named KEDM, that tracks various event-driven strategies. Revenue earned during the period is classified as subscription revenue on the consolidated statements of operations. Revenue collected that has not yet been earned, have been classified as unearned revenue and will be classified according to the Company's revenue policies described in note 3.

#### Contract Liabilities:

As of December 31, 2025, the Company has unearned revenue of \$nil. (December 31, 2024 - \$950,615).

	December 31, 2025 \$	December 31, 2024 \$
Opening balance	950,615	1,126,439
Additions	1,575,516	2,427,351
Revenue earned	(1,684,322)	(2,603,175)
Disposal of KEDM	(841,809)	-
<b>Closing balance</b>	<u>-</u>	<u>950,615</u>

When the Company first launched its subscription business, the Company engaged an arm's length company to compile and produce the KEDM report on an ongoing basis, while MGG acted as the distributor and marketer of the product. As a part of this engagement, MGG paid the direct and approved expenses related to producing KEDM in addition to 20% of quarterly earned revenues above a threshold of \$125,000 USD. Beginning on January 1, 2023, MGG had engaged Praetorian PR LLC (PPR), a Puerto Rican company owned by the MGG's Chairman and CEO, to produce KEDM. Under the terms of the agreement, MGG paid PPR a monthly fee of USD \$40,000 along with 20% of any quarterly revenue in excess of USD \$125,000. The Company paid \$238,397 in revenue share during the year ended December 31, 2025 (December 31, 2024 - \$364,810), classified as subscription product expenses in note 21. Most of the expenses related to the unearned revenue have not yet been incurred and are not reflected in the Company's financial statements. The Company sold the KEDM business on October 31, 2025, for deferred revenues of CAD \$841,809. The PPR agreement was terminated upon completion of the KEDM Transaction on October 31, 2025.

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**10 Digital assets**

	December 31, 2025	December 31, 2024
	\$	\$
Balance - beginning of year	-	438,872
Net sales	-	(381,771)
Realized loss	-	(72,254)
Foreign currency gain	-	15,153
Balance - end of year	<u>-</u>	<u>-</u>

**11 Other assets**

**Short term other assets**

	December 31, 2025	December 31, 2024
	\$	\$
Accounts receivable	17,601	30,532
Prepaid expenses	56,406	28,043
	<u>74,007</u>	<u>58,575</u>

**12 Property and equipment**

	<b>2025</b>			
	<b>Furniture and fixtures</b>	<b>Equipment</b>	<b>Buildings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Cost</b>				
<b>At January 1</b>	163,536	50,761	1,809,546	2,023,843
Disposals	(163,536)	(50,761)	(1,809,546)	(2,023,843)
<b>At December 31</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>2025</b>			
	<b>Furniture and fixtures</b>	<b>Equipment</b>	<b>Buildings</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Accumulated depreciation</b>				
<b>At January 1</b>	80,977	36,908	128,966	246,851
Depreciation	29,101	9,205	41,299	79,605
Disposals	(110,078)	(46,113)	(170,265)	(326,456)
Foreign exchange adjustment	-	-	-	-
<b>At December 31</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value at December 31</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# Mongolia Growth Group Ltd.

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(Expressed in Canadian dollars)

### 12 Property and equipment (continued)

	<b>2024</b>			
	<b>Furniture and fixtures \$</b>	<b>Equipment \$</b>	<b>Buildings \$</b>	<b>Total \$</b>
<b>Cost</b>				
<b>At January 1</b>	150,329	46,583	1,453,502	1,650,414
Additions	-	-	203,018	203,018
Foreign exchange adjustment	13,207	4,178	153,026	170,411
<b>At December 31</b>	<b>163,536</b>	<b>50,761</b>	<b>1,809,546</b>	<b>2,023,843</b>
	<b>2024</b>			
	<b>Furniture and fixtures \$</b>	<b>Equipment \$</b>	<b>Buildings \$</b>	<b>Total \$</b>
<b>Accumulated depreciation</b>				
<b>At January 1</b>	44,390	25,197	67,847	137,434
Depreciation	31,111	9,841	42,613	83,565
Foreign exchange adjustment	5,476	1,870	18,506	25,852
<b>At December 31</b>	<b>80,977</b>	<b>36,908</b>	<b>128,966</b>	<b>246,851</b>
<b>Net book value at December 31</b>	<b>82,559</b>	<b>13,853</b>	<b>1,680,580</b>	<b>1,776,992</b>

Lemontree LLC, an entity owned by Harris Kupperman, the Chairman and Chief Executive Officer of the Company, has purchased the office property for USD\$1.45 million (approximately CAD\$2.0 million). The transaction was approved by shareholders during the annual and special meeting of shareholders of the Company on October 7, 2025. The sale of its office property in Rincon, Puerto Rico closed on December 3, 2025.

On December 3, 2025, the Company completed the sale of its office property. The net book value of the disposed assets at the time of sale was CAD\$1,697,387 resulting in a gain on disposal of CAD \$313,018, which has been recognized in the consolidated statement of operations for the year ended December 31, 2025. This transaction constitutes a related party transaction; refer to Note 18.

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Notes to the Consolidated Financial Statements  
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**13 Trade payables and accrued liabilities**

	<b>2025</b>	<b>2024</b>
	\$	\$
Trade and accrued payables	660,771	490,492
Security deposits	-	7,195
	<u>660,771</u>	<u>497,687</u>

The carrying amounts above reasonably approximate the fair value at the consolidated statement of financial position date. All trade and other payables are current.

**14 Income taxes**

**a) Effective tax rate**

The income tax expense reflects an effective tax rate that differs from the combined tax rate for Canadian federal and provincial corporate taxes for the following:

	<b>2025</b>	<b>2024</b>
	\$	\$
Income (loss) before tax from continuing operations	(7,027,717)	(7,485,795)
Income (loss) before tax from discontinued operations	1,500,551	-
<b>Net income (loss) before income taxes</b>	<b>(5,527,166)</b>	<b>(7,485,795)</b>
Combined statutory tax rate	26.5%	26.5%
Expected income tax (recovery)	(1,465,000)	(1,984,000)
Effect of:		
Permanent differences	(448,000)	203,000
Change in statutory, foreign tax, foreign exchange rates and other	1,076,000	215,321
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	30,558	277,000
Change in unrecognised deductible tax differences	706,000	1,194,000
Total income tax expense (recovery)	<b>(100,442)</b>	<b>(94,679)</b>
Income tax reported in the statement of profit or loss	(100,442)	(94,679)
Income tax attributable to discontinued operations	-	-
	<b>(100,442)</b>	<b>(94,679)</b>
Provision for income taxes		
Current	72,558	266,218
Deferred (recovery)	(173,000)	(360,897)
	<b>(100,442)</b>	<b>(94,679)</b>

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**14 Income taxes (continued)**

**b) Deferred income taxes**

Differences between IFRS and statutory taxation regulations in Mongolia give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The Company did not recognize a deferred tax asset in these consolidated financial statements as there is uncertainty with regard to the recoverability of the asset for both the Canadian and Mongolian entities.

The significant components of the Company's deferred tax assets and liabilities are as follows:

	<b>2025</b>	<b>2024</b>
	\$	\$
Deferred Tax Assets (liabilities)		
Property and equipment	35,000	67,000
Marketable securities	-	82,000
Foreign accrual capital loss	3,801,000	2,721,000
Non-capital losses available for future period	255,000	342,000
	<u>4,091,000</u>	<u>3,212,000</u>
Unrecognized deferred tax assets	<u>(4,091,000)</u>	<u>(3,385,000)</u>
<b>Net deferred tax liability</b>	<b>-</b>	<b>(173,000)</b>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

<b>Temporary Differences</b>	<b>2025</b>	<b>Expiry Date Range</b>	<b>2024</b>	<b>Expiry Date Range</b>
Property and equipment	132,000	No expiry date	219,000	No expiry date
Foreign accrual capital loss	14,343,000	2043 to 2045	10,267,000	2043
Allowable capital losses	-	N/A	2,023,000	No expiry date
Non-capital losses available for future period	1,000,000	2045- Indefinitely	162,000	2032 to 2033

Tax attributes are subject to review, and potential adjustment by tax authorities.

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**15 Share capital and contributed surplus**

**Common shares**

The Company is authorized to issue an unlimited number of common and preferred shares.

The issued and outstanding common shares are as follows:

	<b>Number of shares</b>	<b>Amount \$</b>
Balance, December 31, 2023	26,980,699	49,773,082
Shares re-purchased	-	(1,726,259)
Treasury stock cancelled	(1,208,700)	-
<b>Balance, December 31, 2024</b>	<b>25,771,999</b>	<b>48,046,823</b>
Shares re-purchased	-	(276,104)
Treasury stock cancelled	(313,300)	-
<b>Balance, December 31, 2025</b>	<b>25,458,699</b>	<b>47,770,719</b>

As at December 31, 2025, the Company held no (2024-71,900) shares in treasury.

**Options**

There were no options outstanding as of December 31, 2025 and 2024 and the Company's option plan lapsed in 2021.

**Restricted Stock Awards (RSA)**

There are no RSAs outstanding as of December 31, 2025.

During 2022, the Company renewed its Restricted Stock Award plan ("the RSA Plan") whereby it can grant RSAs to directors, officers, employees, and technical consultants of the Company. The maximum number of RSAs that may be reserved for issuance under the RSA Plan is limited to 300,000 common shares. The Restricted Period in respect to the Restricted Shares shall end once the Restricted Shares shall become vested. To date, no RSAs have been granted.

**Earnings per share**

The following table summarizes the shares used in calculating earnings (loss) per share:

	<b>2025</b>	<b>2024</b>
Weighted average number of shares - basic	25,531,106	26,112,087
Effect of dilutive stock options	-	-
Weighted average number of shares - diluted	<b>25,531,106</b>	<b>26,112,087</b>

Basic earnings (loss) per share are derived by dividing net income (loss) for the year by the weighted average number of common shares outstanding for the period.

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**16 Management of capital structure**

The Company's objective when managing capital is to ensure the Company is capitalized in a manner which provides a strong financial position for its shareholders.

The Company's capital structure includes the components of equity. In managing its capital structure, the Company considers future investment and acquisition opportunities, potential credit available and potential issuances of new equity. The Company's objective is to maintain a flexible capital structure that will allow it to execute its stated business. Subsequent to year end, the Board approved the Arrangement, pursuant to which shareholders will receive \$1.28 in cash per common share, representing a significant change to the Company's capital management strategy from one focused on investment and acquisition opportunities to the return of capital to shareholders. There are no externally imposed capital requirements at year end. Upon acquiring investment properties and operating businesses, the Company will strive to balance its proportion of debt and equity within its capital structure in accordance with the needs of the continuing business.

	<b>2025</b>	<b>2024</b>
	\$	\$
Current assets	35,040,950	45,553,800
Current liabilities	(690,318)	(6,789,598)
<b>Working capital</b>	<b>34,350,632</b>	<b>38,764,202</b>

The method used by the Company to monitor its capital is based on an assessment of the Company's working capital position relative to its projected obligations.

**17 Financial risk management**

The Board of Directors ensures that management has put appropriate risk management processes in place. Through the Audit Committee, the Board oversees such risk management procedures and controls. Management provides updates to the Audit Committee on a quarterly basis with respect to risk management.

**Credit risk**

Credit risk is the risk of an unexpected financial loss to the Company if a third party fails to fulfill its performance obligations under the terms of a financial instrument. The Company's credit risk arises principally from the Company's cash and receivables as well as its marketable securities portfolio.

The Company's maximum exposure to credit risk comprises the carrying values of cash, accounts receivable and marketable securities was \$34,966,943 at December 31, 2025.

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**17 Financial risk management (continued)**

The Company's exposure to credit risk is managed through risk management policies and procedures with emphasis on the quality of the investment portfolio. The Company's cash balances exceed insured deposit limits in certain jurisdictions, including the Canada Deposit Insurance Corporation limit of \$100,000 per depositor in Canada. The majority of the Company's cash is held in Canadian banks, with smaller balances maintained in the United States and Barbados. Management mitigates this risk by maintaining deposits with highly-rated financial institutions and monitoring counterparty exposure on an ongoing basis. The majority of the funds invested are held in reputable Barbadian, American or Canadian banks (note 6).

**Liquidity risk**

Liquidity risk is the risk of having insufficient cash resources to meet financial obligations without raising funds at unfavourable rates or selling assets on a forced basis. Liquidity risk arises from the general business activities and in the course of managing the assets and liabilities. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. The liquidity requirements of the Company's business are met primarily by funds generated from operations, liquid investments and income and other returns received on investments. Cash provided from these sources is used primarily for investment property operating expenses.

As at December 31, 2025, the Company does not believe the current maturity profile of the Company lends itself to any material liquidity risk, taking into account the level of cash as at December 31, 2025. All financial assets and liabilities have contractual or expected maturities within 12 months. Due to the short term nature of the Company's financial instruments, there is no material impact due to discounting or the time value of money to disclose.

**Equity price risk**

Equity and other price risk is the risk that the fair value of equity investments will vary as a result of changes in market prices, affecting the level and timing of recognition of gains and losses. As at December 31, 2025, the Company has no equity investments, securities sold short, or derivatives remaining, having liquidated its portfolio during the year. Accordingly, the Company has no material exposure to equity or other price risk at year end, and a 10% fluctuation in market prices would have a nil impact on the Company's financial position (2024 - \$3,220,589).

**Currency risk**

Currency risk is the risk that the value of monetary financial assets and financial liabilities denominated in foreign currencies will vary as a result of changes in underlying foreign exchange rates. The Company is exposed to currency risk due to potential variations in currencies other than the Canadian dollar.

As at December 31, 2025, the Company had material exposure to foreign currencies. The approximate impact of a 10% fluctuation of the foreign currency against the Canadian dollar are as follows:

	<b>Impact of 10% fluctuation in foreign currency</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
US Dollar	79,542	27,031
Australian Dollar	-	35,410
Pound Sterling	-	114,402

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**18 Related party transactions**

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Key management personnel of the Company include all directors and executive management, and persons directly related to directors and executive management. The summary of compensation for key management personnel is as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Salaries and other short-term employee benefits	1,145,872	653,054
Salaries to other related parties	-	54,712
Director fees	73,000	60,000
	<b>1,218,872</b>	<b>767,766</b>

\*Beginning on January 1, 2023, MGG engaged Praetorian PR LLC (PPR), a Puerto Rican company owned by MGG's Chairman and CEO to produce KEDM. During the year, MGG incurred KEDM production expenses and revenue share of \$840,554 (2024 - \$1,187,790) paid to Praetorian PR LLC (PPR), a Puerto Rican company owned by MGG's Chairman and CEO. Further details on the fee arrangement can be found in note 8 and the MD&A. The agreement was terminated with the sale of KEDM on October 31, 2025.

\*\*Lemontree LLC, an entity owned by Harris Kupperman, the Chairman and Chief Executive Officer of the Company, has purchased the Company's office property for USD\$1.45 million (CAD\$2,023,843). The transaction was approved by shareholders during the annual and special meeting of shareholders of the Company on October 7, 2025. The sale of its office property in Rincon, Puerto Rico closed on December 3, 2025. The net book value of the disposed assets at the time of sale was CAD\$1,697,387 resulting in a gain on disposal of CAD \$313,018, which has been recognized in the consolidated statement of operations for the year ended December 31, 2025.

As at December 31, 2025, amounts due to related parties totalled approximately \$573,626 (2024 - \$357,561) comprised of fees owed to management and directors, were included in trade payables and accrued liabilities. Salaries to other related parties include the salary of an employee that is related to a director.

**19 Commitments and contingencies**

From time to time and in the normal course of business, claims against the Company may be received. On the basis of management's assessments and professional legal advice, management is of the opinion that no material losses will be incurred, and no provision or disclosure has been made in these consolidated financial statements.

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law.

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**20 Supplementary cash flow information**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Changes in non-working capital arising from		
Other assets	(15,432)	9,321
Net due to / (from) broker	(5,338,050)	(198,336)
Trade payables and accrued liabilities	163,084	82,301
Income tax payable	29,547	(1,430,333)
<b>Changes in non-cash working capital from operating activities</b>	<b>(5,160,851)</b>	<b>(1,537,047)</b>

Income tax paid during the year was \$29,009 (2024 - \$1,430,333). Interest paid during the year was \$2,445 (2024 - \$35,391).

**21 Segment information**

The Company's operations are conducted in one reportable operating segment: Corporate. The Subscription Products segment was discontinued during the year; information relating to the discontinued segment is presented separately.

	<b>2025</b>
	<b>Total</b>
	<b>\$</b>
Rental income	76,879
Salaries and wages	(335,165)
Other expenses	(1,988,589)
Unrealized mark to market loss	(3,275,777)
Depreciation	(79,605)
Interest income	148,770
Realized loss on marketable securities	(1,869,500)
Gain on Disposal of Lemontree	313,018
Foreign currency loss	(17,748)
<b>Net loss before income taxes</b>	<b>(7,027,717)</b>

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**21 Segment information (continued)**

	<u>2024</u>
	<b>Total</b>
	<b>\$</b>
Rental income	99,995
Salaries and wages	(577,767)
Other expenses	(1,656,698)
Unrealized mark to market loss	(12,199,797)
Unrealized loss on digital assets	(72,254)
Depreciation	(83,565)
Interest expense	(35,391)
Other revenue	-
Realized gain on marketable securities	5,732,592
Foreign currency loss	(16,864)
<b>Net loss before income taxes</b>	<b><u>(8,809,749)</u></b>

<b>Balance as of</b>	<b>Corporate</b>	<b>Total</b>
<b>December 31, 2025</b>	<b>\$</b>	<b>\$</b>
<b>Total assets</b>	35,040,950	35,040,950
Property and equipment	-	-
<b>Total liabilities</b>	<b><u>690,318</u></b>	<b><u>690,318</u></b>

<b>Balance as of</b>	<b>Corporate</b>	<b>Total</b>
<b>December 31, 2024</b>	<b>\$</b>	<b>\$</b>
<b>Total assets</b>	47,330,792	47,330,792
Property and equipment	1,776,992	1,776,992
<b>Total liabilities</b>	<b><u>6,011,983</u></b>	<b><u>6,962,598</u></b>

**Entity wide disclosures**

The Company has two geographic segments: Canada and the United States of America ("USA"). Subscription Products revenue, which was attributable to Canada, has been discontinued during the year; however, the Company's corporate operations remain domiciled in Canada.

	<b>Revenue</b>		<b>Property and equipment</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Canada	-	-	-	-
USA	76,879	99,995	-	1,776,992
	<b><u>76,879</u></b>	<b><u>99,995</u></b>	<b><u>-</u></b>	<b><u>1,776,992</u></b>

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**22 Other expenses**

	<b>2025</b>	<b>2024</b>
	\$	\$
Investor relations	34,688	28,270
Investment research expense	28,738	26,026
Repairs and maintenance	280	3,876
Office	79,618	120,373
Professional fees	1,573,123	1,087,648
Travel	15,288	56,685
Advertising	5,998	6,243
Land and property tax	2,704	2,853
Insurance	44,760	59,995
Utilities	14,871	15,065
Other	188,521	249,664
	<b>1,988,589</b>	<b>1,656,698</b>

**23 Subsequent events**

On February 26, 2026, the Company announced a plan of arrangement (the "Arrangement") under the Business Corporations Act (Alberta), pursuant to which shareholders will receive \$1.28 in cash per common share through the issuance and immediate redemption of redeemable preferred shares. The Arrangement is subject to approval by two-thirds of votes cast at a special meeting of shareholders expected to be held in May 2026, as well as approval of the Court of King's Bench of Alberta and the NEX Board of the TSX Venture Exchange. Upon completion of the Arrangement, the Company expects to retain approximately \$1 million in cash to fund ongoing operations and intends to remain listed on the NEX while exploring new business opportunities.