MIK HOLDING
JOINT STOCK COMPANY

GREENHOUSE GAS EMISSION REPORT 2025

DISCLAIMER

In 2024, MIK Holding JSC and its subsidiaries approved the 'MIK Group Sustainable Development Policy' with the aim of actively addressing the pressing global issues of climate change, social inequality, and business ethics. This policy reflects the company's commitment to contributing to the achievement of the United Nations Sustainable Development Goals and responsibly implementing principles of environmental, social, and governance (ESG).

In 2023, guided by its corporate values, MIK Holding JSC joined the Partnership for Carbon Accounting Financials (PCAF)—a global initiative focused on measuring greenhouse gas emissions in the financial sector— and committed to measuring and transparently reporting its emissions in accordance with established standards. Through this initiative, the company aims to support the reduction of greenhouse gas emissions, contribute to improving air quality in Ulaanbaatar, and minimize its environmental impact.

As part of our commitment to the company's sustainable development goals and the reduction of environmental impact, MIK Holding JSC and its subsidiaries began to calculate greenhouse gas emissions not only from their direct operations but also from financed assets. MIK Group's financed emissions from financed investments, purchased passenger car loan portfolio with recourse and purchased mortgage loan portfolios related to their business activities. MIK Group's financed emission calculated in accordance with "The Global GHG Accounting and Reporting Standard Part A: Financed Emissions" published by PCAF and by reference to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard ("GHG Protocol"). As of 2025, the counterparties financed through the company's business activities had not yet reported their greenhouse gas emissions. In addition, the availability of comprehensive, sector-specific emissions data in Mongolia remains limited. Consequently, as suggested by PCAF, emissions associated with financed assets were estimated using the Comprehensive Environmental Data Archive (CEDA), together with relevant publicly available international databases and selected official national sources, where appropriate.

MIK HFC LLC calculated its greenhouse gas emissions in accordance with the "Corporate Accounting and Reporting Standard" of the Greenhouse Gas Protocol—an initiative jointly developed by the "World Resources Institute" and the "World Business Council for Sustainable Development"—and Part 1 of the ISO 14064-1:2018, titled "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". Emissions were assessed across the three primary scopes: Scope 1, Scope 2, and Scope 3. The widely adopted 'emissions calculation' method was used, which involves multiplying activity data by corresponding emission factors. These emission factors were sourced from the publicly available Greenhouse Gas Protocol database, and the methodology was tailored accordingly.

This report has been prepared by the company using a methodology of its own choosing, based on internationally recognized standards and guidelines. The data and emission factors used in the calculations are derived, to the extent possible, from publicly available sources and official national information. In instances where data was limited or unclear, the methodology aligned with Comprehensive Environmental Data Archive (CEDA) was applied as PCAF suggested. The company disclaims any responsibility for potential consequences arising from the indicators presented in this report. The results are provided for informational purposes only.

Certain information included in this report has been prepared in accordance with the ISO 27001:2022 standard for Information Security Management Systems.

ABOUT THE COMPANY

MIK Holding JSC (the "Company") was incorporated on 23 April 2008 under the Company Law of Mongolia. The Company remained dormant since incorporation and reorganized to become a holding company on 14 December 2015, together with its subsidiaries (collectively referred to as the "Group"). The Group comprises of MIK Holding JSC, Mongolian Mortgage Corporation HFC LLC ("MIK HFC"), MIK Asset Special Purpose Companies ("SPCs"), MIK Real Estate LLC and MIK Protego First LLC. Our operations are conducted in Mongolia, with the aim to develop the secondary mortgage market.

MIK Holding is a joint stock company listed on the Mongolian Stock Exchange (MSE: MIK). In 2015, it was established as the parent company of MIK HFC through a share-swap agreement by the shareholders. Its principal activities are conducted through MIK HFC.

MIK HFC is a Housing Finance Company, with special licenses obtained from the Financial Regulatory Commission (FRC), allowing it to issue Asset-Backed Securities (products) and provide Trust Deed and Transaction Administration services. MIK HFC LLC operates under two business models:

1. **The securitization model** is to purchase government subsidized mortgage loans without recourse terms from the originating banks to securitize RMBS, though creating SPCs. These RMBS are composed of Senior (90%) and Junior (10%) tranches, which are allocated back to the originating banks. The interest rates on the mortgage loans and RMBS under this model are fixed according to the government's Affordable Housing Program.
2. **The liquidity model** is to purchase market rate mortgage loans, passenger car loans with recourse from commercial banks or Non-Bank Financial Institutions and hold them on MIK HFC's balance sheet, this model is set in place to increase liquidity for commercial banks to disburse mortgage loans. Currently, this part of the business is funded with MIK HFC LLC's own funding.

Housing is an important component of the 2030 Agenda for Sustainable Development and an essential driver for achieving many of the Sustainable Development Goals, or SDGs. Improving housing conditions leads to benefits in health, education, and economic opportunities. Housing often functions as a ladder out of poverty for families, and this improvement can contribute to reducing inequality and enhancing the capacity for resilience in the face of natural disasters and economic hardships for the broader community.

As a housing finance company, MIK plays a critical role in the housing finance system by purchasing and securitizing mortgage loans issued by commercial banks. Since 2013, we have implemented a government-subsidized mortgage loan program that not only ensures citizens have continuous access to loans but also enhances liquidity in the banking and financial sector. This initiative generates additional employment opportunities and stimulates demand for construction, materials, and services in the real estate and construction sectors, thereby fostering economic growth. Through our operations, we have a positive systemic impact on the community and society, enhancing urban planning, reducing poverty and social inequality, ensuring public health and safety, and supporting the establishment of an equitable and stable housing market.

At MIK Group, we recognize the utmost importance of addressing environmental challenges while simultaneously supporting social and economic growth. Our core values revolve around sustainable development, which we strive to incorporate into all aspects of our activities.

COMPANY'S FINANCED EMISSION

Reporting Period: from 1 January 2025 to 31 December 2025

Reporting Exposure: Investments of 5 asset classes including listed equity and corporate bonds, business loans and unlisted equity, project finance, mortgages and motor vehicle loans as of 31st December, 2025.

Accounting and Reporting approach used:

Financial control consolidation approach, in line with PCAF Financed Emissions Standard and the GHG Protocol, to account for financed emissions proportionally to the investment amount in each portfolio company.

Portfolio Asset Class and Percentage Coverage:

The five asset classes collectively represent % of the MIK Holding JSC and its subsidiaries investment portfolio.

Asset Class	Percentage coverage in financed emissions calculation (from outstanding amount)
Listed Equity	100%
Unlisted Equity*	95%
Corporate bonds	100%
Business loans	100%
Project finance	100%
Mortgages	100%
Motor vehicle loans	100%

**Regarding unlisted equity, the remaining equity balance represents investments in related companies. The fair value of these equity investments has been assessed as zero.*

Baseline Recalculation Approach:

MIK Holding JSC is committed to maintaining the consistency, comparability, and accuracy of its financed emissions measurements. To that end, we recognize the need to revise our base year emissions inventory and measurement to account for significant changes.

Base Year Selection and Measurement:

Guided by the GHG Protocol, the global GHG accounting and reporting standard, MIK Holding JSC and its subsidiaries has designated fiscal year 2024 as it's base year, representing the earliest point at which we initiated portfolio carbon footprint calculations. We apply the fixed base year principle as recommended by the GHG Protocol, unless specific circumstances otherwise necessitate a revision to our approach.

Recalculation Trigger Events and Significance Threshold:

MIK Holding JSC will recalculate its base year financed emissions and revise its data inventory when significant changes result in a deviation of +/-10% or more in the Carbon Footprint (expressed in tCO_2e/MNT'000) for Scope 1 and Scope 2 emissions (Given the evolving accuracy and availability of Scope 3 emission data—the use of a fixed threshold may not accurately reflect absolute changes in the financed emissions). Such changes may include, but are not limited to, the following:

- **Methodology Changes:** Major revisions to MIK Holding JSC and its subsidiaries portfolio carbon footprint calculation methodology or changes in the primary data provider's estimation methodology that materially impact measurement outcomes.
- **Change in Data Sources:** Replacements of primary data sources or data providers that result in material data inconsistencies across reporting periods.
- **Data Errors/Corrections or improvements:** Identification of significant errors, improvements or cumulative inaccuracies that materially affect baseline emissions.

Timing of Recalculation:

For Scope 3 downstream investment emissions, we recalculated the base-year emissions for mortgage loans and motor vehicle loans due to improvements in availability of specific data. These changes resulted in a significant difference between base-year and reporting-year emissions.

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Company's total GHG emission as of 31st December, 2025:

Sustainable development and environmental protection have become critical global priorities, making the measurement and reduction of carbon footprints an essential responsibility across all sectors. Therefore, our focus is first to thoroughly assess our current emissions profile, followed by measurable objectives. MIK Holding JSC and its subsidiaries disclose operational GHG emissions (Scope 1 and Scope 2), as well as financed emissions (Scope 3).

SCOPE	SCOPE DEFINITION	EMISSION TYPE	EMISSIONS (tCO2e)
SCOPE 1 (Upstream activities)	Greenhouse gas emissions directly resulting from the company's owned or controlled vehicles, air conditioning systems, and energy generators are included.	Stationary combustion	0.18
		Mobile combustion	16.79
SCOPE 2 (Upstream activities)	Indirect energy-related emissions associated with the company's office operations include electricity consumption and the use of centralized heating.	Electricity	129.27
		Centralized heating	185.97
SCOPE 3 (Upstream and downstream activities)	This includes all other indirect greenhouse gas emissions resulting from the company's daily operations and sources that it does not own or control. Examples include product use, business travel, transportation, distribution, and more. Additionally, greenhouse gas emissions related to the purchased loan portfolios and financed investment assets within the scope of MIK Group's business activities are also included.	Staff business travel	23.1
		Waste	0.745
		Water	0.386
		Financed emissions (Average data quality 4)	514,505.81
Total GHG emission			**514,862.25**

Company's total emissions difference between base year and reporting year:

Scope 1 emissions under the company's direct control decreased by 15.3%, driven by initiatives to optimize vehicle usage, including the divestment of three gasoline-powered vehicles. This measure resulted in a substantial reduction in fuel consumption and associated fuel-related emissions and costs. Scope 2 emissions, reflecting electricity and heat consumption, decreased by 9.3 tonnes, representing a reduction of 2.9%. Despite normal and uninterrupted operational activity, the Company successfully promoted efficient energy use practices and maintained stable building operation and energy-related costs through responsible energy management. Scope 3 financed emissions decreased by 15.3%, primarily due to a reduction in listed equity and bond exposures, as well as a decline in outstanding motor vehicle loans compared to the previous year.

Categories	Baseline year emissions-2024 (tCO2e)	Current reporting year emissions-2025 (tCO2e)	Percentage change, %
Scope 1 total emissions	20.04	16.97	-15.32%
Scope 2 total emissions	324.53	315.24	-2.86%
Scope 3 total emissions	607,528.51	514,530.04	-15.31%
Overall total emissions	**607,873.08**	**514,862.25**	**-15.30%**

** Investment emissions, we recalculated the base-year emissions for mortgage loans and motor vehicle loans due to improvements in availability of specific data. These changes resulted in a significant difference between base-year and reporting-year emissions.*

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Financed emissions by asset class:

For listed and unlisted equity, corporate bonds, project finance's financed emissions are estimated using an economic activity–based approach, in accordance with PCAF guidance. The underlying data used for these asset classes has a data quality score of 4.

Financed emissions from motor vehicle loans—predominantly passenger car loans are estimated using a vehicle-level attribution approach, with a data quality score of 3. Emissions are derived based on vehicle efficiency and fuel type, using information available from known vehicle make and model data. Vehicle activity, measured as distance traveled, is estimated using local statistical data. Emissions are then calculated based on estimated fuel consumption and fuel-type-specific emission factors, consistent with the GHG Protocol.

Financed emissions from mortgage loans are estimated using a physical activity–based approach, based on the number of financed buildings. The data used for this asset class has a data quality score of 4.

Activity (Asset class)	Scope 1 Financed emissions tCO2e	Scope 2 Financed emissions tCO2e	Scope 3 Financed emissions tCO2e	Total emissions (tCO2e)	Emission intensity (tCO2e/MNT'000)	Data quality
1. Listed equity and bonds	**137,534.36**	**14,292.71**	**22,725.43**	**174,552.50**	**0.00**	**4**
Listed Equity	1.16	0.16	1.42	2.74	0.00	4
Unlisted Equity	0.13	0.14	0.93	1.20	0.00	4
Bond Investment	31,125.97	3,316.78	5,655.61	40,098.36	0.00	4
Business Loan	106,402.97	10,975.27	17,040.23	134,418.47	0.00	4
Project Finance	4.14	0.36	27.24	31.74	0.00	4
2. Mortgages	**-**	**-**	**-**	**305,062.64**	**0.00**	**4**
3. Motor Vehicle Loans	**-**	**-**	**-**	**34,890.67**	**0.02**	**3**
TOTAL	**137,534.36**	**14,292.71**	**22,725.43**	**514,505.81**	**0.02**	**4**