

# **Consolidated Financial Statements and Independent Auditor's Report**

**"TEL-CELL" Open Joint-Stock Company**

31 December 2025

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# Independent Auditor's Report

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To the shareholders of "TEL-CELL" Open Joint-Stock Company

## Opinion

We have audited the consolidated financial statements of "TEL-CELL" Open Joint-Stock Company (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the Republic of Armenia. We have also fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained 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 period. 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.

## Revenue recognition

A description of the accounting policies is provided in Note 4.6 to the consolidated financial statements, while Note 5 details the revenue by type of services rendered.

The Group generates revenue from payment and settlement services, which involve a high volume of low-value transactions processed through various systems and databases. Revenue processing and recording are highly automated and follow established tariff plans.

Revenue recognition was considered a key audit matter for the following reasons:

- The complexity of information systems;
- The variety of tariff plans and marketing offers;
- The risks related to revenue recognition and measurement;
- The need for additional audit procedures, including the involvement of IT specialists to identify, test, and evaluate information systems, software applications, and automated controls.

As part of our assessment of revenue recognition, we performed the following audit procedures:

- We assessed the design and operation of the main internal system controlling the revenue recognition process.
- We performed an assessment of the internal control system over the revenue recognition process, in particular, the IT environment that ensures the proper functioning of the accounting-related systems.
- We reviewed the Group's accounting policy for revenue recognition to determine its compliance with IFRS 15 "Revenue from Contracts with Customers", specifically regarding the timing of revenue recognition.
- We performed a sample-based review of transactions recorded during the year and compared them with underlying documents.
- We obtained revenue turnover data and customer balance confirmations as at 31 December 2025, on a sample basis. For unconfirmed balances, we conducted alternative procedures by verifying transaction details against underlying documentation.
- We assessed the adequacy of the revenue-related disclosures in the consolidated financial statements for compliance with IFRS 15.
- Evaluated the appropriateness of the disclosures presented in Notes 4.6 and 5 to the Group's consolidated financial statements.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Group for the year ended 31 December 2025, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

### 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 as issued by the IASB, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Group'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 Group'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 Group 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 units within the Group as a basis for forming an opinion on the Group financial statements.

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, actions taken to eliminate threats or safeguards applied.

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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a



# Consolidated statement of profit or loss and other comprehensive income

In thousand AMD

	Notes	2025	2024
Revenue	5	10,353,798	10,335,029
Commission to agents		(3,508,047)	(3,388,524)
Other income	6	1,555,299	1,586,963
Personnel expenses		(3,061,335)	(2,732,208)
Lease expenses	14	(652,239)	(569,317)
Depreciation and amortization	11,13,14	(472,677)	(413,707)
Permission fees		(627,103)	(313,536)
Cash collection services		(600,811)	(457,008)
Advertising and marketing expenses		(433,754)	(668,286)
Support and maintenance expenses		(347,555)	(154,025)
Banking services		(440,347)	(511,776)
Credit loss expense	18,20,21	(90,276)	(64,421)
Other expenses	7	(830,644)	(754,432)
<b>Results from operating activities</b>		<b>844,309</b>	<b>1,894,752</b>
Finance income	8	513,574	444,860
Finance costs	8	(70,747)	(289,648)
<b>Net finance income</b>		<b>442,827</b>	<b>155,212</b>
<b>Profit before tax</b>		<b>1,287,136</b>	<b>2,049,964</b>
Income tax expense	9	(294,966)	(453,322)
<b>Profit for the year</b>		<b>992,170</b>	<b>1,596,642</b>
<b>Earnings per share</b>	<b>10</b>	<b>0.03</b>	<b>0.05</b>

The consolidated statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 43.

# Consolidated statement of financial position

In thousand AMD	Notes	31 December 2025	31 December 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	724,319	578,911
Goodwill	12	1,157,700	1,157,700
Property and equipment	13	1,358,051	1,221,001
Right-of use assets	14	128,922	201,408
Prepayments		31,665	81,881
Borrowings provided	18	287,684	241,244
Deferred income tax assets	16	88,467	85,857
<b>Total non-current assets</b>		<b>3,776,808</b>	<b>3,568,002</b>
<b>Current assets</b>			
Inventories	17	234,505	343,946
Borrowings provided	18	91,614	45,329
Deposits in banks	19	155,326	155,326
Trade and other receivables	20	1,359,471	1,446,408
Cash and cash equivalents	21	7,956,035	7,915,646
Balances held on restricted accounts	21	4,012,099	4,337,560
<b>Total current assets</b>		<b>13,809,050</b>	<b>14,244,215</b>
<b>Total assets</b>		<b>17,585,858</b>	<b>17,812,217</b>

# Consolidated statement of financial position (continued)

In thousand AMD	Notes	31 December 2025	31 December 2024
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	22	1,220,450	1,212,750
Share premium		1,405,250	1,405,250
Reserve capital		181,913	181,913
Retained earnings		2,220,356	2,478,186
<b>Equity attributable to owners of the Company</b>		<b>5,027,969</b>	<b>5,278,099</b>
Non-controlling interest		11,889	11,889
<b>Total equity</b>		<b>5,039,858</b>	<b>5,289,988</b>
<b>Liabilities</b>			
<b>Non-current</b>			
Borrowings received	23	683,220	1,290,677
Lease liabilities	14	68,669	148,650
Trade and other payables	24	139,970	162,550
<b>Total non-current liabilities</b>		<b>891,859</b>	<b>1,601,877</b>
<b>Current</b>			
Lease liabilities	14	92,469	84,196
Trade and other payables	24	11,494,484	10,590,202
Current income tax liabilities		67,188	245,954
<b>Total current liabilities</b>		<b>11,654,141</b>	<b>10,920,352</b>
<b>Total liabilities</b>		<b>12,546,000</b>	<b>12,522,229</b>
<b>Total equity and liabilities</b>		<b>17,585,858</b>	<b>17,812,217</b>

The consolidated financial statements were approved on 30 April 2026 by:

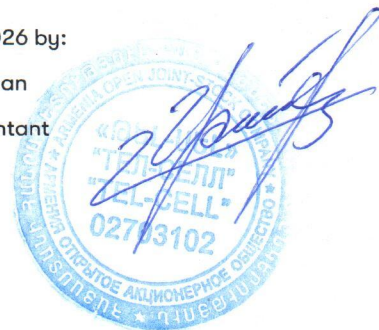
Artyom Ghazaryan

Chief Executive



Artur Torosyan

Chief Accountant



The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 43.

# Consolidated statement of changes in equity

In thousand AMD

	Equity attributable to owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Reserve capital	Retained earnings	Total			
Balance at 1 January 2024	1,078,000	-	161,700	2,416,860	3,656,560	11,889	3,668,449	
Profit for the year	-	-	-	1,596,642	1,596,642	-	1,596,642	
<b>Total comprehensive income for the year</b>	-	-	-	<b>1,596,642</b>	<b>1,596,642</b>	-	<b>1,596,642</b>	
Issue of ordinary shares	134,750	1,405,250	-	-	1,540,000	-	1,540,000	
Dividends	-	-	-	(1,419,000)	(1,419,000)	-	(1,419,000)	
Distribution to reserve	-	-	20,213	(20,213)	-	-	-	
Other	-	-	-	(96,103)	(96,103)	-	(96,103)	
<b>Transactions with owners</b>	<b>134,750</b>	<b>1,405,250</b>	<b>20,213</b>	<b>(1,535,316)</b>	<b>24,897</b>	-	<b>24,897</b>	
<b>Balance at 31 December 2024</b>	<b>1,212,750</b>	<b>1,405,250</b>	<b>181,913</b>	<b>2,478,186</b>	<b>5,278,099</b>	<b>11,889</b>	<b>5,289,988</b>	
Profit for the year	-	-	-	992,170	992,170	-	992,170	
<b>Total comprehensive income for the year</b>	-	-	-	<b>992,170</b>	<b>992,170</b>	-	<b>992,170</b>	
Issue of ordinary shares	7,700	-	-	-	7,700	-	7,700	
Dividends	-	-	-	(1,250,000)	(1,250,000)	-	(1,250,000)	
<b>Transactions with owners</b>	<b>7,700</b>	-	-	<b>(1,250,000)</b>	<b>(1,242,300)</b>	-	<b>(1,242,300)</b>	
<b>Balance at 31 December 2025</b>	<b>1,220,450</b>	<b>1,405,250</b>	<b>181,913</b>	<b>2,220,356</b>	<b>5,027,969</b>	<b>11,889</b>	<b>5,039,858</b>	

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 43.

# Consolidated statement of cash flows

In thousand AMD

	2025	2024
<b><i>Cash flows from operating activities</i></b>		
Commissions received	9,873,628	10,112,095
Commissions paid	(3,573,275)	(3,348,597)
Net proceeds from foreign exchange operations	1,427,570	1,495,447
Net proceeds from other services	537,003	460,269
Other income received	70,896	50,497
Payments to employees	(3,044,596)	(2,718,767)
Other expenses paid	(4,043,698)	(3,401,121)
Interest received	513,574	444,860
Interest paid	(45,333)	(129,513)
<b>Cash flow before changes in operating assets and liabilities</b>	<b>1,715,769</b>	<b>2,965,170</b>
<b><i>(Increase) decrease in operating assets</i></b>		
Balances held on restricted accounts	325,461	1,621,691
Change in trade and other receivables	148,787	(516,609)
Change in inventories	109,441	(70,977)
Change in prepayments	47,704	58,082
<b><i>Increase (decrease) in operating liabilities</i></b>		
Amounts payable to operators	989,337	(1,828,394)
Deposited amounts from agents	(46,557)	(99,575)
Other liabilities	(10,453)	80,629
<b>Net cash from operating activities before income tax</b>	<b>3,279,489</b>	<b>2,210,017</b>
Income tax paid	(476,342)	(517,443)
<b>Net cash from operating activities</b>	<b>2,803,147</b>	<b>1,692,574</b>
<b><i>Cash flows from investing activities</i></b>		
Proceeds from sale of property, equipment and intangible assets	8,244	18,526
Purchase of property, equipment and intangible assets	(690,893)	(655,881)
Placement of deposit	(162,000)	(162,000)
Withdrawal of deposit	162,000	162,033
Borrowings provided	(153,721)	(45,288)
Repayment of borrowings provided	34,656	-
<b>Net cash used in investing activities</b>	<b>(801,714)</b>	<b>(682,610)</b>

# Statement of cash flows (continued)

In thousand AMD

	2025	2024
<b><i>Cash flows from financing activities</i></b>		
Repayment of borrowings	(1,746,434)	(2,197,024)
Payments on lease liabilities	(113,984)	(104,295)
Dividends paid	(111,023)	(31,019)
Proceeds from issue of share capital	-	1,540,000
<b>Net cash used in financing activities</b>	<b>(1,971,441)</b>	<b>(792,338)</b>
<b>Net increase in cash and cash equivalents</b>	<b>29,992</b>	<b>217,626</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>7,915,646</b>	<b>7,902,100</b>
Effect of ECL changes on cash and cash equivalents	(22,248)	(83,399)
Foreign exchange effect on cash and cash equivalents	32,645	(120,681)
<b>Cash and cash equivalents, end of the year (Note 21)</b>	<b>7,956,035</b>	<b>7,915,646</b>

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 43.

# Notes to the consolidated financial statements

"TEL-CELL" Open Joint-Stock Company

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

## 1 Nature of operations

The principal activities of "TEL-CELL" open Joint-Stock Company are:

- making money transfers,
- implementation of processing and clearing of payment instruments and settlement documents.

## 2 General information, statement of compliance with IFRS and going concern assumption

"TEL-CELL" OJSC (the "Company") and its subsidiaries (together the "Group") are open joint-stock and limited liability companies, according to the definition of the Civil Code of the Republic of Armenia.

The Company was incorporated in 2007 in accordance with the legislation of the Republic of Armenia. On 24 July, 2007 the Company received a license to carry out money transfers, processing and clearing of payment instruments, and settlement documents with registration certificate No. 5 from the Central Bank of Armenia (the "CBA") and has permission to issue electronic money.

On 25 December 2023 the Company's shareholders' meeting decided to establish "Tel-Cell" Open Joint Stock Company through the reorganization of the Company.

On 20 March 2024 the Company received a license from the CBA under the name of "Tel-Cell" OJSC.

On 18 April 2024 the State Register of Legal Entities of the Ministry of Justice of the Republic of Armenia registered the new charter of the Company under the name "Tel-Cell" OJSC.

The Company's registered office is 3 Hakob Hakobyan Street (1st section of the main building, 3rd floor), Yerevan 0033, Republic of Armenia.

The Company conducts its operation through 12 branches (2024: 12) and over 4570 payment terminals in the Republic of Armenia.

The number of employees of the Company as at 31 December 2025 was 417 employees (2024: 397 employees).

### Subsidiaries

The consolidated financial statements include the following subsidiaries:

Subsidiary	Ownership %	Country	Date of incorporation	Industry	Date of acquisition
"Tel-Cell Logistics" LLC	100	Republic of Armenia	13.06.2023	The principal activity of the Company is the provision of transportation services. The Company ceased operations on 1 December 2025.	13.06.2023
"Tel-Cell Service" LLC	100	Republic of Armenia	29.08.2007	The principal activity of the Company is the provision of advertising space on payment terminals and the provision of terminal maintenance services.	06.12.2012
"Mega Pantera" LLC	50	Republic of Armenia	30.01.2007	The Company's activities have been suspended since 2016.	27.12.2011

On 26 May 2023, by the decision of the extraordinary general meeting of shareholders, a limited liability company named "Tel-Cell Logistics" was established, the purpose of which is to obtain profit through

economic activity. At the same time, the charter of 'Tel-Sel Logistics' LLC was approved and the size of the charter capital was set at 100,000 AMD, divided into 100 shares, each with a nominal value of 1,000 AMD.

During 2025, the Company entered into an option agreement for the acquisition of a 100% interest in another company registered in the Republic of Armenia.

### Statement of compliance and Going concern

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB").

The consolidated financial statements are prepared on a going concern basis, as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projection of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible economic downside scenarios and their potential impacts on the profitability, capital and liquidity of the Group.

### Business environment

The business environment in Armenia continues to face a number of internal and external challenges driven by geopolitical tensions, regional security issues, and evolving risks in the global economy. Nevertheless, Armenian businesses are gradually adapting to the new conditions by diversifying supply chains, expanding export markets, and adopting more flexible operating models. State reforms aimed at improving the investment environment, strengthening institutional capacities, and developing the private sector are creating the foundations for long-term economic stability.

The sectoral profile of Armenia's economy in 2025 is contrasting: on the one hand, steady growth continues in trade, services, and construction, while on the other hand a noticeable decline is observed in industry. The growing sectors benefit significantly from the expansion of imports, consumer activity, as well as the recovery of tourism, which increases demand for services. Growth in construction is driven by both private investment and persistently high demand for housing, making it one of the most active sectors of the economy. Overall, consumption-driven sectors continue to remain the main drivers of economic activity.

In 2025, Armenia's financial sector generally remains stable, supported by adequate capitalization of the banking system, appropriate levels of liquidity, and ongoing supervision by the Central Bank of Armenia. Despite increasing external risks and global financial uncertainties, financial institutions continue to play a key role in supporting economic activity by effectively performing lending, payment and settlement services, and risk management functions.

According to the 2025 State Budget, Armenia's economic growth is projected at 5.1%, and at 5.4% in 2026.

These consolidated financial statements reflect management's assessment of the impact of the Armenian business environment on the operations of the Group. The Group's management constantly analyzes the economic situation in the current environment. The future economic and political situation and its impact on the Group's operations may differ from the management's current expectations.

## 3 New or revised standards or interpretations

### 3.1 New standards adopted as at 1 January 2025

In the current year the Group has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board and IFRS Interpretations Committee of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2025.

The amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* was applied for the first time in 2025, which introduced requirements to assess when a currency is exchangeable into another currency and when it is not. The adoption of this amendment did not have an impact on the consolidated financial statements of the Group.

### 3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning on or after the effective date of the pronouncement.

- IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss and other comprehensive income: operating profit and profit or loss before financing and income taxes
- the classification of all income and expenses within the statement of profit or loss and other comprehensive income in one of five categories: operating, investing, financing, income taxes and discontinued operations
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed to Basis of Preparation of Financial Statements.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operating activities under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other IFRS Accounting Standards.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Group is currently working to identify all the impacts that IFRS 18 will have on the [consolidated] financial statements and notes to the [consolidated] financial statements.

Other new standards, amendments and interpretations not adopted in the current year are not expected to have a material impact on the Group's consolidated financial statements.

- Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective for annual reporting periods beginning on or after 1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective for annual reporting periods beginning on or after 1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (effective for annual reporting periods beginning on or after 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual reporting periods beginning on or after 1 January 2027)

## 4 Material accounting policies

### 4.1 Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention with the exception of certain financial instruments that are stated at present discounted value of future cash flows or fair value.

### 4.2 Basis of consolidation

The Group's consolidated financial statements consolidate those of the parent company and all its subsidiaries as at 31 December 2025. All subsidiaries have a reporting date of 31 December.

All transactions and balances between companies are eliminated on consolidation, including unrealized gains and losses on transactions between the Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

### 4.3 Climate-related matters

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks.

Physical risks arise as the result of acute weather events such as floods, droughts and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves and droughts.

Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

The Group acknowledges the need for further efforts to fully integrate climate in the Group's risk assessments and management protocols.

### 4.4 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

### 4.5 Foreign currency

#### Functional and presentation currency

The national currency of Armenia is the Armenian dram ("AMD"), which is the Group's functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Group.

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

These consolidated financial statements are presented in AMD (unless otherwise stated), since management believes that this currency is more useful for the users of these consolidated financial statements. All financial information presented in AMD has been rounded to the nearest thousand.

### Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the Central Bank of Armenia prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates defined by the Central Bank of Armenia prevailing on the reporting date, which are as follows:

	31 December 2025	31 December 2024
AMD/1 USD	381.36	396.56
AMD/1 EUR	449.01	413.89
AMD/1 RUB	4.87	3.71

Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date), except for non-monetary items carried at fair value that are denominated in foreign currencies which are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement and retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

### 4.6 Revenue

The Group generates revenue primarily from the collection of payments from end users on behalf of service providers ("Operators") and from other payment services provided.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as advances from customers in the statement of financial position (see Note 24). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Payment collection, money transfer services	Performance obligations for payment collection and money transfer services are satisfied when the Company accepts payments from end customers of the Operators, accepts requests for transfers and provides cash. Acts for payment collection, or money transfer services are issued on a monthly basis and are usually payable within 30 days.	Revenue from collection, money transfer services primarily consists of monthly charges for usage of services and is recognized over time as the services are provided. Measure of progress is based on volume of cash collected, and money transferred.
Maintenance and advertising services	Invoices for maintenance and advertising services are issued on a monthly basis and are usually payable within 30 days.	Revenue from maintenance services primarily consists of monthly fixed charges for usage of services and is recognized over time as the services are provided using time elapsed measure of progress.

### Interest income

Interest income is recognized on a proportional basis using the effective interest rate method, which discounts the estimated future cash flows over the expected life of the financial asset to its net carrying amount.

### 4.7 Intangible assets

Intangible assets, which are acquired by the Group and which have finite useful lives, are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the intangible assets, which is estimated at 10 years for computer software and 1 year for licenses.

### 4.8 Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if any events or changes in circumstances indicate a possible impairment of the carrying amount.

Impairment loss on goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 4.9 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

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Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in profit or loss as incurred.

Depreciation is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives are as follows:

Computer equipment	- 1 year
Machinery and terminals	- 8 years
Vehicles	- 8 years
Office property	- 8 years
Other property and equipment	- 8 years
Leasehold improvements (real estate)	- 20 years

### 4.10 Leased assets

#### The Group as a lessee

The Group makes the use of leasing arrangements principally for the head office space and branches. The lease contract are typically negotiated for terms of between 1-5 years and all of these have extension terms.

The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

#### **4.11 Impairment of property, equipment and intangible assets**

Assets that have an indefinite useful life are not subject to amortization and are tested annually. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of net selling price and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case any reversal of impairment loss is treated as a revaluation increase.

#### **4.12 Financial instruments**

##### **Recognition and derecognition**

Financial assets and financial liabilities are recognized when the Group becomes a part to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expired.

##### **Classification and initial measurement of financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified as amortized cost. The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. A summary of the Group's financial assets by category is given in Note 15.1.

##### **Subsequent measurement of financial assets**

##### **Financial assets at amortized cost**

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

### **Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (ECL) model”. Instruments within the scope of IFRS 9 requirements included borrowings, cash and cash equivalents, trade receivables measured at amortized cost.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month expected credit losses” are recognized for the first category while “lifetime expected credit losses” are recognized for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### **Trade and other receivables and contract assets**

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. See Note 29.3 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

### **Classification and measurement of financial liabilities**

The Group's financial liabilities include loans and borrowings, trade and other payables, finance lease liabilities. A summary of the Group's financial liabilities by category is given in Note 15.1.

### **Loans and borrowings**

Loans and borrowings are recognized initially at fair value, net of issuance costs associated with the borrowing. The difference between fair value and nominal value is recognized in profit or loss, except when the borrowing was received from the owners. In this instance the difference between fair value and nominal value is recognized in equity as additional capital. Subsequent to initial recognition, loans and borrowings are stated at amortized cost with any difference between cost and redemption value recognized in profit or loss over the period of the borrowings on an effective interest basis. Interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance expenses, except for the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which are capitalized as part of that asset.

### **Trade and other payables**

Trade and other payables are stated at fair value and subsequently stated at amortized cost.

## Finance lease liabilities

Finance lease liabilities are stated at amortized cost.

## 4.13 Inventories

Inventories are assets held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Items such as spare parts, stand-by equipment and servicing equipment are also recognized as inventories unless they meet the definition of property and equipment.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## 4.14 Provisions

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## 4.15 Income taxes

### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 4.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank accounts and cash in transit and in own terminals.

For the purpose of the statement of cash flows, cash equivalents are on-demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Group classifies investments as a cash equivalent if it is readily convertible to a known amount of cash and is subject to an insignificant risk of changes in value.

#### 4.17 Equity, reserves and dividend payments

Equity instruments issued by the Company are recorded at nominal value.

##### Share capital

Share capital represents the nominal value of shares that have been issued.

Ordinary shares are both classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as additional paid-in capital.

##### Share premium

Share premium includes any premium received from the issue of shares. Any expense in respect of transaction which is related to the issue of shares is reduced from the share premium.

##### Reserve capital

The reserve capital is created in accordance with the requirements of RA legislation in order to cover general credit risks, including possible losses and other unforeseen risks and expenses. The reserve was created in accordance with the Company's charter, which provides for the creation of a reserve for these purposes in the amount of not less than 15% of the share capital reflected in the accounting accounts.

##### Retained earnings

Retained earnings comprises the accumulated profit of current and prior periods.

##### Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the consolidated financial statements are authorised for issue.

#### 4.18 Non-controlling interest

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### 4.19 Employee benefits

Short-term employee benefits are benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and include:

- (a) wages, salaries and bonuses;
- (b) paid annual leaves and paid disability leaves;

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

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When employees render services to the Group during the accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Group shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- (b) as an expense, unless the amount is included in the cost of an asset.

### Paid absences

The expected cost of short-term employee benefits in the form of paid absences is recognized as follows:

- (a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.
- (b) in the case of non-accumulating paid absences, when the absences occur.

### Bonuses

The expected cost of bonus payments is recognized when and only when the Group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, the Group has no realistic alternative but to make the payments.

## 4.20 Segment reporting

In terms of IFRS 8 the Group's operations are not separated to operating segments and are a complete business unit. The Group's chief operating decision making body makes the decisions based on the joint results and no operational segment is extracted from the general operations. The Group's assets are mainly distributed in the territory of the Republic of Armenia. The Group's income is derived from the Armenian sources.

## 4.21 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRSs requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### Useful lives of property and equipment

Management has estimated useful lives of the property and equipment. Management believes that estimated useful lives of the property and equipment are not materially different from economical lives of those assets. If actual useful lives of property and equipment are different from estimations, consolidated financial statements may be materially different.

### Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 30).

### Related party transactions

In the normal course of business the Group enters into transactions with its related parties. These transactions are priced predominantly at market rates. Judgment is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgment is pricing for similar types of transactions with unrelated parties and effective interest rate analysis (see Note 26).

### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in tax environment.

## 5 Revenue

	2025	2024
Commission from collections	9,118,641	9,134,169
Commissions from bank card replenishment	474,884	430,646
Commissions from e-wallet top-up	210,935	284,830
Revenue from advertising and agent's terminal maintenance services	383,292	331,747
Commissions from money transfers	69,168	66,134
Other revenue	96,878	87,503
	<b>10,353,798</b>	<b>10,335,029</b>

## 6 Other income

	2025	2024
Net income from trading in foreign currency	1,427,570	1,495,447
Fines and penalties	12,605	14,561
Net income from sale of inventories	39,026	26,823
Gain from disposal of property and equipment	191	-
Income from grants related to assets	19,074	9,113
Income from co-branded cards	52,432	34,052
Other	4,401	6,967
	<b>1,555,299</b>	<b>1,586,963</b>

**Notes to the consolidated financial statements**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

## 7 Other expenses

	2025	2024
Commissions to banks	127,649	123,833
Transportation	67,943	62,306
Utility and communication	77,899	73,721
Insurance	134,178	130,357
Customer acquisition costs	27,047	24,269
Office supplies	28,152	26,443
Customer service	62,188	75,579
Professional services	52,641	44,965
Business trip and representative expenses	67,542	63,802
Sale of other inventories	16,509	17,520
Donations	2,184	4,467
Security	20,956	19,682
Taxes other than income tax, duties	40,161	20,175
Fines paid	1,619	4,398
Net loss from disposal of property and equipment	27	4,039
Provision expenses	36,251	-
Other	67,698	58,876
	<b>830,644</b>	<b>754,432</b>

## 8 Finance income and costs

	2025	2024
Net foreign exchange income	128,102	-
Interest income on bank accounts	338,409	405,786
Interest income on deposits	12,000	12,000
Interest income on borrowings provided	35,063	27,074
<b>Total finance costs</b>	<b>513,574</b>	<b>444,860</b>
Net foreign exchange loss	-	129,400
Interest expense on borrowings	45,333	129,513
Interest expense on lease	25,414	30,735
<b>Total finance costs</b>	<b>70,747</b>	<b>289,648</b>
<b>Net finance income</b>	<b>442,827</b>	<b>155,212</b>

## 9 Income tax expense

	2025	2024
Current tax	297,576	473,744
Adjustments recognized in the current year in relation to the current tax of the previous year	-	1,555
Deferred tax (Note 16)	(2,610)	(21,977)
<b>Total income tax expense</b>	<b>294,966</b>	<b>453,322</b>

**Notes to the consolidated financial statements**

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Reconciliation of the effective tax rate is as follows:

	2025	Effective tax rate (%)	2024	Effective tax rate (%)
<b>Profit before taxation (under IFRSs)</b>	1,287,136		2,049,964	
Tax calculated at a tax rate of 18% (2024: 18%)	231,684	18	368,994	18
Non-deductible items	63,282	5	82,773	4
Adjustments recognized in the current year in relation to the current tax of previous year	-	-	1,555	-
<b>Income tax expense</b>	<b>294,966</b>	<b>23</b>	<b>453,322</b>	<b>22</b>

## 10 Earnings per share

	2025	2024
Profit for the year	992,170	1,596,642
Weighted average number of ordinary shares	34,656,329	31,474,680
<b>Earnings per share – basic</b>	<b>0.03</b>	<b>0.05</b>

## 11 Intangible assets

	Computer software	Licenses	Terminal installation permission	Total
<b>Cost</b>				
Balance at 1 January 2024	632,543	77,144	375,000	1,084,687
Additions	149,108	49,545	-	198,653
<b>Balance at 31 December 2024</b>	<b>781,651</b>	<b>126,689</b>	<b>375,000</b>	<b>1,283,340</b>
Additions	136,589	112,076	-	248,665
Write-offs	-	-	(375,000)	(375,000)
<b>Balance at 31 December 2025</b>	<b>918,240</b>	<b>238,765</b>	<b>-</b>	<b>1,157,005</b>
<b>Accumulated amortization</b>				
Balance at 1 January 2024	207,350	25,867	375,000	608,217
Charge for the year	74,105	22,107	-	96,212
<b>Balance at 31 December 2024</b>	<b>281,455</b>	<b>47,974</b>	<b>375,000</b>	<b>704,429</b>
Charge for the year	48,092	55,165	-	103,257
Write-offs	-	-	(375,000)	(375,000)
<b>Balance at 31 December 2025</b>	<b>329,547</b>	<b>103,139</b>	<b>-</b>	<b>432,686</b>
<b>Carrying amount</b>				
<b>Balance at 31 December 2024</b>	<b>500,196</b>	<b>78,715</b>	<b>-</b>	<b>578,911</b>
<b>Balance at 31 December 2025</b>	<b>588,693</b>	<b>135,626</b>	<b>-</b>	<b>724,319</b>

As at 31 December 2025 intangible assets included fully depreciated assets in the cost of AMD 115,768 thousand (2024: AMD 103,797 thousand).

As at 31 December 2025 and 31 December 2024 the Group has not possessed intangible assets pledged as security for liabilities or whose title is otherwise restricted.

## 12 Goodwill

	31 December 2025	31 December 2024
Goodwill on the acquisition of "Mega Pantera" LLC	1,077,950	1,077,950
Goodwill on acquisition of "Tel-Cell Service" LLC	79,750	79,750
	<b>1,157,700</b>	<b>1,157,700</b>

### Impairment test for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's total operations. There is no lower level of CGU within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of this CGU was based on its value in use, determined by discounting future cash flows to be generated from the continuing operations of the Group. The recoverable amount of the CGU was determined to be higher than its carrying amount and no impairment loss was recognised.

### Key assumptions used in discounted cash flow projections

The key assumptions used in the estimation of value in use are discount rates, and EBITDA margins.

### Budgeted EBITDA

The projected EBITDA margin levels for forecast horizon were in line with historical values. Given the dynamics of the business and industry specifics, the growth rate of EBITDA margin in the first projection period is supported by historical levels and the Company's budget for 2025, followed by the growth in line with RA inflation forecast of IMF as at analysis date for the proceeding years from 2026-2030.

### Sensitivity to changes in assumptions

A reasonably possible change in the discount rate would not result in impairment.

## 13 Property and equipment

	Computers, equipment and terminals	Vehicles	Office equipment	Other property and equipment	Leasehold improve- ments	Total
<b>Cost</b>						
Balance at 1 January 2024	1,809,090	39,240	158,920	20,980	301,845	2,330,075
Additions	379,222	3,850	22,777	1,614	21,285	428,748
Disposals	(2,538)	(27,293)	(5,046)	(320)	(8,469)	(43,666)
<b>Balance at 31 December 2024</b>	<b>2,185,774</b>	<b>15,797</b>	<b>176,651</b>	<b>22,274</b>	<b>314,661</b>	<b>2,715,157</b>
Additions	402,631	1,208	7,829	6,901	6,798	425,367
Disposals	(9,203)	(3,421)	-	(2,806)	-	(15,430)
<b>Balance at 31 December 2025</b>	<b>2,579,202</b>	<b>13,584</b>	<b>184,480</b>	<b>26,369</b>	<b>321,459</b>	<b>3,125,094</b>

**Notes to the consolidated financial statements**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

	Computers, equipment and terminals	Vehicles	Office equipment	Other property and equipment	Leasehold improve- ments	Total
<b>Accumulated depreciation and impairment</b>						
Balance at 1 January 2024	1,095,354	22,740	81,445	14,937	78,682	1,293,158
Charge for the year	179,258	6,478	16,937	1,446	22,019	226,138
Eliminated on disposal	(2,512)	(17,440)	(2,052)	(245)	(2,891)	(25,140)
<b>Balance at 31 December 2024</b>	<b>1,272,100</b>	<b>11,778</b>	<b>96,330</b>	<b>16,138</b>	<b>97,810</b>	<b>1,494,156</b>
Charge for the year	234,638	3,931	17,745	1,681	22,078	280,073
Eliminated on disposal	(2,831)	(2,393)	-	(1,962)	-	(7,186)
Reclassification	(4,768)	-	-	-	4,768	-
<b>Balance at 31 December 2025</b>	<b>1,499,139</b>	<b>13,316</b>	<b>114,075</b>	<b>15,857</b>	<b>124,656</b>	<b>1,767,043</b>
<b>Carrying amount</b>						
Balance at 31 December 2024	913,674	4,019	80,321	6,136	216,851	1,221,001
Balance at 31 December 2025	1,080,063	268	70,405	10,512	196,803	1,358,051

As at 31 December 2025 fixed assets included fully depreciated assets in the cost of AMD 716,268 thousand (2024: AMD 616,053 thousand).

As at 31 December 2024 332 pieces of payment processing equipment with a carrying amount of AMD 187,329 thousand are pledged as collateral for a guarantee received from 1 bank, which has been repaid in 2025 (see Note 23).

## 14 Right-of-use assets

	Buildings and constructions	Total
<b>Cost</b>		
Balance at 1 January 2024	547,916	547,916
Additions	26,696	26,696
Remeasurement	1,784	1,784
<b>Balance at 31 December 2024</b>	<b>576,396</b>	<b>576,396</b>
Remeasurement	16,861	16,861
Write-offs	(26,806)	(26,806)
<b>Balance at 31 December 2025</b>	<b>566,451</b>	<b>566,451</b>
<b>Accumulated depreciation and impairment</b>		
Balance at 1 January 2024	283,631	283,631
Charge for the year	91,357	91,357
<b>Balance at 31 December 2024</b>	<b>374,988</b>	<b>374,988</b>
Charge for the year	89,347	89,347
Write-offs	(26,806)	(26,806)
<b>Balance at 31 December 2025</b>	<b>437,529</b>	<b>437,529</b>
<b>Carrying amount</b>		
Balance at 31 December 2024	201,408	201,408
Balance at 31 December 2025	128,922	128,922

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

### Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	31 December 2025	31 December 2024
Current	92,469	84,196
Non-current	68,669	148,650
<b>Total lease liabilities</b>	<b>161,138</b>	<b>232,846</b>

The Group has leases for the head office and branches. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability. The Group's leases does not include variable lease payments.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2025 were as follows:

	Minimum lease payments	
	31 December 2025	31 December 2024
<b>Within one year</b>		
Lease payments	109,966	108,316
Finance charges	(17,497)	(24,120)
	<b>92,469</b>	<b>84,196</b>
<b>In second to fifth years inclusive</b>		
Lease payments	70,694	165,662
Finance charges	(2,025)	(17,012)
	<b>68,669</b>	<b>148,650</b>
<b>Net present value</b>	<b>161,138</b>	<b>232,846</b>

As at 31 December 2025 the total outflow of cash from the lease amounted to AMD 113,984 thousand (2024: AMD 104,295 thousand).

### Lease payments not recognized as a liability

The Group has elected not to recognize a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2025	2024
Leases of low value assets	652,239	569,317
<b>Total lease payments</b>	<b>652,239</b>	<b>569,317</b>

As at 31 December 2025 the Group was committed to short-term leases and the total commitment at that date was AMD 9,336 thousand (31 December 2024: AMD 9,651 thousand).

## 15 Financial assets and liabilities

### 15.1 Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in Note 4.12. The carrying amounts of financial assets and financial liabilities in each category are as follows:

#### Financial assets

	31 December 2025	31 December 2024
<b><i>Financial assets measured at amortized cost</i></b>		
Borrowings provided	379,298	286,573
Deposits in banks	155,326	155,326
Trade and other receivables	802,398	998,977
Cash and cash equivalents	7,956,035	7,915,646
Balances held on restricted accounts	4,012,099	4,337,560
<b>Total financial assets</b>	<b>13,305,156</b>	<b>13,694,082</b>

#### Financial liabilities

	31 December 2025	31 December 2024
<b><i>Financial liabilities measured at amortized cost</i></b>		
Borrowings	683,220	1,290,677
Lease liabilities	161,138	232,846
Trade and other payables	10,870,622	9,978,462
<b>Total financial liabilities</b>	<b>11,714,980</b>	<b>11,501,985</b>

## 16 Deferred income taxes

The movement of deferred income taxes is disclosed below:

	2025	2024
Balance at the beginning of year	85,857	63,880
Charged to profit or loss (Note 9)	2,610	21,977
<b>Balance at the end of year</b>	<b>88,467</b>	<b>85,857</b>

**Notes to the consolidated financial statements**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

Deferred income taxes for the year ended 31 December 2025 can be summarized as follows:

	2025			2025
	2024	Recognized in profit or loss	Net balance	Deferred income tax assets
Property and equipment	4,943	-	4,943	4,943
Borrowings provided	479	2,493	2,972	2,972
Trade and other receivables	22,355	(8,021)	14,334	14,334
Cash and cash equivalents	1,471	(348)	1,123	1,123
Trade and other payables	43,266	-	43,266	43,266
Lease liabilities	5,659	4,118	9,777	9,777
Tax loss carried forward	7,684	4,368	12,052	12,052
<b>Deferred income tax assets</b>	<b>85,857</b>	<b>2,610</b>	<b>88,467</b>	<b>88,467</b>

Deferred income taxes for the year ended 31 December 2024 can be summarized as follows:

	2023	Recognized in profit or loss	Net balance	2024 Deferred income tax assets
Property and equipment	5,570	(627)	4,943	4,943
Borrowings provided	-	479	479	479
Trade and other receivables	10,324	12,031	22,355	22,355
Cash and cash equivalents	1,816	(345)	1,471	1,471
Trade and other payables	41,386	1,880	43,266	43,266
Lease liabilities	2,675	2,984	5,659	5,659
Tax loss carried forward	2,109	5,575	7,684	7,684
<b>Deferred income tax assets</b>	<b>63,880</b>	<b>21,977</b>	<b>85,857</b>	<b>85,857</b>

## 17 Inventories

	31 December 2025	31 December 2024
Spare parts	134,035	139,377
Validating equipment	19,675	95,493
Other	80,795	109,076
<b>Total inventories</b>	<b>234,505</b>	<b>343,946</b>

## 18 Borrowings provided

	31 December 2025	31 December 2024
<b><i>Non-current assets</i></b>		
Loans to RA credit organizations	250,000	200,000
Borrowings to third parties	40,000	43,800
ECL allowance	(2,316)	(2,556)
	<b>287,684</b>	<b>241,244</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

	31 December 2025	31 December 2024
<b><i>Current assets</i></b>		
Loans to RA credit organizations	52,202	-
Borrowings to third parties	38,000	45,432
Borrowings to related parties	2,150	-
ECL allowance	(738)	(103)
	<b>91,614</b>	<b>45,329</b>
	<b>379,298</b>	<b>286,573</b>

Some of the loans provided are interest-free. Borrowings were discounted at market rates, resulting in fair value presented in Note 30.

The borrowings provided have low credit risk. The analysis of changes in expected credit losses on them as follows:

	2025	2024
ECL allowance at 1 January	2,659	-
Net remeasurement of loss allowance	26,340	2,659
Amounts written-off during the year	(25,945)	-
<b>Balance at 31 December</b>	<b>3,054</b>	<b>2,659</b>

## 19 Deposits in banks

	31 December 2025	31 December 2024
Deposit in bank	155,326	155,326
	<b>155,326</b>	<b>155,326</b>

As at 31 December 2025 the deposit is placed in one bank (2024: placed in one bank) and is subject to repayment by 21.07.2026, but according to the deposit agreements, the Company has the right to receive the deposit back before the end of the term by submitting an appropriate application to the bank and the accrued interest on the deposit is subject to recalculation at 0% interest rate.

Deposits are placed in AMD (2024: AMD).

As at 31 December 2025, the nominal interest rate of AMD deposit was 8% (2024: 8%).

Expected credit losses on deposits in banks round to zero, therefore are not disclosed.

## 20 Trade and other receivables

	31 December 2025	31 December 2024
<b><i>Financial assets</i></b>		
Commissions receivable	616,595	454,826
Wire transfer receivables	104,306	406,213
Trade receivables from other services	235,277	262,133
ECL allowance	(153,780)	(124,195)
<b>Total financial assets</b>	<b>802,398</b>	<b>998,977</b>

**Notes to the consolidated financial statements**

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

	31 December 2025	31 December 2024
<b>Non-financial assets</b>		
Prepayments given	477,225	362,648
Other receivables	79,848	84,783
<b>Total non-financial assets</b>	<b>557,073</b>	<b>447,431</b>
<b>Total trade and other receivables</b>	<b>1,359,471</b>	<b>1,446,408</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

No interest is charged on the trade receivables.

Trade receivables have low credit risk.

The closing balance of the trade receivables loss allowance reconciles with the trade receivables loss allowance opening balance as follows:

	2025	2024
ECL allowance at 1 January	124,195	57,355
Net remeasurement of loss allowance	41,688	(21,637)
Receivables written-off during the year	(12,103)	88,477
<b>Balance at 31 December</b>	<b>153,780</b>	<b>124,195</b>

Note 29.3 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

See Note 29.1 for the currencies in which the trade and other receivables are denominated.

## 21 Cash and cash equivalents and balances held on restricted accounts

	31 December 2025	31 December 2024
Bank accounts	2,182,597	1,782,596
Cash in terminals	2,474,857	2,419,561
Cash on hand	2,690,869	2,548,434
Cash in transit	610,618	1,167,502
ECL allowance	(2,906)	(2,447)
<b>Cash and cash equivalents</b>	<b>7,956,035</b>	<b>7,915,646</b>
Balances held on restricted accounts	4,015,428	4,343,283
ECL allowance	(3,329)	(5,723)
	<b>4,012,099</b>	<b>4,337,560</b>
<b>Cash and cash equivalents and balances held on restricted accounts</b>	<b>11,968,134</b>	<b>12,253,206</b>

Balances held on restricted accounts represent special accounts in banks. At each moment the balance in this accounts should not be less than total collections amount of previous day. The balances on these accounts can only be used for fulfillment of payments under collection services (see Note 24).

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

The movement in allowance for expected credit losses on cash and cash equivalents and balances held on restricted accounts is as follows:

	2025	2024
ECL allowance at 1 January	8,170	10,089
Net remeasurement of loss allowance	22,248	83,399
Net amounts written-off during the year	(24,183)	(85,318)
<b>Balance at 31 December</b>	<b>6,235</b>	<b>8,170</b>

Note 29.3 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. The comparative impairment provisions apply the IFRS 9 expected loss model.

Cash in transit represents the amounts collected by the Company's employee collectors, other collection organizations and agents from terminals and the Company's branches, which have been deposited into bank accounts, but have not yet been recorded by the banks.

Exposure to currency risk of cash and cash equivalents and balances held on restricted accounts is presented in Note 29.1.

## 22 Equity

### 22.1 Share capital

As at 31 December 2025 the Company's registered and paid-in share capital was AMD 1,220,450 thousand. In accordance with the Company's statutes, the share capital consists of 34,870,000 ordinary shares. All shares have a nominal value of AMD 35.

The respective shareholdings as at 31 December 2025 and 2024 may be specified as follows:

	31 December 2025		31 December 2024	
	Paid-in share capital	% of total paid-in capital	Paid-in share capital	% of total paid-in capital
Lendasy Trading Ltd	622,448	51.00	622,448	51.33
Sargsyan Tigran Suren	194,040	15.90	194,040	16.00
Badalyan Aramayis Nerses	169,844	13.92	169,844	14.00
Avetisyan Tatevik Artashes	65,773	5.39	65,773	5.42
Sargsyan Aram Norik	52,930	4.34	52,930	4.36
C-QUADRAT Ampega Asset Management Armenia LLC	18,288	1.50	17,500	1.44
Rami (Evgeny) Treyster	14,677	1.20	14,676	1.21
Other shareholders	82,450	6.76	75,539	6.24
	<b>1,220,450</b>	<b>100</b>	<b>1,212,750</b>	<b>100</b>

In 2025, the Company increased its charter capital from the results of the reporting period by issuing ordinary shares amounting to AMD 7,700 thousand under the employee share ownership program. In 2024 the Company increased its share capital by issuing ordinary shares of AMD 134,750 thousand.

As at 31 December 2025 the Company did not possess any of its own shares.

The holders of ordinary shares have equal rights to the residual assets of the Company.

### 22.2 Allocation of profit

In 2025 the Company declared and paid dividends of AMD 1,250,000 thousand (2024: AMD 1,419,000 thousand), of which dividends amounting AMD 1,138,977 thousand were converted into borrowings (2024: AMD 1,387,981 thousand).

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

During 2024, by decision of the Company's shareholders, the Company used retained earnings to finance campaigns to increase customer engagement and awareness within the framework of the advertising lottery and unified ticket system in the amount of AMD 96,103 thousand.

### 22.3 Reserve capital

Distributable among shareholders Company's reserves equal the amount of accumulated profit. Non-distributable reserves are represented by a reserve fund, which is created as required by the statutory regulations, in respect of general risks, including future losses and other unforeseen risks or contingencies.

## 23 Borrowings received

	31 December 2025	31 December 2024
<b><i>Non-current liabilities</i></b>		
Unsecured borrowings from related parties	683,220	1,290,677
	<b>683,220</b>	<b>1,290,677</b>

As at 31 December 2024 the Group had general loan agreement with the bank under which receives loans and guarantees. This loan agreement was repaid during 2025. Balance of bank loan as at 31 December 2024 is nil and balance of guarantee received from the bank is AMD 150,000 thousand. As at 31 December 2024 payment processing equipment with a carrying amount of AMD 187,329 thousand was pledged as collateral under this agreement (Note 13).

Unsecured borrowings from related parties have an average interest rate of 10% per annum (2024: 0-10% interest rate).

Received borrowings are subject to repayment in 2028-2029.

The Group has not had any defaults of principal, interest or other breaches with respect to its liabilities during the period (2024: nil).

The fair value of borrowings received is equal to their carrying amount, as the effect of discounting is not material (see Note 30).

See Note 29 for disclosure of interest rate and foreign currency exposures on borrowings received.

## 24 Trade and other payables

	31 December 2025	31 December 2024
Amounts payable to operators	9,638,829	8,824,160
Amounts payable to agents	357,469	316,524
Other trade payables	455,808	381,744
Deposited amounts from agents	139,970	186,527
Amounts payable to employees	278,546	269,507
<b>Total financial liabilities</b>	<b>10,870,622</b>	<b>9,978,462</b>
Prepayments received	664,076	688,565
Amounts payable to state budget	69,947	85,725
Provisions	29,809	-
<b>Total non-financial liabilities</b>	<b>763,832</b>	<b>774,290</b>
<b>Total trade and other payables</b>	<b>11,634,454</b>	<b>10,752,752</b>
<b>Current</b>	<b>11,494,484</b>	<b>10,590,202</b>
<b>Non-current</b>	<b>139,970</b>	<b>162,550</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

Payables to operators represent collections made on behalf of the operators and not transferred as at reporting date. The liabilities on these funds are short-term.

No interest is charged on the trade payables. The Group has financial risk management policies to ensure that all payables are paid within the credit timeframe (see Note 21). As at 31 December 2024 the Group had a signed guarantee contract, which was repaid during 2025 (see Note 23).

See Note 29 for more information about the Group's exposure to foreign currency and liquidity risk.

## 25 Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Borrowings provided	Lease liabilities	Total
Carrying amount at 31 December 2023	2,099,720	279,147	2,378,867
Proceeds	-	28,480	28,480
Repayments	(2,197,024)	(104,295)	(2,301,319)
Proceeds on dividends	1,387,981	-	1,387,981
Other	-	29,514	29,514
<b>Carrying amount at 31 December 2024</b>	<b>1,290,677</b>	<b>232,846</b>	<b>1,523,523</b>
Proceeds	-	-	-
Repayments	(1,746,434)	(113,984)	(1,860,418)
Proceeds on dividends	1,138,977	-	1,138,977
Other	-	42,276	42,276
<b>Carrying amount at 31 December 2025</b>	<b>683,220</b>	<b>161,138</b>	<b>844,358</b>

## 26 Related parties

The Group's related parties include its parent, entities under common control and key management.

### 26.1 Control relationships

The Company's immediate and ultimate parent company is Lendasy Trading Ltd. incorporated in Cyprus, which is ultimately controlled by Rami (Evgeny) Treyster.

### 26.2 Transactions with related parties

During the reporting year the Group had the following transactions with the related parties and as at the reporting date had the following outstanding balances.

Transactions	2025	2024
<b><i>Parent</i></b>		
Interest expense	45,333	129,513

Transactions	2025	2024
<b><i>Parent</i></b>		
Borrowings provided	2,150	-
Borrowings received	683,220	1,290,677

### 26.3 Transactions with management and close family members

Directors of the Group and their close family members as at 31 December 2025 and 31 December 2024 had no significant shares in "TEL-CELL" OJSC.

Key management received the following remuneration during the year, which is included in Personnel expenses.

	2025	2024
Salaries and bonuses	122,533	95,885
<b>Total</b>	<b>122,533</b>	<b>95,885</b>

## 27 Financial guarantees

As at 31 December 2025 the Group had provided financial guarantees as security for loans granted by a bank to third parties in the amount of AMD 123,408 thousand (2024: AMD 34,408 thousand). These guarantees are not recognized in the statement of financial position.

Expected credit losses on financial guarantees approximate zero and, therefore, are not disclosed.

## 28 Contingent liabilities

### 28.1 Insurance

The Armenian insurance industry is in its development stage and many forms of insurance protection common in other parts of the world are not yet generally available in Armenia. The Group does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on the Group property or relating to the Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets or environmental damage could have a materially adverse effect on the Group's operations and financial position.

### 28.2 Taxes

The taxation system in Armenia is characterized by frequently changing legislation, which sometimes needs interpretations. Often differing interpretations exist among various taxation authorities and jurisdictions. Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose fines and penalties. In the event of a violation of tax legislation, the tax authorities are not permitted to assess additional tax liabilities, penalties, or fines for periods exceeding the three reporting years preceding the audit.

These circumstances may create tax risks in Armenia that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Armenian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

Management believes that the Group has complied with all regulations and has completely settled all its tax liabilities.

### 28.3 Environmental matters

Management is of the opinion that the Group has met the Government's requirements concerning environmental matters and, therefore, believes that the Company does not have any current material environmental liabilities. However, environmental legislation in Armenia is in process of development and potential changes in the legislation and its interpretation may give rise to material liabilities in the future.

## 29 Financial instruments risk

### Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

### 29.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from its operating activities.

### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below.

Item

31 December 2025	USD	Euro	Other
<b>Financial assets</b>			
Trade and other receivables	-	-	103,362
Cash and cash equivalents	13,866	1,444	382,159
Balances held on restricted accounts	-	-	2,148
<b>Total financial assets</b>	<b>13,866</b>	<b>1,444</b>	<b>487,669</b>
<b>Financial liabilities</b>			
Trade and payables	14,535	-	11,877
<b>Total financial liabilities</b>	<b>14,535</b>	<b>-</b>	<b>11,877</b>
<b>Net position</b>	<b>(669)</b>	<b>1,444</b>	<b>475,792</b>
<b>Total financial assets</b>	<b>5,852</b>	<b>12,448</b>	<b>582,387</b>
<b>Total financial liabilities</b>	<b>3,083</b>	<b>-</b>	<b>8,110</b>
<b>Net position as at 31 December 2024</b>	<b>2,769</b>	<b>12,448</b>	<b>574,277</b>

The following table details the Group's sensitivity to a 10% (2024: 10%) increase and decrease in dram against US dollar, Euro and Ruble. 10% (2024: 10%) represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2024: 10%) change in foreign currency rates.

	USD impact		Euro impact		RUB impact	
	2025	2024	2025	2024	2025	2024
Profit or loss	(67)	277	144	1,245	47,579	57,428
Equity	(67)	277	144	1,245	47,579	57,428

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

## **29.2 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will directly affect the cash flow and fair value of the Group's financial instruments.

The Group's sensitivity to an increase in interest rates is primarily depends on a possible change in the interest rate set by the loan agreement. The Group has assessed the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, leaving other variables constant.

The impact of assumed changes in interest rates on net interest income on variable interest financial liabilities in the balance sheet as at 31 December 2025 and 31 December 2024 is estimated to be insignificant.

## **29.3 Credit risk analysis**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from financial assets, including cash and cash equivalents held at banks, borrowings provided and trade and other receivables.

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Group does not hold any security on the trade receivables balance.

### **Trade receivables**

The Group applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

The expected loss rates are based on the payment profile for sales before 31 December 2025 and 1 January 2025 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

## **29.4 Liquidity risk analysis**

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group.

The liquidity management of the Group requires considering the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans and monitoring balance sheet liquidity ratios against regulatory requirements. The Group

## Notes to the consolidated financial statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD), except per share amounts)

calculates liquidity ratios in accordance with the requirement of the Central Bank of Armenia i.e. the ratio between high liquid assets and liabilities of payment and settlement organizations issuing electronic money should be 100%.

As at 31 December 2025, the Company maintained the liquidity ratio defined by the Central Bank of Armenia.

As at 31 December the indicators are as follows:

	Unaudited	
	2025, %	2024, %
Highly liquid assets/ liabilities	100.03	112.51

### Analysis of financial liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2025 based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately.

	31 December 2025				
	Less than 1 month	From 1 to 12 months	From 1 to 5 years	More than 5 years	Total
<b>Financial liabilities</b>					
Borrowings received	5,803	62,519	780,126	848,448	683,220
Lease liabilities	9,628	100,338	70,694	180,660	161,138
Trade payables	10,732,052	27,033	111,537	10,870,622	10,870,622
<b>Total undiscounted financial liabilities</b>	<b>10,747,483</b>	<b>189,890</b>	<b>962,357</b>	<b>11,899,730</b>	<b>11,714,980</b>

	31 December 2024				
	Less than 1 month	From 1 to 12 months	From 1 to 5 years	More than 5 years	Total
<b>Financial liabilities</b>					
Borrowings received	-	-	1,290,677	1,290,677	1,290,677
Lease liabilities	9,554	98,762	165,662	273,978	232,846
Trade payables	9,791,935	23,977	162,550	9,978,462	9,978,462
<b>Total undiscounted financial liabilities</b>	<b>9,801,489</b>	<b>122,739</b>	<b>1,618,889</b>	<b>11,543,117</b>	<b>11,501,985</b>

## 30 Fair value measurement

The Group provides an analysis of its assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. These Levels are described below:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 30.1 Fair value measurement of financial instruments

#### Financial instruments measured at amortized cost for which fair value is disclosed

The Group's financial assets and liabilities measured at amortized cost are presented in the statement of financial position not at fair value, but in accordance with the respective measurement bases. Differences between the carrying amounts and fair values of financial assets and liabilities exist only in respect of loans granted. As at 31 December 2025, this difference amounted to AMD 13,919 thousand (2024: AMD 19,553 thousand).

The carrying amounts of the Group's financial instruments are considered a reasonable approximation of their fair values.

The Group's financial instruments are classified within Level 2 of the fair value hierarchy.

## 31 Capital adequacy

The Group manages its capital to ensure that it will be able to continue as a going concern and to provide sufficient return to shareholders.

The Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Company's capital is monitored using, among other measures, the rules and ratios adopted by the Central Bank of Armenia.

The Central Bank of Armenia has set economic normative of the minimum size of total capital for payment companies to be AMD 100,000 thousand.

There has been no change in goals, policies and processes compared to previous years.

Regulatory capital consists of Tier 1 capital, which comprises charter capital (moreover, part of the charter capital, which is replenished by intangible assets, participates in the calculation of the regulatory capital in the amount of 25% of the minimum amount of AMD 100,000 thousand), retained earnings including current year profit.

As at 31 December 2025 and 2024 the amount of regulatory capital calculated in accordance with the requirements of Central Bank of Armenia are provided below:

	Unaudited	
	31 December 2025	31 December 2025
Tier 1 capital	2,663,194	2,732,439
Tier 2 capital	-	-
Total regulatory capital	<b>2,663,194</b>	<b>2,732,439</b>

## 32 Segment reporting

The Group's operations are not separated into operating segments and constitute a single operating segment for the purposes of IFRS 8 "Operating Segments".

Income from external customers refers to residents of the Republic of Armenia. The Group does not have a single customer from which it receives 10% or more of its revenue.

The Group's assets are primarily located in the Republic of Armenia.