FOOTBALL FEDERATION OF ARMENIA NGO

AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

31 December 2025

YEREVAN 2026

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30.06.2026

APPROVED

General Director
Baker Tilly Armenia CJSC

V. Gevorgyan

INDEPENDENT AUDITOR'S REPORT

To the Board of
"Football Federation of Armenia" NGO

Opinion

We have audited the accompanying consolidated financial statements of the "Football Federation of Armenia" NGO ("the Organization") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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 International Financial Reporting Standards (IFRSs).

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' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor

G. Sargsyan

30.06.2025

STATEMENT OF PROFIT OR LOSS OR OTHER COMPREHENSIVE INCOME

In thousand drams

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Income from operations	4	7,422,144	10,963,899
Operating expenses	5	(5,960,450)	(6,133,915)
Administrative expenses	6	(2,854,103)	(2,508,532)
Profit/(Loss) from operating activities		**(1,392,409)**	**2,321,452**
Finance income			-
Finance costs		(59,384)	(153,633)
Gain/(loss) from foreign exchange rate differences, net		(154,725)	118,855
Profit/(loss) before income tax		**(1,606,518)**	**2,286,674**
Income tax expense	7	(167)	(1,810)
Profit/(loss) for the year		**(1,606,685)**	**2,284,864**
Total comprehensive income/(loss)		**(1,606,685)**	**2,284,864**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousand drams

	Note	As of 31 December 2025	As of 31 December 2024
Assets			
Non-current assets			
Property and equipment	8	11,076,059	12,621,438
Constructions in process	9	420,496	545,372
Intangible assets	10	99,075	111,644
Prepayments on non-current assets		55,886	265,197
Other non-current assets	11	359,478	358,115
Deferred tax asset		9,358	11,093
		12,020,352	**13,912,859**
Current assets			
Inventories	12	994,460	1,308,934
Trade and other receivables	13	430,464	492,284
Cash and cash equivalents	14	1,257,900	2,311,839
Borrowings provided		9,800	23,000
		2,692,624	**4,136,057**
Total assets		**14,712,976**	**18,048,916**
Liabilities and net assets			
Non-current liabilities			
Grants related to assets	15	12,010,994	12,872,928
Loans and borrowings	16	449,010	631,113
		12,460,004	**13,504,041**
Current liabilities			
Loans and borrowings	16	677,511	876,728
Trade and other payables	17	1,994,761	1,729,765
Deferred income	18	2,328,900	3,067,861
		5,001,172	**5,674,354**
Total liabilities		**17,461,176**	**19,178,395**
Net assets		**(2,748,200)**	**(1,129,479)**

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

Armen Melikbekyan

Vahram Amiryan

Chief Accountant

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities		
Profit/(loss) for the year	(1,606,685)	2,284,864
Adjustments for:		
Profit tax	167	1,810
Depreciation and amortization	1,074,169	1,083,689
Loss on disposal of property and equipment and non-current assets	1,175,958	1,248,978
Finance cost	59,384	153,633
Income from grants	(5,689,198)	(8,954,918)
Vacation reserve	-	11,832
Foreign exchange (gain)/loss	154,725	(118,855)
Operating loss before working capital changes	(4,831,480)	**(4,288,967)**
Changes in inventories	308,248	(29,799)
Changes in trade and other receivables	61,820	(243,380)
Changes in trade and other payables	244,593	335,745
Changes in grants related to income	3,979,617	4,587,951
Cash generated from/(used in) operating activities	**(237,202)**	**361,550**
Interest paid	(59,384)	(134,049)
Profit tax paid	(167)	(99,102)
Net cash from/(used in) operating activities	**(296,753)**	**128,399**
Cash flows from investing activities		
Outflow from acquisition of non-current assets	(332,817)	(463,328)
Changes in borrowings provided	(13,200)	2,300
Changes in construction in progress	124,876	(97,130)
Net cash used in investing activities	**(221,141)**	**(558,158)**
Cash from financing activities		
Loans received, net	(381,320)	(118,750)
Net cash flow from/(used in) financing activities	**(381,320)**	**(118,750)**
Net increase/(decrease) in cash and cash equivalents	**(899,214)**	**(311,009)**
Foreign exchange effect on cash	(154,725)	7,143
Cash and cash equivalents at the beginning of the year	2,311,839	2,615,705
Cash and cash equivalents at the end of the year	**1,257,900**	**2,311,839**

Notes to the financial statements

1 Nature of operations and general information

The consolidated financial statements for the year ended 31 December 2025 comprise the financial statements of the "Football Federation of Armenia" NGO ("FFA" or "the Organization") and its wholly owned subsidiaries: "Technical Center – Academy" CJSC and "Republican Stadium after Vazgen Sargsyan" CJSC (together, "the Group").

FFA is a non-profit, non-commercial organization, initially registered with the Central Registry of the Republic of Armenia Legal Persons State Register on 21 February 2003. On 2 October 2018, it was re-registered as the "Football Federation of Armenia" NGO following a reorganization.

The Organization was established for an indefinite period through the voluntary union of football clubs with NGO status and other non-commercial organizations contributing to the development of football in Armenia. Its primary purpose is to coordinate the activities of its member organizations and to represent and protect their shared interests.

FFA is a full member of both the Fédération Internationale de Football Association (FIFA) and the Union of European Football Associations (UEFA). It holds the exclusive right to represent and safeguard the interests of Armenian football clubs and national teams within these international bodies.

In the conduct of its activities, the FFA's governing bodies and officials adhere to the statutes, regulations, circulars, and decisions of FIFA, UEFA, and the FFA itself, including the FIFA Code of Ethics.

The Organization maintains strict neutrality in political and religious matters.

FFA operates throughout the entire territory of the Republic of Armenia and internationally. The working language of the Organization's governing bodies is Armenian.

Purpose of the Organization

- To promote and develop football in the Republic of Armenia, enhancing its role in the comprehensive and harmonious development of individuals. The Organization aims to elevate Armenian football to international standards and utilize all possible means to strengthen international cooperation in the field of football.
- To develop, support, oversee, and regulate football throughout the territory of Armenia, using all acceptable means and guided by the principles of fair play.
- To protect the rights and interests of its members.

Objectives of the Organization

- To foster and strengthen relationships with FIFA and UEFA.
- To enhance cooperation between the Football Federation and football clubs in Yerevan and the Marzes of Armenia.
- To develop and implement long-term football development programs within the Republic of Armenia.
- To organize football competitions and determine the structure, regulations, and schedules for the national championship, cup tournaments, and other competitions.
- To host national and international tournaments within Armenia and oversee all friendly matches.
- To improve the system for developing elite athletes and ensure the effective participation of national teams and clubs in international competitions.
- To implement measures aimed at raising the qualifications of football professionals and referees.
- To organize the selection and training of coaches and other specialists for national teams.
- To study and summarize both local and international football traditions and experiences, and to apply scientific and methodological advancements in practice.
- To proactively prevent violations of the statutes of the Football Federation of Armenia, FIFA, and UEFA, as well as misconduct and unethical behavior in football.

- To ensure the social protection of athletes, coaches, and other professionals, and to care for football veterans.
- To disseminate football-related news and events through official channels and to publish methodological guides.
- To engage in any other activities permitted by law and aligned with the Organization's statutory objectives.

The average number of employees in the Group during 2025 was 255 (2024: 259 employees).

Business environment

The Group operates in the Republic of Armenia and is therefore exposed to economic, political, regulatory and legal developments affecting the country and the region. The business environment continues to evolve, influenced by domestic reforms, regional geopolitical developments and global economic conditions. These factors may affect access to financial markets, exchange rates, inflation, interest rates and overall business activity.

The Armenian economy continued to demonstrate resilience during 2025; however, uncertainties remain due to regional geopolitical developments, global inflationary pressures, fluctuations in international commodity and energy prices, and changes in monetary and fiscal policies in Armenia and internationally. The Group continues to monitor these developments and assesses their potential impact on its operations and financial position on an ongoing basis.

In addition, ongoing geopolitical tensions in the South Caucasus and the broader region may affect investor confidence, economic activity and the operating environment in Armenia. The extent and duration of such effects remain uncertain and depend on future developments that are beyond the control of the Group.

Management continuously monitors the evolving economic environment and believes that the Group has adequate resources to continue its operations for the foreseeable future. The Group maintains appropriate liquidity management procedures and regularly monitors its liquidity position to ensure that sufficient financial resources are available to meet its obligations as they fall due.

These financial statements have been prepared on a going concern basis and do not include any adjustments that might result from the outcome of future economic or geopolitical developments, the effects of which cannot presently be determined with sufficient reliability.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). They have been prepared under the assumption that the Group operates on a going concern basis.

Currently, IFRSs do not contain specific guidance for non-profit organizations and non-governmental organizations concerning the accounting treatment and presentation of financial statements. Where IFRSs do not give guidance on how to treat transactions specific to not for profit sector, accounting policies have been based on the general principles of IFRSs, as detailed in the International Accounting Standards Board ("IASB") The Conceptual Framework for Financial Reporting.

2.2 Basis of measurement

The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention.

2.3 Functional and presentation currency

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

These consolidated financial statements are presented in Armenian drams, since management believes that this currency is more useful for the users of these consolidated financial statements. All financial information presented in Armenian drams has been rounded to the nearest thousand.

2.4 Use of estimates and judgment

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. Significant areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 19 to the consolidated financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates and the original estimates and assumptions will be modified as appropriate in the year in which circumstances change.

2.5 Adoption of new and revised standards

In the current year the Group has adopted all of the new and revised Standards and Interpretations issued by the IASB and International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2024.

The nature and the effect of these changes are disclosed below.

New and revised standards and interpretations that are effective for annual periods beginning on or after 1 January 2025

Standard	Title of Standard or Interpretation
IAS 21	***Lack of Exchangeability*** *(Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)*

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 financial statements, the International Accounting Standards Board ("IASB") had issued certain new standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company.

Management expects that all relevant pronouncements will be adopted in the Company's accounting policies for the first annual reporting period beginning on or after their respective effective dates.

Management does not expect these new standards and amendments to have a material impact on the Company's financial statements.

The standards and amendments issued but not yet effective are presented below.

Standard	Title of Standard or Interpretation	Effective for reporting periods beginning on or after
IFRS 18	*Presentation and Disclosure in Financial Statements*	*1 January 2027*

2.6 Subsidiaries

Information about the subsidiaries is presented below:

Name	Location of the parent organization	Ownership 2025	Ownership 2024
"Technical Center – Academy" CJSC	Armenia	100%	100%
"Republican Stadium after Vazgen Sargsyan" CJSC	Armenia	100%	100%

3 Significant accounting policies

3.1 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all its subsidiaries as of 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. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

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.

3.2 Foreign currencies

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 is 381.36 drams for 1 US dollar and 449.01 drams for 1 euro as of 31 December 2025 (31 December 2024: 396.56 drams for 1 US dollar, 413,89 drams for 1 euro). 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.

3.3 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.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes directly attributable expenditures, site preparation, installation and assembly costs, professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Building received free of chargeare also included in property and equipment. Such assets are depreciated over their expected useful lives (determined by reference to comparable owned assets) or over the term.

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.

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:

Buildings, structures	20 years
Machinery and equipment	3-5 years
Vehicles	5 years
Office equipment	3-5 years
Other fixed assets	3-10 years

3.4 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 accounting software and other intangible assets.

3.5 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. The cost of inventories is based on the FIFO principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.6 Grants

Grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Grants with a primary condition to purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.7 Income 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 is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements 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.

3.8 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 all substantial risks and rewards are transferred.

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

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, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through statement of activities (FVOCI).

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 represented within finance costs, finance income or other financial items. A summary of the Group's financial assets by category is given in note 20.

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 loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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 grant receivables

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.

Classification and measurement of financial liabilities

The Group's financial liabilities include accounts payable. A summary of the Group's financial liabilities by category is given in note 20.

3.9 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;

Paid absences

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

(c) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.
(a) 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 entity has no realistic alternative but to make the payments.

3.10 Operating income

The Group's revenue is primarily generated from grants, as well as from ticket sales, retail sales, hospitality and catering services, rental income, academic training camps, and other commercial activities. The revenue of the subsidiaries mainly relates to the provision of hotel and sports infrastructure services.To determine whether to recognize revenue, the Group follows a 5-step process:

Rendering of services

The Group generates service-related revenue primarily from organizing national and international football competitions, providing training and licensing programs for coaches and referees, and offering technical and logistical support to affiliated football clubs and regional federations.

Income from grants

Income recognition policy is presented in note 3.6.

4 Income from operations

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Income from deferred income	3,964,547	6,634,326
Income from grants related to assets	1,724,651	2,320,592
Provision of services	1,200,848	1,508,791
Sale of goods	303,593	239,524
Other income	228,505	260,666
	7,422,144	**10,963,899**

5 Operating expenses

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Employee benefits	1,441,694	1,463,145
Cost of sales*	839,002	906,665
Expenses related to assets granted free of charge	1,309,442	1,307,115
Accommodation and catering	349,037	361,711
Airfare and train tickets	438,313	420,841
Awards and prizes	303,808	146,522
Taxes, duties, and penalties	130	101,014
Visa and insurance expenses	16,479	22,008
Sports equipment	345,176	301,789
UEFA/FIFA and official meetings	137,359	23,243
Security services	40,311	68,755
Transportation expenses	173,979	180,063
Depreciation of property and equipment	3,518	4,448
Oragnisational expenses	25,534	185,199
Repair and maintenance expenses	772	32,152
Representation expenses	38,076	39,162
Staff training and development	90,195	82,579
Medical check-ups and examinations	52,526	67,134
Per diem allowances	7,469	17,090
Match analysis	56,316	31,758
Stadium or sports hall rental	27,198	28,542
Foreign exchange loss	47,161	54,933
Other operating expenses	216,955	288,047
	5,960,450	**6,133,915**

The analysis of cost of sales is summarized in the table below:

(*) Cost of sales consists the following expenses:

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Employee benefits	501,775	437,872
Food and beverages	48,044	125,793
Acquisition of services	47,875	119,163
Goods and materials	224,255	208,040
Depreciation expenses	16,203	13,823
Other expenses	850	1,974
	839,002	**906,665**

6 Administrative expenses

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Employee benefits	1,110,011	875,459
Office and utility expenses	17,541	20,476
Depreciation and amortization	1,277,357	1,065,418
Non-recoverable taxes and duties	73,570	52,931
Postage and telecommunications expenses	35,863	30,873
Travel and representation expenses	21,247	24,894
Audit and consultancy expenses	14,250	17,843
Bank service charges	12,139	9,203
Reverse charge VAT on non-resident services	34,858	40,608
Other administrative expenses	257,267	370,827
Employee benefits	**2,854,103**	**2,508,532**

7 Income tax

Amounts recognized in profit or loss

The income tax rate for the reporting year is set by the Republic of Armenia Tax Code at 18% (2024: 18%).

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Current tax expense	167	2,575
Deferred tax income	-	(765)
	167	**1,810**

8 Property and equipment

	Buildings	Structures	Equipment	Vehicles	Fixture and fittings	Other	Lands	Total
Cost								
As of 1 January 2024	**10,003,161**	**5,209,614**	**1,674,390**	**270,138**	**609,015**	**436,355**	**2,034,527**	**20,237,200**
Additions	22,028	2,542	48,394	224	21,209	98,769	-	193,166
Disposals and write-offs	-	(511,230)	(181,028)	-	(4,864)	(86,769)	-	(783,891)
Reclass	1,981,752	947,812	37,117	-	2,092	218,572	-	3,187,345
As of 31 December 2024	**12,006,941**	**5,648,738**	**1,578,873**	**270,362**	**627,452**	**666,927**	**2,034,527**	**22,833,820**
Additions	-	259,576	33,285	500	13,882	16,456		323,699
Disposals and write-offs	(1,035,601)	(291,396)	(336)	-	(1,563)	(25)	(15,233)	(1,344,154)
Reclass	381,784	198,058	6,389	264	(6,148)	(9,659)		570,688
As of 31 December 2025	**11,353,124**	**5,814,976**	**1,618,211**	**271,126**	**633,623**	**673,699**	**2,019,294**	**22,384,053**
Accumulated depreciation								
As of 1 January 2024	**5,454,779**	**1,914,394**	**761,217**	**220,568**	**525,161**	**269,347**	**-**	**9,145,466**
Charge for the year	582,745	243,958	144,196	11,596	30,481	39,505	-	1,052,481
Eliminated on disposal and write-offs	-	(11)	(2,934)	-	(4,864)	(613)	-	(8,422)
Reclass	3	1,289	13,511	-	2,136	5,918	-	22,857
As of 31 December 2024	**6,037,527**	**2,159,630**	**915,990**	**232,164**	**552,914**	**314,157**	**-**	**10,212,382**
Charge for the year	691,509	314,171	166,292	8,413	33,798	49,625	-	1,263,808
Eliminated on disposal and write-offs	(116,364)	(43,379)	(952)	-	(7,476)	(25)	-	(168,196)
Reclass	-	-	(7)	-	(278)	285	-	-
As of 31 December 2025	**6,612,672**	**2,430,422**	**1,081,323**	**240,577**	**578,958**	**364,042**	**-**	**11,307,994**
Carrying amount								
As of 31 December 2024	**5,969,414**	**3,489,108**	**662,883**	**38,198**	**74,538**	**352,770**	**2,034,527**	**12,621,438**
As of 31 December 2025	**4,740,452**	**3,384,554**	**536,888**	**30,549**	**54,665**	**309,657**	**2,019,294**	**11,076,059**

9 Construction in progress

	As of 31 December 2025	As of 31 December 2024
Balance at the beginning of year	545,372	2,789,521
Additions	419,729	97,130
Reclassification to property and equipment	(544,605)	(2,341,279)
	420,496	**545,372**

10 Intangible assets

In thousand drams	Computer software	Other intangible assets	Total
Initial cost			
As at 1 January 2024	**296,930**	**38,667**	**335,597**
Addition	30,020	-	30,020
Reclass	(12,176)	12,176	-
Reclass to property and equipment	-	(9,752)	(9,752)
As at 31 December 2024	**314,773**	**41,091**	**355,864**
Addition	1,317	7,801	9,118
Reclass	320	(320)	-
As at 31 December 2025	**316,411**	**48,572**	**364,983**
Amortization			
As at 1 January 2024	**183,698**	**31,172**	**214,870**
Annual depreciation	22,475	8,733	31,208
Reclass to property and equipment	-	(1,858)	(1,858)
As at 31 December 2024	**206,173**	**38,047**	**244,220**
Annual depreciation	14,355	7,333	21,688
As at 31 December 2025	**220,528**	**45,380**	**265,908**
Carrying Amount			
As at 31 December 2024	**108,600**	**3,044**	**111,644**
As at 31 December 2025	**95,883**	**3,192**	**99,075**

11 . Other non-current assets

In thousand drams	As of 31 December 2025	As of 31 December 2024
Pitch with natural grass, stadium and gym	96,112	179,085
Field with artificial grass	263,366	179,030
	359,478	**358,115**

12 Inventory

	As of 31 December 2025	As of 31 December 2024
Materials	38,836	33,073
Fuel	1,441	1,371
Spares	1,729	1,729
Other materials	835,128	1,061,895
Goods in the warehouse	132,253	216,451
	1,009,387	**1,314,519**
Provision for impairment	(14,927)	(5,585)
	994,460	**1,308,934**

13 Trade and other receivables

Financial assets	As of 31 December 2025	As of 31 December 2024
Trade receivables	165,598	189,723
	165,598	**189,723**
Non financial assets		
Prepayments	304,558	329,858
Receivables from state budget	34,015	52,699
Other receivables	62,222	58,393
	(135,929)	(138,389)
	264,866	302,561
	430,464	**492,284**

14 Cash and cash equivalents

In thousand drams	As of 31 December 2025	As of 31 December 2024
Cash on bank accounts	1,251,064	2,308,435
Cash in hand	6,836	3,404
	1,257,900	**2,311,839**

15 Grants related to assets

In thousand drams	2025	2024
Balance as of January 1	**12,872,928**	**13,977,915**
Grants received during the year	32,146	722
Reclassification from grants related to income	830,571	1,214,883
Realized to income (refer to note 4)	(1,724,651)	(2,320,592)
Balance as of December 31	**12,010,994**	**12,872,928**

16 Loans and borrowings

In thousand drams	Current		Non current	
	As of 31 December 2025	As of 31 December 2024	As of 31 December 2025	As of 31 December 2024
Secured loans	677,511	876,728		-
Non secured loan from UEFA		-	449,010	631,113
		876,728		**631,113**

Bank loans have a maturity of 1 year and bear an average annual interest rate of 7.5% (2024: 7.5%).

17 Trade and other payables

In thousand drams	As of 31 December 2025	As of 31 December 2024
Taxes and liabilities payable	172,843	88,831
Advances received	1,094,719	1,057,158
Unused leave provision	183,107	160,772
Payables on supplies	302,623	412,602
Payables to employees	211	8,647
Other	241,258	1,755
	1,994,761	**1,729,765**

18 Deferred income

In thousand drams	As of 31 December 2025	As of 31 December 2024
Balance as of January 1	**3,067,861**	**2,665,401**
Received during the year	3,979,617	5,504,683
Reclass from prepayments received	-	2,746,986
Income recognised	(3,964,547)	(6,634,326)
Reclassification to grants related to assets	(830,571)	(1,214,883)
Balance as of December 31	**2,252,360**	**3,067,861**

19 Critical accounting estimates and judgments

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.

19.1 Critical accounting estimates

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, financial statements may be materially different.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Fair value meauseremnt

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 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 (refer to note 22).

Collectability of trade receivables

Accounting estimates related to the collectability of trade receivables are linked to creditworthiness. Note 21 addresses the assessment of risks related to financial assets, including trade receivables.

19.2 Critical accounting judgments

Control assessment for purpose of consolidation

For the purpose of consolidation, the Group assesses whether it controls the investee. Control exists when the Group, as a result of its involvement with the investee, has exposure or rights to variable returns and the ability to affect those returns through its power over the investee.

De facto control exists when the Group's share of voting rights, relative to the rights and distribution of other shareholders, gives the Group the practical ability to unilaterally direct the relevant activities of the investee.

The Group holds 100% of the voting rights in all its subsidiaries (see Note 2.6). The Group considers that it has the unilateral practical ability to direct the relevant activities of its subsidiaries and therefore consolidates these subsidiaries with no non-controlling interest.

Grants recognition

As disclosed in note 3.6, grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. For each grant agreement management estimates the probability that it will satisfy the conditions attached to the grant, and that the grant will be received. In doing so, management relies on the previous experience with the donor, as well as the capabilities of the Group to completely implement the grant. If management estimates that the Group will be able to satisfy the conditions attached to the grant, and that the donor is ready to completely transfer the grant amounts, such grants are immediately recognized in the financial statements (as grants receivable and deferred income). However, if the management is mistaken in its estimates, the financial statements may be adjusted, and those adjutments may be significant to the financial statements for the Group.

20 Financial instruments

20.1 Material accounting policies

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 nancial asset and financial liability are disclosed in note 3.8.

20.2 Categories of financial instruments

The carrying amounts of financial assets and financial liabilities in each category are as follows:

Financial assets

In thousand drams	**As of 31 December 2025**	**As of 31 December 2024**
Financial assets at amortized cost		
Trade receivables	165,598	189,723
Borrowings provided	92,800	23,000
Cash and cash equivalents	1,257,900	2,311,839
	1,516,298	***2,524,562***

Financial liabilities

In thousand drams	As of 31 December 2025	As of 31 December 2024
Financial liabilities at amortized cost		
Trade payables	302,623	412,602
Loans and borrowings	2,443,771	1,507,841
	2,746,394	**1,920,443**

21 Financial risk management

Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency risk

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

Most of the Group's transactions are carried out in Armenian drams. Exposure to foreign exchange rate fluctuations arises from grants and acquisitions received from abroad, which are initially denominated in US dollars and euros. In addition, the Group has a loan denominated in euros, which is measured at fair value through profit or loss.

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

Item		
As of 31 December 2025	US dollar	Euro
Financial assets		
Cash and cash equivalents	35,041	4,674
	35,041	**4,674**
Financial liabilities		
Loans and borrowings	-	1,126,521
Accounts payable	28,587	279
	28,587	**1,126,800**
Net position	**6,454**	**(1,122,126)**

Item		
As of 31 December 2024	US dollar	Euro
Financial assets		
Cash and cash equivalents	64,401	1,922
	64,401	**1,922**
Financial liabilities		
Loans and borrowings	-	1,507,841
Accounts payable	-	10,623
	-	**1,518,464**
Net position	**64,401**	**(1,516,542)**

The following table details the Group's sensitivity to a 10% (2024: 10%) increase and decrease in dram against US dollar and Euro. 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.

If Armenian dram had strengthened against US dollar and Euro by 10% (2024: 10%) then this would have had the following impact:

In thousand drams	US dollar impact		Euro impact	
	2025	**2024**	**2025**	**2024**
Profit and loss	645	6,440	(112,212)	(151,654)
	645	**6,440**	**(112,212)**	**(151,654)**

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.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations.

The Group's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as highly liquid assets for making all operational and debt service related payments when those become due.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2025	Non-interest bearing	Average fixed interest rate instruments	Total
Weighted average effective interest rate (%)		5.6 %	
Less than 6 months	302,623	-	302,623
1-5 years	-	1,126,521	1,126,521
	302,623	**1,126,521**	**1,429,144**

2024	Non-interest bearing	Average fixed interest rate instruments	Total
Weighted average effective interest rate (%)		5.6 %	
Less than 6 months	412,602	-	412,602
1-5 years	-	1,507,841	1,507,841
	412,602	**1,507,841**	**1,920,443**

Credit risk

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 and trade receivables.

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

22 Fair value meauseremnt

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).

23 Contingencies

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.

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.

These facts may create tax risks in Armenia substantially more than in other developed countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

Environmental matters

Management is of the opinion that the Group has met the Government's requirements concerning environmental matters and, therefore, believes that the Group 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.

24 Transactions with management

Key management received the following remuneration during the year, which is included in employee benefits.

In thousand drams	Year ended 31 December 2025	Year ended 31 December 2024
Salaries and bonuses	86,630	98,487