

«Ararat-Armenia Football Club» OJSC
Annula financial reports for the year ending in 2025

TIN: 02671187

State registration certificate number: 273.130.998368

Legal and actual addresses:

Legal address: Yerevan city, Papazyan 8

**Actual address: Sayat-Nova 29
Avan Acharyan 31/37**

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For the year ending 31.12.2025, the management staff/directors, along with the financial statements and independent audit opinion, submit an annual report on the club's activities.

1. Key activity

"Ararat-Armenia Football Club" Open Joint Stock Company (previous names: "Avan Academy Football Club", "Ararat-Moscow Football Club") was founded in the summer of 2017.

Since its foundation, the Club has been one of the leading football structures in Armenia, regularly appearing in the RA Premier League and club tournaments held under the auspices of UEFA.

In the 2018/19 season, the Club was declared the champion of Armenia for the first time, and in subsequent years it repeated its success, becoming the double champion of Armenia overall, as well as winning the Cup of Armenia. The Club continuously ensures a competitive presence in European tournaments, contributing to the increase in the international reputation of Armenian club football.

During 2025, the Club continued its strategic development aimed at improving sporting results, increasing management efficiency, as well as developing infrastructure and youth football.

The sole shareholder of "Ararat-Armenia Football Club" OJSC is "Tashir Capital" CJSC. The main financing of the Club is carried out by the "Tashir" Charitable Foundation, and the "Tashir" Group of Companies is the title sponsor of the Club.

The Club's legal form, being an open joint-stock company, is an important strategic advantage, which allows for a future public offering of shares and attracting additional investments for the Club's sustainable development.

The Club's primary goal is to strengthen football culture in Armenia, both at the sporting and social levels, including working with fans, being active on digital platforms and developing marketing strategies. The Club is guided by the management and development experience of leading European clubs.

2. Business description

"Ararat-Armenia" Football Club emphasizes the development of football in all areas: professional, youth and women's football.

As of 2025, the Club has:

- two professional teams,
- more than ten youth teams,
- one women's team.

About 300 or more young footballers are training at the Club's academy, some of whom are considered future additions to the main teams.

Within the framework of the development of women's football, special attention was paid to regional inclusion during 2025. In particular, the women's team also operates in the Gegharkunik region, contributing to the development of women's football in the region, attracting new female athletes, and expanding access to sports in the regions.

The club management constantly ensures the normal operation of all teams, providing the necessary sportswear, equipment and covering the costs associated with organizing games (travel expenses, daily allowance, etc.).

The coaches act with high responsibility, ensuring the comprehensive development of young football players and maintaining close cooperation with parents. If necessary, all issues are submitted to the club management.

One of the club's priorities is the continuous development of the coaching staff. For this purpose, professional discussions and meetings are regularly organized with the involvement of the main team's coaching staff. At the same time, the coaches participate in training programs organized by the Football Federation of Armenia.

The Club values its public image and active presence on digital platforms. During 2025, the Club's social media pages recorded significant growth, with the total number of followers reaching around 45,000.

The Club ensures continuous and high-quality media coverage, increasing its visibility and strengthening the connection with fans. Significant progress has been recorded in this direction, which contributes to the development of the Club's brand and the growth of public engagement.

At the same time, the Club consistently works to increase stadium attendance. The formed fan movement is continuously expanding, ensuring stable support for the team.

Within the framework of social responsibility, the Club implements programs aimed at:

- ensuring inclusion,
- promoting a healthy lifestyle,
- shaping anti-discriminatory behavior,
- raising environmental issues.

These directions are an important component of the Club's strategic development.

The next important stage of the Club's development is the construction of its own training base and stadium. The creation of the mentioned infrastructure will allow to expand the capabilities of the academy, improve training conditions and ensure the long-term sustainable development of the Club.

3. Directors

During the reporting year, the position of Director was held by:

- Poghos Artushi Galstyan (08/02/2018 – present)

4. Directors personal data

The club director is not an owner of the company's shares or bonds and has no personal interests that may affect the performance of his official duties.

Yerevan, Papazyan 8
General Director: Poghos Galstyan

(Signature)



Independent audit opinion

To the participants of "Ararat-Armenia Football Club" OJSC

Opinion

We have audited the financial statements of Ararat-Armenia Football Club OJSC (the Company), which comprise the statement of financial position as of December 31, 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as of December 31, 2025, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Opinion basis

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 Financial Statements” section of this report. We are independent of the Company in accordance with the “Code of Ethics for Professional Accountants” (the “ICES Code”) issued by the International Ethics Standards Board for Accountants and we have complied with other ethical requirements in accordance with the ISESCO rules and the ethical requirements relevant to audits of financial statements in the Republic of Armenia. We believe that we have obtained sufficient appropriate audit evidence to provide a basis for our opinion.

Material Uncertainty Regarding the Going Concern Basis

We draw your attention to Note A.1 to the financial statements, which states that the value of the Company’s net assets as of December 31, 2025 is AMD 2,991,268 thousand less than the authorized capital. These events or conditions, among other matters referred to in Note A.1, indicate that an uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Our opinion is not modified in relation to this matter.

Management’s and those charged with governance’s responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, in all material respects, whether due to fraud or error, and to express an audit opinion that includes our opinion.

Reasonable assurance is a high level of assurance, but it 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 error or fraud 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 those financial statements.

We exercise professional judgment and maintain professional skepticism throughout our audit in accordance with ISAs. In addition,

- Identify and assess the risks of material misstatement of the 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 the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance, among other matters, about the planned scope and timing of the audit engagement, as well as significant matters identified during the audit, including significant deficiencies in internal control.

April 10, 2026

Anik Martirosyan

Director-Shareholder/ Audit Manager

3. Financial statement

<i>Annotation</i>	<i>31.12.2025</i> <i>Currency'000</i>	<i>31.12.2024</i> <i>Currency'000</i>
Current assets		
Cash and cash equivalents	5,117	5,583
Receivables from player transfers	-	-
Receivables from group/related parties	-	-
Other current receivables	169,591	205,860
Current tax assets		
Inventories	32,876	21,411
Borrowings	436	2,606
Other current assets	-	-
Total current assets	208,020	235,460
Non-current assets		
Fixed assets	11,575	13,152
Intangible assets - players	4,257	7,116
Intangible assets - other	695	16
Receivables for player transfers	-	-
Receivables from group/related parties	-	-
Other non-current receivables	-	-
Deferred tax assets	228,579	208,129
Investments		-
Total non-current assets	245,106	228,413
Total assets	453,126	463,873
Current liabilities		
Bank overdrafts	-	-
Bank and other loans	-	-
Payables to the group/related parties	-	-
Payables for player transfers	-	-
Payables for salaries and other payments	6,609	1,790
Payables to social security/tax authorities	20,548	15,465
Other payables	8,327	5,058
Accruals and deferred income		
Short-term reserves	81,222	72,765
Loans	3,327,688	2,592,936
Total current liabilities	3,444,394	2,688,014

Non-current liabilities		
Bank and other loans	-	-
Accounts payable to group/related parties		
Payables for player transfers	-	-
Payables for salaries and other payments equivalent to them		
Payables to social security/tax authorities		
Other tax liabilities		
Other payables		
Accruals and deferred income		
Deferred tax liabilities		
Long-term provisions		
Total non-current liabilities	-	-
Total liabilities	3,444,394	2,688,014
Net assets/(liabilities)		
Equity		
Share/Authorized Capital	10,000	10,000
Retained Earnings/Loss	-3,001,268	-2,234,141
Reserves		
Total Equity	-2,991,268	-2,224,141

The financial statements were approved by management on 08.04.2026 and are subject to publication.

Financial Officer: Amalya Martirosyan 3 24 0929

General Director: Poghos Galstyan

4. Comprehensive income statement

For the year ending on 31.12. 2025

Name of indicator	Year ended on December 31, 2025	Year ended on December 31, 2024
UEFA and FFA solidarity and prize money	601,602	499,912
Ticket revenue		
Revenue from player registration disposals (including rental income)	23,967	110,801
Revenue-related grants	664,418	1,437,867
Broadcasting rights	12,072	12,511
Other commercial	454	-
Other income	22,578	32,723
Total revenues	1,325,091	2,093,814
Cost of sales (materials)	-307	-
Salaries and other income paid to players	-953,380	-882,690
Employee salary expenses	-508,079	-375,826
Depreciation of fixed assets, intangible assets	-12,913	-12,602
Rent of sports field	-107,875	-97,437
Transportation expenses	-10,923	-11,986
Hotel expenses	-117,207	-113,389
Medicine and food expenses	-14,734	-17,468
Territory rental	-9,111	
Airline ticket expenses	-146,899	-75,289
Medical examination and health expenses	-18,549	-18,241
Sportswear and other accessories expenses	-37,644	-16,907
Expenses on assets provided free of charge	-3,494	-3,870
Administrative expenses	-19,065	-10,343
Other operating expenses	-97,085	-50,394
Total operating expenses	-2,057,265	-1,686,442
Operating profit (loss)	-732,174	407,372
Other non-operating profit (loss), including:	-55,403	-50,562
Amortization of intangible assets (Registration of football player)	-6,680	-9,384
Registration acquisition costs (including uncapitalized fees to agents/brokers and player rental fees)	-33,607	-58,367
Net gain/loss from exchange rate difference	-15,307	17,059
Interest income	191	130
Net profit (loss) before income tax	-787,577	356,810
Income tax expense (compensation)	20,450	-64,070
Total net profit (loss)	-767,127	292,740
Other comprehensive financial result		
Total comprehensive financial result	-767,127	292,740

Financial Officer: Amalya Martirosyan 3 24 0929

General Director: Poghos Galstyan

5. Մեփական կապիտալում փոփոխությունների մասին հաշվետվություն

	Authorized capital	Accumulated damage	Total
As of January 1, 2024	10,000	(2,526,881)	(2,516,881)
Comprehensive financial result for the year		292,740	292,740
As of December 31, 2024	10,000	-2,234,141	-2,224,141
Comprehensive financial result for the year		-767,127	-767,127
As of December 31, 2025	10,000	-3,001,268	-2,991,268

Financial Officer: Amalya Martirosyan 3 24 0929

General Director: Poghos Galstyan

6. Statement of cash flows – direct method

	Notes	2025	2024
		Currency AMD	Currency AMD
Cash flows from operating activities			
Cash from commercial activities		586	186
Cash from ticket sales		-	-
Cash from broadcasting rights		12,045	12,532
Cash from other operating activities		650,747	500,115
Cash from gifts and gratuitous receipts		664,418	1,437,867
Payments to suppliers for goods and services		(586,485)	(437,580)
Payments to employees and for their benefit		(1,244,948)	(1,079,063)
Payments to the budget		(217,761)	(194,440)
Payments to agents/intermediaries		(23,587)	(30,762)
Payments for other operating expenses		(28,834)	(21,460)
Net cash flow from operating activities		(773,819)	187,395
Cash flows from investing activities			
Cash from disposal of player registrations		75,900	58,974
Payments for the acquisition of player registrations		(8,968)	(22,055)
Cash from disposal of financial investments		-	-
Payments for the acquisition of new financial investments		-	-
Cash from disposal of fixed assets		-	-
Payments for the acquisition of fixed assets		(10,121)	(8,868)
Net cash flow from investing activities		56,810	28,051
Cash flows from financing activities			
Cash from borrowings		2,008,216	408,442
Repayment of borrowings		(1,285,563)	(613,279)
Cash from investments in equity/share capital		-	-
Loans granted to football players/coaches		(550)	(3,000)
Dividends paid		-	-
Cash from bond issuance		-	-
Payments on bonds		-	-
Payments on repurchased capital		-	-
Cash inflow/(outflow) from other financing activities		-	-
Net cash flow from financing activities		722,103	(207,837)

Net increase/decrease in cash		5,095	7,608
Adjustments			-
Cash balance at the beginning of the reporting period		5,583	3,896
Net result of foreign exchange differences		-5,561	(5,921)
Cash balance at the end of the reporting period		5,117	5,583

Financial Officer: Amalya Martirosyan 3 24 0929

General Director: Poghos Galstyan

7. Notes to the Financial Statements

Year ended on 31.12.2025

A. Accounting policies

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost method, on a going concern basis.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in the statement of comprehensive income by reducing the original or revalued cost of fixed assets (except land and fixed assets not available for use) over their estimated useful lives using the straight-line method in the following proportion:

Buildings, structures (including stadium) 20 years

Machinery, equipment 8 years

Other 3 years.

Depreciation of assets acquired under finance leases is calculated using the same methodology over the estimated useful economic life, or when the terms are relatively short, the terms specified in the finance lease agreement are used.

The gain or loss arising from the disposal or retirement of an asset is determined by the difference between the proceeds from the sale and its carrying amount and is recognised in the income statement for the year.

Non-current intangible assets - players

Other typical costs of acquiring players and their registration are capitalised as non-current intangible assets. These costs are fully amortised in equal annual instalments over the relevant contractual term of the players. Costs relating to players transferred from the club's youth teams are not capitalised.

If the contract term is renegotiated, the unamortized amount, as well as any new costs incurred in connection with the extension of the contract term, are amortized in accordance with the new contract.

Any transfer payment that is contingent on the outcome of one or more future uncertain events is capitalized when it is probable that the event will occur.

Player registrations are written off for impairment when their carrying amount exceeds their recoverable amount from sale or use.

Revenue

Revenue is the gross inflow of economic benefits from the day-to-day activities of an entity, excluding transfer fees for the sale of player registrations and related taxes.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount paid for the sale of an asset or the provision of a service in an orderly transaction between market participants, net of discounts and related taxes.

Ticket sales/matchday revenue

Matchday revenue is recognised during the reporting period; revenue for each matchday should only be recognised when the match has taken place. Matchday revenue received as a prepayment before the end of the reporting period but relating to the next season (e.g. season ticket sales) should be recognised as deferred revenue and recognised as matches are played.

Sponsorship and advertising

Sponsorship and advertising includes the club's main sponsor, other sponsors, stadium sideline and display advertising, and any other sponsorship and advertising activities.

Broadcasting rights

Broadcasting rights revenue is revenue from in-house contracts with media outlets. Television market share and participation fees are recognised as matches are played. Prize money from the club's gaming achievements is recognized when its receipt becomes certain.

Commercial income

Commercial revenue consists of retail sales, food and beverage sales, organization of conventions (not on game days), organization of lotteries, and commercial revenue not otherwise classified.

UEFA solidarity and prize money

UEFA prize money is the money received for participating in UEFA club competitions. Television market share and participation fees are recognised as the matches are played. Prize money from club matches is recognised when it is probable that the club will receive it. UEFA solidarity payments should be recognised when the amount to be received is probable.

Other income

Other income includes donations, grants, any type of extraordinary operating income, as well as other income not classified in the previous five groups.

A.1 Going Concern

As of December 31, 2025, the value of the Company's net assets is 2,991,268 thousand AMD less than the authorized capital.

In accordance with the requirements of the legislation of the Republic of Armenia, the Company is obliged to declare and register in the prescribed manner the decrease in the authorized capital. The presence of these factors raises doubts about the Company's continued operation.

The Company's management is confident that the Company will be able to ensure its continuous operation.

A. Income

	<i>2025</i>	<i>2024</i>
	<i>Currency'000</i>	<i>Currency'000</i>
<i>Tickets realization</i>	-	-
<i>National championship</i>		
<i>UEFA club championship</i>		
<i>Seasonal tickets</i>		
<i>Membership fee</i>		
<i>Other</i>		
Sponsorship and advertising	-	-
Sportswear sponsor (manufacturer)		
Main shirt sponsor		
Stadium sponsor		
Stadium perimeter and display advertising		
Other		
Broadcasting rights	12,072	12,511
National championship		
Other	12,072	12,511
Commercial activities	454	-
National Championship		
Retail sales		
Operation of buildings on non-match days		
Membership fees (non-match days)		
Other	454	-
UEFA and FFA solidarity and prize money	601,602	499,912
Broadcasting rights, advertising,	406,557	389,560
prize money	184,045	98,352
Solidarity payments	11,000	12,000
Other operating income	664,418	1,437,867
Subsidies, donations and other funds from football bodies		
Subsidies, grants and other funds from government		
Support/donations from unrelated		
Income-related grants	664,418	1,437,867
Income from non-football operations		
Extraordinary income		
Other income	46,545	143,524

B. Employee remuneration expenses

	2025	2024
	Currency'000	Currency'000
Players		
Salary	837,214	772,108
Tax/social contributions	113,637	107,812
Other	2,529	2,770
	953,380	882,690
Other employees		
Salary	412,600	301,060
Tax/social contributions	91,485	71,220
Other	3,994	3,546
	508,079	375,826
	1,461,459	1,258,516

C. 1 Other operational expenses

	2025	2024
	Currency'000	Currency'000
Matchday expenses		
Sponsorship and advertising expenses		
Trading expenses		
Maintenance and repair expenses		
Non-football expenses		
Extraordinary expenses		
Other operating expenses	-97,085	-50,394
Total other operational expenses	-97,085	-50,394

D. 2 Non-operating income/expenses

Non-operating income represents

the difference in foreign exchange rates	25,426	25,931
on the income side it is	-40,733	-8,872
on the expense side it is	-15,307	17,059
total income		
Non-operating expenses:	-33,607	-58,107
Agents/brokers/training	-6,680	-9,384
Amortization of intangible assets	-55,594	-50,432
Total	191	130

D. Non-current tangible assets – Fixed assets

	Stadium	Land and buildings	Equipments	Other	Total
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	<i>Currency'000</i>	<i>Currency'000</i>	<i>Currency'000</i>	<i>Currency'000</i>	<i>Currency'000</i>
Original or revalued value					
Beginning of period			34,932	2,710	37,642
Addition			4,887	382	5,269
Disposal			-	-	-
Revaluation increase			-	-	-
End of period	-	-	39,819	3,092	42,911
Accumulated depreciation and impairment					
Beginning of period -	-	-	22,874	1,616	24,490
Depreciation of fixed assets			6,475	371	6,846
Accumulated depreciation of disposed fixed assets			-	-	-
Impairment of fixed assets			-	-	-
End of period -	-	-	29,349	1,987	31,336
Carrying amount					
Beginning of period	-	-	12,058	1,094	13,152
End of period	-	-	10,470	1,105	11,575

E. Non-current intangible assets

	<i>Player registrations</i>	<i>Other</i>	<i>Total</i>
	<i>Currency'000</i>	<i>Currency'000</i>	<i>Currency'000</i>
Original or revalued value			
Beginning of period	21,539	7,566	29,105
Addition	3,820	6,748	10,568
Disposal	(13,253)		(13,253)
Revaluation increase			
End of period	12,106	14,314	26,420
Accumulated amortization and impairment			
Beginning of period	14,422	7,551	21,973
Amortization of non-current intangible assets	6,680	6,068	12,748
Amortization of disposed non-current intangible assets	(13,253)		(13,253)
Impairment of non-current intangible assets	-	-	-
End of period	7,849	13,619	21,468
Carrying amount			
Beginning of period	7,117	15	7,132
End of period	4,257	695	4,952

F. Bank overdrafts, loans, borrowings

2025

2024

	<u>Currency'000</u>	<u>Currency'000</u>
Bank overdrafts		
Current bank loans and borrowings (on demand)	3,327,688	2,592,936
Non-current bank loans and borrowings (subject to repayment over a period of more than 12 months)		
	3,327,688	2,592,936

Loan and borrowing repayment schedule

	<u>2025</u>	<u>2024</u>
<i>Loan terms</i>	<i>Currency '000</i>	<i>Currency '000</i>
On Demand	3,327,688	2,592,936
Up to 12 months		
In the second year		
In the third to fifth year (inclusive)		
After five years		
	3,327,688	2,592,936

G. Reserves

<i>Reserves</i>	<i>Reserve</i>	<i>Total</i>
	<i>[1]</i>	<i>Currency'000</i>
<i>Beginning of period</i>	72,765	72,765
<i>Reserve replenishment</i>	8,457	8,457
<i>Reserve use</i>		
<i>Reserve disposal</i>	-	-
<i>End of period:</i>		
<i>Included in current liabilities</i>	81,222	81,222

H. Managing party

The organization has no ultimate controlling party.

I. Related party transactions

The following transactions were carried out between related parties during the reporting year

	<i>Income</i>		<i>Expnese</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Currency'</i>	<i>Currency'</i>	<i>Currency'</i>	<i>Currency'</i>
	<i>000</i>	<i>000</i>	<i>000</i>	<i>000</i>
Parent Company				
Subsidiary Companies				
Associated Companies/Significantly Influenced Companies				
Parent Company	-	-	-	-

The balances as of the reporting date are as follows

	<i>Income</i>		<i>Expense</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Currency'</i>	<i>Currency'</i>	<i>Currency'</i>	<i>Currency'</i>
	<i>000</i>	<i>000</i>	<i>000</i>	<i>000</i>
Parent Company				
Subsidiary Companies				
Associated/Significantly Influenced Organizations				
	-	-	-	-

Related party transactions

The organization did not carry out any transactions with related parties during the reporting year and does not have any related receivables or payables.:

J. Contingent liabilities

The organization has not entered into contracts that provide for future payments contingent on the occurrence or non-occurrence of any event.

K. Events occurring after the reporting period

The organization has not entered into any contracts that, depending on the occurrence or non-occurrence of any future event(s), imply further payments.

L. Payments to agents/brokers

During the reporting year, the organization made the following payments to intermediaries as a result of transfer transactions and/or contract reviews.

Payments to agents/brokers	2025 [currency]	2024 [currency]
Payments (expenses) made during the year	28,098	50,400

M. Income tax expense

Profit tax is calculated at 18% of taxable profit (18% in 2024).

Taxes	2025 Currency'000	2025 %	2024 Currency'000	2024 %
Current taxes	-	18	-	18
Deferred taxes	20,450		-64,070	
Profit before tax	-787,577		356,810	