



**««SHIRAK» FC»
NON-GOVERNMENTAL ORGANIZATION
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2025

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Independent Auditor's Report

To the Management of "Shirak" FC NGO

Opinion

We have audited the financial statements of "Shirak" FC NGO (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the statement of profit or loss and other comprehensive income, and statement of changes in net assets and statement of 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 of the financial position of the Organization as of December 31, 2025, and of its financial performance, changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS).

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 Financial Statements section of our report*. We are independent of the Organization 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 financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Organizations 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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Organization'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 Organization'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 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

"AUDIT ARMENIA" CJSC

Anna Avetisyan

Director, Audit manager

April 23, 2026

Yerevan



«SHIRAK FC» NGO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

In KAMD	Notes	As of December 31, 2025	As of December 31, 2024
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	18,975	23,231
Receivables from UEFA solidarity payments	5	-	-
Receivables from related parties	5	-	-
Other receivables	5	-	-
Given prepayments	5	-	-
Current tax assets		-	-
Given borrowings to related parties	6	74,676	61,439
Current tax assets		-	-
Inventories		-	-
Other current assets		-	-
		93,651	84,670
<i>Non-current assets</i>			
Property and equipment	7	4,180	6,233
Intangible assets - players		-	-
Intangible assets - other		-	-
Receivables from players transfers		-	-
Receivables from group/related parties		-	-
Other receivables		-	-
Deferred tax assets		-	-
Investments		-	-
		4,180	6,233
Total assets		97,831	90,903
Liabilities			
<i>Current liabilities</i>			
Bank and other loans	11	-	62,155
Borrowings from related parties	11	4,710	-
Payables from player transfers		-	-
Accounts payable on image rights of players		-	-
Payables for employees	9	4,872	4,151
Taxes and duties payable	8	1,689	1,388
Income tax payable		-	-
Other payable Taxes	8	137	85
Prepayments and deferred income		-	-
Grants related to income		-	-
Trade and other payables	9	4,777	7,795
Current reserves	10	9,091	6,057

«SHIRAK» FC » NGO
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(continued part 2)

Other short-term liabilities	-	-
	25,276	81,631
Non-current liabilities		
Bank and other loans	-	-
Borrowings received from related parties	-	-
Payables to the group/related parties	-	-
Payables from lease to the related parties	-	-
Payables from player transfers	-	-
Payables from employees	-	-
Payables on taxes and other mandatory payments	-	-
Other tax liabilities	-	-
Other payables	-	-
Prepayments and deferred income	-	-
Deferred tax liabilities	-	-
Grants related to assets	-	-
Long-term reserves	-	-
Other non-current liabilities	-	-
	-	-
Total liabilities	25,276	81,631
<i>Net assets</i>		
Accumulated result	72,555	9,272
Total net assets and liabilities	97,831	90,903

The financial statements were approved on April 23, 2026 by:

Arman Sahakyan

President



The notes to the financial statements form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

In KAMD	Notes	Year ended December 31, 2025	Year ended December 31, 2024
<i>Income</i>			
Ticket sales		-	-
Sponsorship and advertising		10,000	25,530
Broadcasting rights		-	-
Commercial		-	-
Income from UEFA solidarity payments		186,004	63,952
Support from FFA		11,000	6,000
Other operating income		729	1,164
Total income		207,733	96,646
<i>Expenses</i>			
Players benefits and other incomes		(26,924)	(23,928)
Employees benefits		(38,670)	(32,613)
Depreciation		(2,053)	(2,148)
Impairment of property and equipment and intangible assets (excluding player registrations)		-	-
<i>Other operation expenses</i>	13	(76,175)	(79,083)
Total operational expenses (excluding player registration)		(143,822)	(137,772)
Operating income/loss		63,911	(41,126)
<i>Income from transfer to player's registrations</i>			
Amortization of intangible assets (player registrations)		-	-
Impairment of intangible assets (player registrations)		-	-
Cost of acquiring player registrations (including non-capitalized agent fees and player lease fees)		(570)	(700)
Income from disposal of player registrations (including lease income)		2,905	5,141
Total income from transfer to player's registrations		2,335	4,441
Profit/loss on disposal of property and equipment		-	-
Profit/loss on disposal of intangible assets		-	-
Total profit/loss on disposal of non-current assets		-	-

«SHIRAK» FC» NGO
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(continued part 2)

Financial income		-	-
Financial expense		(827)	(4,669)
Foreign currency exchange gain, net / (loss)	14	(578)	4,683
<i>Net financial income/expense</i>		(1,405)	14
Other non-operating incomes	12	2	-
Other non-operating expenses	12	(1,560)	(1,332)
<i>Other non-operating expenses</i>		(1,558)	(1,332)
<i>Profit/loss before taxes</i>		63,283	(38,003)
Income tax expense		-	-
<i>Profit/loss for the year</i>		63,283	(38,003)
Other comprehensive income			
Other comprehensive income for the year		-	-
<i>Total comprehensive income for the year</i>		63,283	(38,003)

The notes to the financial statements form an integral part of the financial statements.

«SHIRAK» FC» NGO
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Accumulated result	Total
In KAMD		
<i>As of January 01, 2024</i>	47,275	47,275
Loss for the year	(38,003)	(38,003)
Other comprehensive income	(38,003)	(38,003)
<i>As of December 31, 2024</i>	9,272	9,272
Profit for the year	63,283	63,283
Loss comprehensive income	63,283	63,283
<i>As of December 31, 2025</i>	72,555	72,555

The notes to the financial statements form an integral part of the financial statements

«SHIRAK» FC» NGO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

In KAMD	Year ended December 31, 2025	Year ended December 31, 2024
Cash flows from operating activities		
Result for the year	63,283	(38,003)
Adjustments for:		
Profit tax	-	-
Depreciation	2,053	2,148
Reserve for receivables	-	-
Finance income	-	-
Finance cost	827	4,669
Foreign exchange (gain)/loss	578	(4,683)
<i>Operating profit/(loss) before working capital changes</i>	66,741	(35,869)
Change in inventories	-	-
Change in other receivables	(2,905)	(5,141)
Change in trade and other payables	1,654	6,848
<i>Cash generated from/(used in) operating operations</i>	65,490	(34,162)
Income tax paid		-
Interest paid	(827)	(4,669)
<i>Net cash from/(used in) operating activities</i>	64,663	(38,831)
Cash flows from investing activities		
Cash from the retirement of player registration	2,905	5,141
Payment for player registration	(570)	(700)
Borrowings issued to related parties	(13,237)	(2,839)
Acquisition of property and equipment, intangible assets		-
Interest received		-
<i>Net cash used in investing activities</i>	(10,902)	1,602
Cash flows from financing activities		
Receipt of a grant		-
Loans received, net	(64,332)	(518)
Borrowings from related parties, net	4,710	-
<i>Net cash generated from financing activities</i>	(59,622)	(518)
Net increase in cash and cash equivalents	(5,861)	(37,747)
Foreign exchange effect on cash	1,605	(227)
Cash and cash equivalents at the beginning of the year	23,231	61,205
<i>Cash and cash equivalents at the end of the year</i>	18,975	23,231

The notes to the financial statements form an integral part of the financial statements

Notes to the financial statements

1 Nature of operations and general information

“SHIRAK” FC NGO (the “Organization”) is a type of public association of RA citizens, citizens of foreign countries, stateless persons, legal entities, which has the status of a non-profit organization. The Organization was registered in the state register on October 6th, 2010. The registration number of the Organization is: 211.171.05487.

The main aims of the Organization is:

- To unite football fans, football specialists, coaches, football players for the development of Armenian football,
- Through the popularization of football and the development of youth football to contribute to the preservation and strengthening of public health, the process of physical and moral education,
- To prepare and replenish the club with first-class football players for the Shirak football club, take part in the RA Football Championship, perform on a par with the strongest clubs in the top league and take a prize:

The right to make a final decision on any issue of the organization's activities and management belongs to the highest body of the organization—the Assembly.

The Assembly shall be convened every two years. The Assembly convenes, its order and dates determined by the President. The President is elected by the Assembly for a two-year term.

The average number of employees of the Organization as of 31 December, 2025 is 50 (in 2024: 47).

The location of the Organization is apartment, 5th m. Mikoyan st./build. 17/2 Nor Nork, Yerevan, RA.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

IFRSs do not currently contain specific guidelines for accounting and financial reporting for non-profit and non-governmental organizations. If IFRS does not provide guidance to nonprofits on accounting for specific transactions, the accounting policy should be based on the general principles of IFRS, in accordance with the International Accounting Standards Board (IASC) *“Fundamentals of Preparation and Presentation of Financial Statements.”*

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

The national currency of Armenia is the Armenian dram (“dram” or “AMD”), which is the Organization’s functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Organization.

These financial statements are presented in Armenian drams, since management believes that this currency is more useful for the users of these 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 financial statements in conformity with IFRS requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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 financial statements are disclosed in the notes to the financial statements.

2.5 Composition of Financial Statements

Financial statements include`

- a) statement of financial position at the end of the period. Current and non-current assets and liabilities are presented in a separate classification:
- b) one comprehensive income statement for the period. The Organization presents the breakdown (analysis) of costs recognized in profit or loss using a classification based on their nature.
- c) c) statement of changes in equity for the period.
- d) statement of cash flows for the period. Information on cash flows from operating activities is presented using the indirect method. Interest paid is classified as operating, interest and dividends received as cash flows from investing activities. Taxes paid are classified as cash flows from operating activities.
- e) Notes, which consist of a brief description of the significant parts of accounting policies and other explanatory information; The financial statements disclose comparable information about all amounts presented in the financial statements of the current period for the previous period (previous year: When an Organization changes the presentation or classification of items in its financial statements, it reclassifies comparable amounts, except in cases where reclassification is impractical:

2.6 New and revised IFRS standards

New and revised standards and interpretations applicable to the reporting period and to annual periods beginning thereafter.

The following new and revised standards and amendments have been applied in the reporting period.

IAS 1 “Presentation of Financial Statements” (amendments)

The amendments relate to the classification of liabilities as current or non-current. The classification of liabilities depends on the rights existing at the reporting date. The amendments did not have a material impact.

Amendments to IAS 1 and IFRS Practice Statement 2

The amendments simplify the disclosure requirements for accounting policies. The Company presents material accounting policy information. The amendments did not have a material impact on the Company’s financial statements.

IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (amendments)

A definition of “accounting estimates” has been introduced. The amendments did not have a material impact on the Company’s financial statements.

The amendments to IAS 12 “Income Taxes”

The amendments relate to the recognition of deferred tax in respect of certain transactions. The amendments did not have a material impact on the Company’s financial statements.

IFRS 16 “Leases” (amendments)

The amendments relate to lease liabilities. The amendments did not have a material impact on the Company’s financial statements.

IFRS 7 and IFRS 9 (amendments)

Certain adjustments to the disclosures and classification of financial instruments. There was no material impact.

The Company has assessed the impact of new standards not yet adopted and does not expect them to have a material effect on the financial statements.

3 Significant accounting policies

The significant accounting policy approaches used in prepared financial statements are set out below.

3.1 Foreign currencies

Foreign currency transactions

In preparing the 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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated. The exchange rates published by the Central Bank of Armenia are presented below:

	As of 31 December, 2025	As of 31 December, 2024
RUB	4.87	3.71
US dollar	381.36	396.56
EUR	449.01	413.89

Exchange differences arising on the settlement and retranslation of monetary items, are included in profit or loss for the period.

3.2 Property and Equipment

Equipment stated at cost

Property and Equipment (The PE) 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, plant and equipment.

The gain or loss arising on the disposal or retirement of an item of property, plant 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.

Depreciation is charged to the statement of comprehensive income 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:

Machinery and equipment	5-8 years,
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3.3 Impairment of property and equipment

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.

3.4 Intangible assets

Intangible assets are recognized with acquisition cost, accumulated depreciation and losses on impairment reduced. They are being depreciated during their useful life applying straight-line method. If there are such indicators that there has been significant change of asset's depreciation rates, useful life or residual value, the depreciation of the asset is revised so that it reflects correctly the new future expectations.

The Organization recognizes the costs of registering football players in the statement of comprehensive income for the current year:

3.5 Leases

Organization, as a lessee, at the commencement date, recognises a right-of-use asset and a lease liability except for low-value and short-term leases, with the exceptions provided for in IFRS 16.

Initial recognition

At the commencement date, the Organization measures the right-of-use asset at cost which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

At the commencement date, an Organization measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Organization uses its incremental borrowing rate.

Subsequent measurement

After the commencement date, an Organization measures the right-of-use asset at cost:

- Less any accumulated depreciation and any accumulated impairment losses: and

- adjusted for any remeasurement of the lease liability

The basis for the depreciation of the right of use assets is the Organization's depreciation policy. After the commencement date, an Organization measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made, and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

Income from operating leases is recognized on a straight-line basis over the relevant lease term.

Operating lease payments are recognized as an expense over the lease term on a straight-line basis.

3.6 Inventories

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 first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

The net selling price is the presumed price for sale, the expenditure of replenishment (reconstruction) and the expenditure necessary for organization of sales reduced.

The evaluations of the net selling price are based on the credible evidence (due at the moment of evaluation) of the expected amount from inventories sales. While performing these evaluations the liability of prices and costs directly connected to the occurred cases after the reporting period are being taken into consideration insofar as much cases affirm available conditions as at the end of the period.

3.7 Received grants

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

Received grants whose primary condition is that the Organization should 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 received 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. Received grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Organization with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.8 Reserves

An organization should recognize a reserve only if

- a) the Organization has an obligation at the reporting date as a result of past events;
- b) it is probable (that is, more likely than not) that the entity will be required to transfer economic benefits to settle;
- c) the amount of the obligation can be reliably estimated.

An entity must recognize a provision in the statement of financial position as a liability and recognize the amount of the provision as an expense:

The organization should measure the reserve by the best estimate of the amount required to repay the obligation at the reporting date: The best estimate is the amount that the organization will reasonably pay to repay the obligation at the end of the reporting period or transfer it to a third party at that time:

The Organization must pay from the reserve only those expenses for which the reserve was initially recognized:

3.9 Income tax

Current income 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.

Current and deferred taxes are recognized in profit or loss, except when the tax relates to a business combination or to an item that is recognized directly in equity.

3.10 Revenue

Gaming day revenue is recognized during the reporting year. Proceeds from each game day must be recognized only when the game match has already taken place. Gaming day revenue received in advance until the end of the reporting year but refers to the next season (for example, season ticket sales), should be recorded as deferred income (income) and be recognized along with the holding of game matches.

Sponsorship and advertising

Sponsorship and advertising include the general sponsor of the club, other sponsors, stadium outline and display advertisement, like any other type of sponsorship or advertising activity.

Broadcast rights

The income from broadcasting rights is the funds received from contracts concluded with the media. Distributed based on the representation of the television market, as well as participation fees are recognized in parallel with the conduct of game matches. Prize money from the club's gaming achievements is recognized, when their receipt becomes certain.

Trading revenue

Commercial revenue consists of retail sales, the sale of food and beverages, the organization of congresses (on non-gaming days), the organization of lotteries and commercial revenue not otherwise classified.

Solidarity and UEFA prize money

UEFA prize money is the funds received for participating in UEFA club tournaments. The participation fee, distributed on the basis of the representation of the television market, is recognized in parallel with the conduct of game matches. Prize money from the club's gaming achievements is recognized, when their receipt becomes certain. UEFA solidarity fees must be recognized, when the amount received becomes certain.

Other income

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

3.11 Employee benefits

Employee benefits to employees, including directors and management personnel, compensation provided by the Organization in any form for the services rendered:

Employee benefits are

- a) short-term employee benefits, which are employee compensation (except for exemption benefits), which are fully repaid within twelve months after the end of the period, in which employees provide the appropriate service;
- b) post-employment benefits, which are employee compensation (except for exemption benefits), which are payable after completion of employment;
- c) other long-term employee benefits, which are employee compensation (except for exemption benefits and post-employment benefits), which are not fully repaid within twelve months after the end of the period, in which employees provide the appropriate service;
- d) exemption benefits, which are employee compensation, which are subject to payment as a consequence or
 - Organization solutions, dismiss employees before the accepted retirement date, or
 - employee's decision, in case of a reduction in the number of employees, voluntarily resign, in return receiving these benefits:

3.12 Financial instruments

This note provides information about the Organization's financial instruments, including:

- An overview of all financial instruments held by the Organization's
- Accounting policies

Financial assets and financial liabilities are recognized in the Organization's statement of financial position when the Organization becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Classification of financial liabilities

- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss (FVTPL)

Financial assets at amortized cost

If debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at fair value through other comprehensive income (FVTOCI)

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial liabilities at amortized cost

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Organization manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Derecognition of financial assets

The Organization derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Organization neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Organization recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Organization retains substantially all the risks and rewards of ownership of a transferred financial asset, the Organization continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at "Fair value through other comprehensive income" (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings (accumulated profit or loss).

Derecognition of financial liabilities

The Organization derecognizes financial liabilities when, and only when, the Organization's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Organization exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Organization accounts for substantial modification

of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: the carrying amount of the liability before the modification, and the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Impairment of financial instruments

The Organization recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts.

The amount of “Expected credit losses” (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Organization always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Organization’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4. Cash and cash equivalents

In KAMD	As of December 31, 2025	As of December 31, 2024
Cash in hand (currency)	18,949	22,399
Bank accounts (currency)	26	34
Bank accounts (foreign currency)	-	798
	18,975	23,231

5. Receivables

In KAMD	As of December 31, 2025	As of December 31, 2024
Receivables for UEFA solidarity payments	-	-
Trade and other receivables	-	-
Advances issued	-	1,800
Receivable for reserves	-	(1,800)
Other	-	-
	-	-

6. Borrowings provided

Borrowings granted to related parties are unsecured, denominated in Armenian drams, interest-free, and current.

In KAMD	Current		Non-current	
	As of December 31, 2025	As of December 31, 2024	As of December 31, 2025	As of December 31, 2024
<i>Unsecured borrowings</i>				
Borrowings to related parties	74,676	61,439	-	-
Borrowings to third parties	-	-	-	-
	74,676	61,439	-	-

7. Property and equipment

In thousand drams	Machinery and equipment	Total
<i>Cost</i>		
As of January 1, 2024	10,924	10,924
Additions	-	-
Disposals	-	-
As of December 31, 2024	10,924	10,924
Additions	-	-
Disposals	-	-
As of December 31, 2025	10,924	10,924
<i>Accumulated depreciation</i>		
As of January 1, 2024	2,543	2,543
Charge for the year	2,148	2,148
Disposals	-	-
As of December 31, 2024	4,691	4,691
Charge for the year	2,053	2,053
Disposals	-	-
As of December 31, 2025	6,744	6,744
<i>Carrying amount</i>		
As of December 31, 2024	6,233	6,233
As of December 31, 2025	4,180	4,180

As of December 31, 2025, the Organization has no contractual obligation to purchase property and equipment.

As of December 31, 2025, there are no restrictions on property and equipment.

8. Current tax assets and liabilities for taxes and mandatory payments

In thousand drams	As of December	As of December	As of December 31,	As of December 31,
	31, 2025	31, 2025	2024	2024
	Tax asset	Tax liabilities	Tax asset	Tax liabilities
Account	-	-	-	-
Non-resident income tax	-	-	-	-
Income tax on wages	-	1,368	-	1,125
Social contribution	-	321	-	263
Stamp duty	-	132	-	85
Other taxes and fees	-	5	-	-
	-	1,826	-	1,473

9. Trade and other payables

In KAMD	As of December 31, 2025	As of December 31, 2024
Trade payables	4,777	5,757
Salary debt	4,872	4,151
Other	-	2,038
	9,649	11,946

10. Reserves

In KAMD	As of December 31, 2025	As of December 31, 2024
Beginning of period	6,057	3,099
Replenishment of vacation reserve, net	5,672	4,658
Vacation reserve usage	(2,638)	(1,700)
End of the period	9,091	6,057
Included in current liabilities	9,091	6,057
Included in non-current liabilities	-	-

11. Loans and borrowings

In KAMD	Current		Non-current	
	As of December 31, 2025	As of December 31, 2024	As of December 31, 2025	As of December 31, 2024
<i>Loans and borrowings</i>				
<i>Loans</i>	-	62,084	-	-
Borrowings	4,710	-	-	-
Outstanding interest expense	-	71	-	-
	4,710	62,155	-	-

In KAMD	As of December 31, 2025	As of December 31, 2024
Bank overdrafts	-	-
Current bank loans and borrowings (payable on demand or within 12 months)	4,710	62,155
Non-current bank loans and borrowings (repayable after more than 12 months)	-	-
	4,710	62,155

Repayment schedule of loans and borrowings

In KAMD	As of December 31, 2025	As of December 31, 2024
Terms of borrowings		
On demand	4,710	-
Up to 12 months	-	62,155
For the second year	-	-
From the third to the fifth year (inclusive)	-	-
Five years later	-	-
	4,710	62,155

On February 02, 2024 the organization signed loan agreement N 2205002231228L011 with "Inecobank" CJSC, according to which he received a loan in the amount of 150,000 euros, with an annual interest rate of 7 % until March 02, 2025 with a maturity date.

As collateral for the performance of its contractual obligations, the Company has pledged all funds held in its bank accounts, including deposit accounts, whether existing or to be credited in the future, in the amount of EUR 150,000.

The loan was fully repaid on March 10, 2025.

The borrowings were provided by a related party, are interest-free, and repayable on demand.

12. Non-operating incomes, expenses

In thousand drams	Year ended December 31, 2025	Year ended December 31, 2024
<i>Other income</i>		
Income from foreign currency conversion	(2)	-
Income from the write-off of the advance payment received	-	-
<i>Other incomes</i>	-	-
Total	(2)	-
<i>Other expenses</i>		
Currency conversion costs	1,524	1,315
Allowance for doubtful accounts	-	-
Penalties and fines	36	17
Other	-	-
Total	1,558	1,332

13. Other operating expenses

In KAMD	Year ended December 31, 2025	Year ended December 31, 2024
Training fees and expenses for organizing games	35,001	40,946
Fees to the FFA	12,070	10,710
Penalties related to games	5,904	5,110
Expenses for medical care of football players	4,240	4,497
Maintenance costs of property and equipment	285	372
Marketing and advertising expenses	1,341	935
Office and utility expenses	4,982	3,882
Lease expense	-	1,100
Non-deductible tax expenses	735	813
Vacation expenses	5,672	4,659
Bank expenses	75	70
Other expenses	5,870	5,989
	76,175	79,083

14. Other financial items, net

In thousand drams	Year ended December 31, 2025	Year ended December 31, 2024
<i>Foreign exchange effect on:</i>		
Given borrowings	-	-
Cash and cash equivalents	1,605	(227)
Trade receivables	-	-
Loans and borrowings	(2,177)	4,910
Trade payables	(6)	-
	(578)	4,683

15. Financial instruments

15.1 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 financial asset, financial liability and equity instrument are disclosed in note 3.12:

15.2 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 December 31, 2025	As of December 31, 2024
<i>Receivables</i>		
Trade receivables	-	-
Cash and cash equivalents	18,975	23,231
Borrowings	74,676	61,439
	93,651	84,670

Financial liabilities

In thousand drams	As of December 31, 2025	As of December 31, 2024
Financial liabilities measured at amortized cost		
Loans and borrowings	4,710	62,155
Trade payables	4,777	5,757
	9,487	67,912

16. Financial risk management

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

a. Financial risk factors

i. Market risk

The Organization's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity price coming from operation and investment activities.

ii. Foreign currency risk

The Organization carries out operations in foreign currency, therefore, it is exposed to currency risk. Dependence on currency fluctuations mainly arises from accounts receivable, loans and payables.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Organization.

At the reporting date there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

iii. Liquidity risk

The Organization'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.

17. Fair Value

Management believes that the carrying amount of financial assets and financial liabilities recorded at amortized cost in the financial statements approximates their fair values.

18. Conventions

18.1 Business environment

The global economy continues to operate under high uncertainty due to geopolitical tensions, regional conflicts, and fluctuations in financial markets. In particular, developments around Ukraine, as well as ongoing tensions in the Middle East, continue to affect global economic activity, investment flows, and consumer behaviour.

At the same time, the international sports industry, including football, is gradually recovering from the COVID-19 pandemic, which is contributing to an increase in ticket sales, sponsorship revenues, and broadcasting income. However, the sector remains sensitive to economic and political changes.

In the Republic of Armenia, economic activity has maintained a growth trend in recent years; however, it continues to be influenced by external factors, including exchange rate fluctuations, inflationary pressures, and regional risks.

The activities of sports organisations are also significantly affected by the level of state support, the development of the sponsorship market, and opportunities to participate in international competitions.

The operations of football clubs are characterised by high volatility of revenues, which depend on sporting performance, participation in international competitions (in particular revenues from UEFA competitions), as well as the involvement of sponsors and partners. At the same time, clubs are subject to regulatory requirements, including UEFA financial regulations, which affect financial stability and capital management.

In the above-mentioned conditions, the Company's management continuously assesses the impact of the external environment and takes appropriate measures to ensure business continuity and financial stability.

The above-mentioned events may have a material impact on the Company's future operations and financial stability, the full effects of which are difficult to predict at present. Future economic and political conditions and their impact on the Company's operations may differ from the current expectations of the Company's management.

These financial statements do not reflect the potential future impact of the above-described events on the Company's operations.

18.2 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 Organization 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 Organization property, or relating to the Organization operations. Until the Organization 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 Organization 's operations and financial position.

18.3 Taxes

The taxation system in Armenia is relatively new and is characterized by frequently changing legislation, which is often subject to interpretation. The tax authorities may impose fines and penalties as a result of inspections. These circumstances may create significant tax risks. The Organization management is confident that it has correctly calculated its tax liabilities based on its interpretations of the RA tax legislation. However, the comments of the tax authorities may differ from the comments adopted in the preparation of these financial statements, and if they are approved, their impact may be significant.

18.4 Environmental matters

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

18.5 Lawsuit

As of December 31, 2025 and the date of approval of these financial statements, lawsuits have not been filed against the Organization.

19. Events that occurred after the reporting date

These financial statements do not reflect the possible future impact of the impact described above on the Organization operations:

20. Related party transactions

20.1 Control

The ultimate controller of Organization is Arman Sahakyan.

In case of presented statements, the party related to the Organization's are under common control Companies, director of the Companies and persons related with them.

Name of the affiliated person	The Nature of interconnectedness
Arman Sahakyan	President
Ruben Hakobyan	Executive Director

Details of transactions with the related parties during the reporting period are presented below.

1. Transactions with the end controller.

	The balance as of December 31.2025		2025		The balance as of December 31.2024
Borrowings provided	74,676	107,800		(94,563)	61,439
Borrowings received	4,710	-	4,710		-
	The balance as of December 31.2024		2024		The balance as of December 31.2023
Borrowings provided	61,439	(44,561)	47,400		58,600

2. Transactions with management.

In KAMD	The balance as of December 31.2025		2025		The balance as of December 31.2024
Borrowings provided	-	-	-		-
Salary	-	(4,260)	4,260		-
	The balance as of December 31.2024		2024		The balance as of December 31.2023
Borrowings provided	-	-	-		-
Salary	-	(4,214)	4,214		-