

FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31st DECEMBER 2025

“FOOTBALL CLUB URARTU”

Sporting Non-governmental Organization

Yerevan – 2026

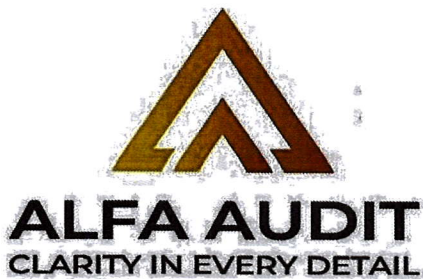
“FOOTBALL CLUB URARTU”

Sporting Non-governmental Organization

Republic of Armenia

CONTENTS

SECTION	page
Independent Auditor’s Report	3
Statement of financial position	5
Statement of profit or loss and other comprehensive income	7
Statement of changes in Net assets	9
Statement of cash flows	10
Notes to financial statements	12



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INDEPENDENT AUDITOR'S REPORT

To be presented to the "FOOTBALL CLUB URARTU" Sporting Non-governmental Organization

Opinion

We have audited the accompanying financial statements of "FOOTBALL CLUB URARTU" Sporting Non-governmental Organization (hereinafter "Company") for the year ended 31st December 2025 which comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in net assets, statement of cash flows and notes to financial statements.

In our opinion the financial statements present fairly, in all material respects the financial position as at December 31, 2025, and its financial performance and its cash flows in accordance with small and medium enterprises with International Financial Reporting Standard (SMEs IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our re-sponsibilities 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 SMEs 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's 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.

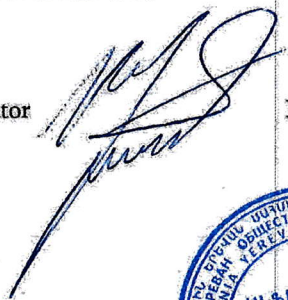
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.

"ALFA AUDIT" LLC

Director



Lavrenti Poghosyan

April 13, 2026
Yerevan



Statement of financial position

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

As at 31 December 2025

		31.12.2025	31.12.2024
	Notes	thousand dram	thousand dram
ASSETS			
Current assets			
Cash and cash equivalents	7	84,140	347,227
Accounts receivable for transfers of football players		9,742	-
Accounts receivable from group or related parties		-	-
Trade and other receivables	8	27,585	34,541
Current tax assets		6,349	-
Inventory	9	26,625	28,644
Other current assets		-	-
Total current assets		154,441	410,412
Non current assets			
Property plant and equipment	10	445,574	552,913
Intangible assets: football players	11	4,460	-
Other intangible assets	11	8,161	249
Accounts receivable for transfers of football players		-	-
Accounts receivable from group or related parties		-	-
Other non current assets	12	-	9,573
Deferred tax assets		-	-
Investments		-	-
Total non current assets		458,195	562,735
Total assets		612,636	973,147
Net assets and liabilities			
Current liabilities			
Bank overdrafts		-	-
Bank and other loans		-	-
Borrowings from group or related parties	13	-	24,949
Accounts payable to the group and related parties	14	73,672	84,120
Accounts payable for transfers of football players		-	-
Accounts payable for salary and other benefits		-	20,133
Accounts payable for income tax		254	323
Accounts payable for taxes and other mandatory payments	15	17,783	14,063
Other payables for taxes		-	-
Other payables	16	19,772	24,978
Advances receivables		-	304
Accruals and deferred income	17	-	226,938
Short-term provisions	18	3,690	14,604
Other current liabilities		-	-
Total current liabilities		115,171	410,412

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

Statement of financial position

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

As at 31 December 2025

(CONTINUATION)

	Notes	31.12.2025	31.12.2024
		thousand dram	thousand dram
Non current liabilities			
Bank and other loans			-
Borrowings from group or related parties			-
Accounts payable for transfers of football players			-
Accounts payable for salary and other benefits			-
Accounts payable for taxes and other mandatory payments			-
Other payables			-
Accruals and deferred income	17	458,195	562,735
Deferred tax liabilities			-
Long-term provisions			-
Total non current liabilities		458,195	562,735
Net assets			
Share capital		-	-
Retained earnings		39,270	-
Capital reserve		-	-
Total net assets		39,270	-
Total net assets and liabilities		612,936	973,147

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

These financial statements were approved and signed on April 13, 2026.

Davit Shaghbagyan
General director

Nazeli Tarkhanyan
Chief Accountant



Statement of profit or loss and other comprehensive income

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

For the year ended 31st December 2025

	Notes	2025 thousand dram	2024 thousand dram
Revenue:			
-Sale of tickets	19	2,853	2,289
-Sponsorship and Advertising		126,667	-
-Broadcast Rights	19	1,796	2,826
-Commercial	19	5,584	77,761
-UEFA solidarity and prize money	19	337,943	481,643
-Other operating income (portion of donation income recognized and training allowances)	19	874,892	615,613
Total Revenue		1,349,735	1,180,132
Expenses:			
-Cost of sales(materials)		(3,378)	(646)
-Salary expenses to football players	20	(300,915)	(235,789)
-Salary expenses to other employees	20	(491,256)	(261,446)
-Depreciation of fixed assets	10	(113,449)	(136,939)
-Amortization of intangible assets - (except expenses related to the registration of football players)	11	(2,140)	(500)
-Impairment of PPE and intangible assets (except expenses related to the registration of football players)		-	-
Other operating expenses`	21	(436,945)	(504,144)
Total operating costs (excluding player registration costs)		(1,348,083)	(1,139,464)
Operating profit (loss)		1,652	40,668

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

Statement of profit or loss and other comprehensive income

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

For the year ended 31st December 2025

(CONTINUATION)

	Notes	2025	2024
		thousand dram	thousand dram
Acquiring and implementation of the registration of football players:			
-Amortization of intangible assets (registration of football players)		(1,793)	(146)
-Impairment of intangible assets (registration of football players)		-	-
-Profit from implementation of registrations		71,458	64,820
-Costs to acquiring registration (including uncapitalized fees to agents or intermediaries and player rental fees)		-	(7,563)
-income from implementation of football players' registration (including rental income)		-	-
Total acquiring and implementation of the registration of football players:		69,665	57,111
Result of implementation of non-current assets			
-Profit (loss) from implementation of PPE		-	-
-Profit (loss) from intangible assets		-	-
Total profit (loss) from implementation of non current assets		-	-
Financial income (expense) and exchange differences			
-Financial income		1,070	244
-Financial expenses		-	-
-Profit (loss) from exchange rate difference	22	(5,986)	(59,515)
Net financial income (expense) and exchange differences		(4,916)	(59,271)
Other non-operating activities			
-Other income (non-operating)		-	-
-Other expense (non-operating)	23	(26,340)	(38,185)
Result of non-operating activities		(26,340)	(38,185)
Profit (loss) before taxation		40,061	323
Income tax	24	(791)	(323)
Net profit (loss) for the year		39,270	-

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

Statement of changes in net assets

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

For the year ended 31st December 2025

	Accumulated Gain (Uncovered Loss)	thousand dram Total
At December 31, 2023	-	-
Gain of the year	-	-
At December 31, 2024	-	-
Gain of the year	39,270	39,270
At December 31, 2025	39,270	39,270

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

General director
Davit Shaghbagyan

Chief Accountant
Nazeli Tarkhanyan



Statement of cash flows

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

For the year ended 31st December 2025

	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
	thousand dram	thousand dram
Cash flows from operating activities		
Cash received from ticket sales	2,853	1,885
Cash received from sponsorship and advertising	128,000	-
Cash received from broadcasting rights	-	2,868
Cash received from commercial activities	124,710	111,640
Cash flows from other operating activities:		
Donations	629,098	605,348
Training compensations	15,356	11,670
Other	5,548	21,399
Payments for purchased services and products	(600,781)	(496,950)
Payments to and in favor of employees	(522,400)	(454,911)
Payments to agents and intermediaries	-	-
Payments for other operating expenses	(103,202)	(98,423)
Net cash flows from operating activities	(320,818)	(295,474)
Cash flows from investing activities		
Cash received from implementation of registrations of football players	70,994	107,461
Payments for acquiring registrations of football players	(6,531)	-
Cash received from implementation of PPE	-	-
Payments for acquiring PPE	(1,330)	(67,388)
Cash received from implementation of financial investments	-	-
Payments from acquiring of new financial investments	-	-
Cash flows from other investing activities	-	-
Net cash flows from investing activities	63,133	40,073

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

Statement of cash flows

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

For the year ended 31st December 2025

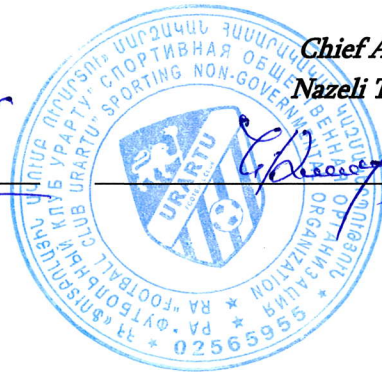
(CONTINUATION)

	01.01.2025- 31.12.2025	01.01.2024- 31.12.2024
	thousand dram	thousand dram
<i>Cash flows from financing activities</i>		
Borrowings received from related parties		-
Repayment of borrowings to related parties		-
Loans and borrowings received from financial institutions		-
Repayment of loans and borrowings to Financial Institutions		-
Cash received from contribution of share capital		-
Payment of dividends		-
Cash received from issuing bonds		-
Repayment of bonds		-
Paymests for repurchased share capital		-
Cash flows from other financing activities	960	243
Net cash flows from financing activities	960	243
Net increase/decrease in cash and cash equivalents	(256,725)	(255,158)
Adjustments		
<i>Cash and cash equivalents at the beginning of the year</i>	347,227	660,340
<i>Foreign exchange differences</i>	(6,362)	(57,955)
<i>Cash and cash equivalents at the end of the year</i>	84,140	347,227

The statement is to be read in conjunction with the notes to, and forming part of, the financial statements set out on pages 12-28

General director
Davit Shaghbagyan

Chief Accountant
Nazeli Tarkhanyan



Notes to Financial statements

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

For the year ended 31st December 2025

1. Organisation and operations

"Urartu Football Club" Sports Non-governmental Organization was registered in the State Registry Office of the Republic of Armenia in 2003, on January 16, in accordance with the legislation of the Republic of Armenia.

The organization is managed by the executive body, the board and the president, provided for by the "Law on Non-governmental organizations" of the Republic of Armenia.

The legal address of the organization is: Republic of Armenia, Yerevan, Jivanu 2.

The average number of employees of the organization in 2025 was 201 people (203 people in 2024).

The highest and controlling body of the organization is the board, which consists of the following members:

Jevan Cheloyants	Board president
Sofya Cheloyants	Board member
Karine Cheloyants	Board member

Business environment

The political and economic changes implemented in Armenia, as well as the development of legal, tax and legislative systems are being continued. The stability and development of Armenia's economy largely depends on these changes. The government has confirmed its commitment to good governance, which includes anti-corruption efforts, transparency and accountability.

At the time of preparation of these financial statements, the Russian-Ukrainian conflict is in an active phase. It is already clear that it has a great impact not only on the region but on the whole world. It did not bypass Armenia either.

The Armenian-Azerbaijani strained relations continue to have an impact on the Armenian business environment, which is the most significant obstacle to the investment and business environment of the Republic of Armenia.

The above events may further have a significant impact on the Company's future operations and financial stability, the full consequences of which are difficult to predict at this time. The future economic and political situation and their impact on the Company's operations may differ from the current expectations of the Company's management.

2. Conformity

The accounting has been made according to RA legislation: The financial statements have been prepared in accordance with small and medium enterprises with International Financial Reporting Standard (SMEs IFRS).

Currently, the IFRS for SMEs does not contain specific guidance on accounting and financial reporting for non-profit organizations. If the IFRS for SMEs does not provide guidance on accounting for transactions specific to entities in the not-for-profit sector, the accounting policy should be based on the general principles in the IFRS for SMEs.

3. The functional and submitted currency

For the Company Functional and Financial Statement currency it is admitted RA monetary (dram/AMD) which is not exchangeable beyond the borders of Armenia. The financial information is presented in Armenian dram with thousands accuracy.

Financial reports for the year ended 31st December 2025

“FOOTBALL CLUB URARTU” Sporting Non-governmental Organization

4. Continuity principle

The presented financial statements have been made in accordance with continuity principle, which assumes assets consuming and liabilities repaid within a normal scope.

5. Comparability and reintroduction of financial statements

The data for the current financial year are comparable to the data presented for the prior period.

The financial statements, including comparable information for prior years, are presented as if the correction was made in the period in which it was required. Therefore, the amount of the adjustment for each period presented is attributed to the financial information for that year. The amount of the adjustment relating to prior periods of comparable financial statement information is adjusted in the earliest period presented.

6. Brief summary of policy of accounting of the Company

6.1. Measurement Basis

The financial statements have been prepared using the accrual basis and the original cost method or amortized cost.

6.2. Presentation of financial statements

The Company has decided to prepare one statement of comprehensive income instead of two separate statements with subtotals (a separate statement of financial income followed by another statement of comprehensive income).

6.3. Property, plant and equipment

Each (main) component (separable unit) of a property, plant and equipment is recognized as a separate asset when it is probable that the future economic benefits associated with that item will flow to the Company and the cost of the item can be measured reliably.

The main components of a property, plant and equipment are accounted for separately within a property, plant and equipment unit.

Measurement at recognition

The company measures the unit of PPE at the time of initial recognition at the initial cost, which is the equivalent of the cash price at the date of recognition. If payment is delayed beyond the normal payment terms, the default value is the present value of all future payments.

The cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebate, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period

Measurement after recognition

After the item of PPE is recognized as an asset, it is accounted for at its initial cost (cost) less accumulated depreciation and accumulated impairment losses.

Depreciation

The straight-line method of calculating depreciation is applied to all classes of PPE. Determining the useful life of PPE takes into account the Company's expected usability of the asset, expected physical amortization, technical obsolescence, and legal or other similar restrictions on the use of the fixed asset.

The estimated useful lives of PPE are as follows.

Financial reports for the year ended 31st December 2025

"FOOTBALL CLUB URARTU" Sporting Non-governmental Organization

Buildings	20 year
Structures	5-20 year
Means of transport	5-8 year
Equipment	5-10 year
Sports and economic property	5-10 year
Other PPE	5-10 year

Depreciation of an asset begins to be calculated when it is available for use, that is, when it is in such a place and condition that it is necessary to use it for the intended purpose of the management. The calculation of depreciation of the asset stops at the earliest of the date of derecognition of the asset.

In order to periodically distribute the amount of depreciation of the PPE during its useful life, the straight-line method of calculating depreciation is used.

Subsequent expenditures

Subsequent expenditures related to a unit of PPE are added to its carrying amount (capitalized) if these expenditures meet the recognition criteria. In particular, the costs of adding a new part to the PPE unit, or periodically replacing a part of the PPE unit, are added to the carrying amount of the PPE unit (capitalized). Daily maintenance costs are not added to the carrying amount of the PPE (not capitalized).

Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised:

- a) on disposal; or
- b) when no future economic benefits are expected from its use or disposal.

6.4. Intangible assets

Intangible assets are stated at cost less accumulated depreciation and impairment losses. They are depreciated over their useful lives using the straight-line method. If there is any indication that there has been a material change in the amortization rate, useful life or residual value of the intangible, the amortization should be revised to reflect the new expectations.

Transfer and other typical costs of acquiring registrations of football players are capitalized as non-current intangible assets. These costs are amortized in equal annual installments over the life of the football player's contract. Expenditures related to players recruited from youth teams are not subject to capitalization.

If the term of the contract is revised, the unamortized amount, as well as the new costs incurred in connection with the extension of the contract term, are amortized according to the new contract.

Any transfer fee whose realization depends on the outcome of one or more uncertain future events is capitalized when it is probable that the event will occur.

Registrations of football players are written off as impairment when their carrying amount exceeds the recoverable amount from sale or use.

6.5. The impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If there is any indication that the asset may be impaired, the recoverable amount is assessed for the individual asset. If it is not possible to estimate the recoverable amount of an individual asset, the Company determines the recoverable amount of the cash-generating unit to which the given asset belongs (asset's cash-generating unit).

Impairment loss

The asset's carrying amount is reduced to its recoverable amount if and only if the asset's recoverable amount is less than its carrying amount. That decrease is an impairment loss.

An impairment loss is recognized in profit or loss, except when the asset is carried at a revalued amount.

Any impairment loss on a revalued asset is treated as a revaluation decline.

Reversal of Impairment Loss

The increased carrying amount of the asset attributable to the reversal of the impairment loss shall not exceed the carrying amount that would have been determined (without appropriate amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

6.6. Lease

A lease is classified as a finance lease when, under the terms of the lease, substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

6.7. Inventory

Inventories are assets held for sale in the ordinary course of business, or in the form of raw materials or materials for use in the production of products.

Inventories are carried at the lower of cost and net realizable value. Net realisable value (NRV) - the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventory is calculated using the first-in, first-out method and includes the cost of acquiring the inventory and bringing it to its current condition and location.

6.8. Financial assets

Initial recognition of financial assets

Financial assets at fair value through profit or loss are initially recognized at fair value. All other financial assets are initially recorded at fair value, taking into account transaction costs.

Classification of financial assets li further measurement. Measurement categories:

The Company classifies financial assets using the following measurement categories: are measured at fair value through profit or loss, measured at fair value through other comprehensive in-come, and measured at amortized cost. The classification and subsequent measurement of debt financial assets depends on (i) the Company's portfolio of asset management, and (ii) the cash flow characteristics of the asset.

Write-off of financial assets

Financial assets are derecognised in whole or in part when the Company has exhausted all the practical possibilities to collect them and has concluded that the expectation that such assets will be recovered is unfounded. Write-off is derecognition. The company may write off the financial assets, although coercive measures are used to recover (receive) the money, but there are no reasonable expectations.

Derecognition of financial assets

The company derecognises the financial asset when:

- (a) the asset has been repaid or the contractual rights to the cash flows arising from the financial asset have lapsed or
- (b) The company has transferred the rights to the cash flows from the financial asset or entered into an asset transfer agreement at the same time
- (c) transferring all substantial risks and rewards of ownership of the asset or
- (d) not transferring and also not retaining all substantial risks and rewards of ownership of the asset, but also not retaining control over the asset.

Trade receivables

Trade receivables are measured at initial cost (the amount specified in the original account), except when the effect of discounting is significant. In this case, the receivables are measured at discounted value.

Borrowings given

At the time of initial recognition, the net result (loss) arising from the discounting (measurement at fair

value) of a long-term borrowing issued at a low interest rate is recognized as a financial result.

Cash and cash equivalents

Cash means money in the cash register and bank accounts. Cash equivalents are held to meet short-term cash obligations, not for investment or other purposes. For investments to qualify as cash equivalents, they must be freely convertible into known amounts of money in advance, and the risk of changes in their value must be insignificant.

6.9. Financial liabilities

The Company recognizes a financial liability when it becomes a party to the contract.

The Company derecognises a financial liability (or part of a financial liability) when it is settled, that is, when the obligation specified in the contract is performed or canceled or expires. The difference between the carrying amount of a derecognised financial liability and the consideration paid or payable is recognized in profit or loss.

Financial liability measurement groups

Financial liabilities are classified as subsequently measured at amortized cost, except for (i) financial liabilities measured at fair value through profit or loss, and (ii) financial guarantee contracts and loan liabilities.

Commercial accounts payable

At the time of initial recognition, accounts payable are measured at cost (at the amount stated in the initial account), except when the effect of the discount is significant. In this case, the payables are measured at a discounted value.

Loans and borrowings received

Loans and borrowings received are initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial liability.

At the time of initial recognition, the net result (benefit) arising from the discount on the interest-bearing low-interest term loan (measured at fair value) is recognized in Profit or loss. After initial measurement, loans and borrowings are measured at amortized cost using the effective interest method.

6.10. Revenue

Revenue is the gross inflow of economic benefits arising from the organization's day-to-day operations, excluding transfer fees and related taxes for the sale of player registrations.

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

Ticket Sales/Game Day Proceeds

Revenue from game days is recognized during the reporting year. revenue for each game day should be recognized only when the game match has already taken place. Matchday revenue received as an advance payment before the end of the accounting year, but related to the following season (for example, season ticket sales), should be treated as deferred revenue (revenue) and recognized as the matches are played.

Sponsorship and Advertising

Sponsorship and advertising includes the club's main sponsor, other sponsors, stadium sideline and display advertising, as well as any other type of sponsorship and advertising activity.

Broadcast Rights

Revenue from broadcasting rights is the funds received from domestic contracts signed with mass media. Distribution based on television market representation, as well as participation fees, are recognized as the games are played. Prize money from the club's gaming achievements is recognized when its receipt becomes certain.

Commercial Revenue

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

UEFA solidarity and prize money

UEFA prize money is the funds received for participation in UEFA club tournaments. Distribution based on television market representation, as well as participation fees, are recognized as the games are played. Prize money from the club's gaming achievements is recognized when its receipt becomes certain. UEFA solidarity payments must be recognized when the amount you receive becomes certain.

Other income

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

6.11. Short-term employee benefits

The Company recognizes all employee benefit costs to which employees have become entitled as a result of providing services to the Company during the reporting period:

a) as a liability, after deducting amounts paid directly to the employee. If the amount paid exceeds the amount of the service obligation up to the reporting date, the Company recognizes the excess as an asset to the extent that the advance will result in a reduction of future payments or a refund, and

b) as an expense, unless another section of the IFRS for SMEs requires that the expense be recognized as part of the cost of an asset, such as inventory or property, plant and equipment.

The Company recognizes the expected cost of accrued compensable absences when:

a) for accrued compensable absences (such as annual leave) when employees provide service that increases their entitlement to future compensable absences, and

b) in the case of non-cumulative compensable absences (eg temporary disability) at the time the absence occurs.

6.12. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when:

a) The entity has a present obligation (legal or constructive) as a result of past events,

- b) it is probable that an outflow of economic benefits will be required to settle the obligation, and
- c) the amount of the liability can be estimated reliably.

Contingent liability and contingent asset are not recognized.

The amount recognized as a provision represents the best estimate of the costs required to settle the present obligation as of the end of the reporting period.

If the effect of the value of the dram over time is significant, then the amount of the reserve represents the present value of the expenses that, according to the expectation, will be required to repay the debt.

The discount rate (or rates) is the rate (or rates) that reflects current market assessments of the value of the dram over time and the risks specific to that liability. The discount rate should not reflect risks for which estimates of future cash flows have already been adjusted.

The reserve is used only against the expenses for which the reserve was originally recognized.

6.13. Effects of changes in foreign exchange rates

The Company's functional currency is Armenian dram.

A foreign currency transaction is initially accounted for in the functional currency at the time of recognition, applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction to the foreign currency amount.

The average exchange rate of foreign currencies formed in the foreign exchange market is accepted as the spot exchange rate.

Currency	31.12.2025	31.12.2024
1 USD	381.36 RA dram	396.56 RA dram
1 EUR	449.01 RA dram	413.89 RA dram
1RUR	4.87 RA dram	3.71 RA dram

Presentation of information as of the end of subsequent accounting periods

- a) Monetary items in currency were presented in closing exchange rate.
- b) Non-monetary foreign currency items measured at initial cost are recalculated (presented) at the exchange rate of the transaction date and
- c) Non-monetary items in foreign currency measured at fair value are recalculated (presented) at the exchange rate on the day of determination of fair value.

Exchange rate differences that arise as a result of the settlement of dram items, or when dram items are revalued at an exchange rate that differs from the exchange rate at which they were originally recognized in a given accounting period or recalculated in previous financial statements, are recognized in profit or loss in the period in which they arise.

6.14. Errors

The company corrects material errors of the previous period retroactively (except when it is impracticable to determine the consequences of the error on a specific period or its cumulative consequences) after their discovery in the first set of financial statements approved for publication:

- a) restating the comparable amounts presented for the prior period(s) in which the error occurred, or
- b) if the error occurred before the earliest period presented, by recalculating the opening balances of assets, liabilities and equity for the earliest preceding period presented.

6.15. Changes in accounting estimates

The effect of a change in accounting estimates, except as set out below, is recognized as an advance through profit or loss:

- a) during the period of the change, if the change affects only the given time-period, or
- b) in the period of the change and in subsequent periods if the change affects both.

To the extent that a change in accounting estimate results in a change in assets and liabilities or relates to an equity item, it is recognized by adjusting the carrying amount of the relevant asset, liability or equity item in the period of the change.

In cases where it is difficult to distinguish a change in accounting policy from a change in accounting estimate, it is treated as a change in accounting estimate with appropriate disclosure.

6.16. Changes in accounting policy

The Company changes the accounting policy only if this change leads to the presentation of the most reliable and relevant (relevant) information in the financial statements regarding the Company's financial condition, financial result and impact of operations, other events and fair values.

If the Company applies the new accounting policy retrospectively, it applies the new accounting policy to comparable information from prior periods. When it is impracticable for the Company to apply the new accounting policy retrospectively due to the inability to determine the cumulative effect of applying the new policy to all prior periods, the Company applies the new policy clockwise, starting from the earliest possible time period.

7. Cash and cash equivalents

	31.12.2025	31.12.2024
Cash on hand in National currency	14,656	320,832
Bank accounts in AMD	29,068	530
Bank accounts in foreign currencies	40,418	25,863
Total	84,142	347,227

8 Trade and other receivables

	31.12.2025	31.12.2024
Accounts receivable for sales	337	233
Current prepayments provided	24,044	34,252
Receivables from other incomes	3,205	56
Total	27,585	34,541

9 Inventory

	31.12.2025	31.12.2024
Materials	1,638	1,459
Sports equipment and medicine	18,662	23,991
Goods for sale	6,325	3,194
Total	26,625	28,644

10 Property, plant and equipment

	Buildings and constructions	Structures	Means of transportation	Equipment	Sports and economic property	Leased Property Improvements	Other PPE	Total
Initial value								
At 31 December 2024	68,418	60,181	339,392	387,180	193,324	712,881	92,543	1,853,919
Acquisition	-	-	114	258	-	-	5,738	6,110
Disposals	-	-	-	-	-	-	-	-
At 31 December 2025	68,418	60,181	339,506	387,438	193,324	712,881	98,281	1,860,029
Depreciation								
At 31 December 2024	(41,061)	(21,287)	(291,327)	(301,343)	(180,332)	(410,223)	(55,433)	(1,301,006)
Depreciation charge	(3,421)	(3,342)	(22,994)	(7,949)	(2,136)	(65,621)	(7,986)	(113,449)
Disposals	-	-	-	-	-	-	-	-
At 31 December 2025	(44,482)	(24,629)	(314,321)	(309,292)	(182,468)	(475,844)	(63,419)	(1,414,455)
Carrying value								
At 31 December 2024	27,357	38,894	48,065	85,837	12,992	302,658	37,110	552,913
At 31 December 2025	23,936	35,552	25,185	78,146	10,856	237,037	34,862	445,574

As of 31 December 2025 2174 names with an initial value of 866,004 thousand AMD are recorded with zero carrying value (As of 31 December 2024 2130 names with an initial value of 749,814 thousand AMD).

During the financial year, depreciation amounting to 113,449 thousand AMD was calculated and included in expenses.

During the comparable year, depreciation amounting to 136,939 thousand AMD was calculated and included in expenses.

The organization has no pledged fixed assets.

11 Intangible assets

	Registrations of football players	Software and website	Total
Initial value			
As at December 2024	2,652	1,898	4,550
Acquisition	6,253	10,052	16,305
Disposal	-	-	-
As at December 2025	8,905	11,950	20,855
Depreciation			
As at December 2024	(2,652)	(1,649)	(4,301)
Depreciation charge	(1,793)	(2,140)	(3,933)
Disposal	-	-	-
As at December 2025	(4,445)	(3,789)	(8,234)
Carrying value			
As at December 2024	-	249	249
As at December 2025	4,460	8,161	12,621

12 Other non current assets

	31.12.2025	31.12.2024
Prepayments paid for Intangible assets	-	9,573
Total	-	9,573

13 Borrowings from group or related parties

	31.12.2025	31.12.2024
Short-term borrowings	-	24,949
Total	-	24,949

The borrowings were received from related parties with a maturity of up to 12 months, are interest-free and unsecured. More detailed information about the company's foreign currency risk is presented in note 28.

14 Accounts payable to the group and related parties

	31.12.2025	31.12.2024
Accounts payable for lease	73,672	84,120
Total	73,672	84,120

15 Accounts payable for taxes and other mandatory payments

	31.12.2025	31.12.2024
VAT	-	4,031
Income tax from salary	13,964	8,255
Social fee	2,967	1,616

Stamp duty	-	51
Other	852	110
Total	17,783	14,063

16 Other payables

	31.12.2025	31.12.2024
Accounts payable for purchases	19,772	24,966
Other accounts payable	-	12
Total	19,772	24,978

17 Deferred income

17.1 Current deferred income

Below are the movement of deferred income and year-end balances for the years 2024 and 2025.

	31.12.2025	31.12.2024
Opening balance	616,981	616,981
Grants received	672,440	484,696
Reclassification of grants	-	(69,716)
Grants recognized as income	(899,377)	(805,023)
Closing balance	-	226,938

The deferred income received during 2024 and 2025 are:

	31.12.2025		31.12.2024	
Grantor's name and grant currency	amount in	the amount in	amount in	the amount in
	currency	thous. AMD	currency	thous. AMD
Jevan Cheloyants				
USD	362,913	173,397	300,000	116,473
EUR	-	-	-	-
AMD	161,100	161,100	-	-
UEFA				
EUR	775,306	337,943	861,233	368,223
Other parties				
Total		672,440		484,696

17.2 Non current deferred income

Below are the movement of non current deferred income and year-end balances for the years 2024 and 2025.

	31.12.2025	31.12.2024
Opening balance	562,735	629,958
Reclassification of grants	-	69,716
Grants recognized as income	(104,540)	(136,939)
Closing balance	458,195	562,735

18 Current provisions

	31.12.2025	31.12.2024
On accrued vacations	3,690	14,604
Total	3,690	14,604

19 Revenue

	2025	2024
<i>Sales of tickets</i>		
National championship	2,853	2,289
Total	2,853	2,289
<i>Broadcasting rights</i>		
Other	1,796	2,826
Total	1,796	2,826
<i>Sponsorship and Advertising</i>		
Sponsorship	120,000	-
Advertising	6,667	-
Total	126,667	-
<i>Commercial</i>		
Paid courses	-	76,769
Other	5,584	992
Total	5,584	77,761
<i>UEFA solidarity and prize money</i>		
UEFA club competition solidarity funds	337,943	114,652
UEFA club competition prize funds	-	366,991
Total	337,943	481,643
<i>Other operating income</i>		
Contributions or donations	635,625	574,971
Paid courses	96,807	-
Prize money from FFA	11,000	22,892
Other	131,460	17,750
Total	874,892	615,613
Total income	1,349,735	1,180,132

20 Employee Compensation Expenses

	2025	2024
<i>Football players</i>		
Salary	256,665	174,516
Tax and social allocations	44,250	61,273
Total	300,915	235,789
<i>Other employees</i>		
Salary	377,351	194,854
Tax and social allocations	113,905	66,592

Total	491,256	261,446
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21 Other operating expenses

	2025	2024
<i>Football expenses</i>		
Training camp and match organization expenses	82,737	109,134
Stadium maintenance costs	17,806	18,579
Sports accessories	10,386	12,754
Provision of food to football players	23,472	28,854
Staff training costs	15,442	-
Fees to FFA	9,189	13,254
Medical care for football players	23,186	35,794
Game analysis, scouting and selection services	45	43
Rental of football fields	80,412	80,400
Financial assistance to underprivileged footballers	3,112	180
Maintenance and repair costs of fixed assets	-	5,343
Expenses related to the use of copyright (non-property) rights	-	19,893
Other	88,190	8,463
Total	353,978	332,691
<i>Administrative expenses</i>		
Transportation costs	801	1,199
Travel and representation expenses	8,692	104,845
Postage and telecommunications expenses	323	604
Office and utility expenses	36,877	35,860
Audit and consulting costs	3,885	4,500
Banking and insurance expenses	1,395	1,075
Non-refundable taxes	2,421	5,698
Other expenses	28,573	17,672
Total	82,967	171,453
Total other operating costs	436,945	504,144

22 Profit (loss) from exchange rate difference

	2025	2024
On accounts receivable	(761)	(1,941)
On borrowings	956	510
On accounts payable	180	(130)
On cash and cash equivalents	(6,360)	(57,954)
Total	(5,985)	(59,515)

23 Other non-operating expenses

	2025	2024
Penalty costs	7,107	852
In the case of funds given for no reason	-	-

Other non-operating expenses	19,233	37,333
Total	26,340	38,185

24 Income tax

	2025 (18%)	2024 (18%)
Current income tax	791	323
Total	791	323

25 Categories of financial instruments

The balances presented in the statement of financial position refer to the following categories of financial assets and liabilities:

Financial assets

	31.12.2025	31.12.2024
Trade and other receivables	10,079	233
Cash and cash equivalents	84,142	347,227
Total	347,460	347,460

Financial liabilities

	31.12.2025	31.12.2024
Borrowings received	-	24,949
Trade and other payables	93,444	109,086
Total	93,444	134,034

26 Related parties

Related parties of the Company are the board members, key management personnel, as well as the entities controlled by them.

26.1 Supervision

The Company is controlled by the general assembly, president and board members.

26.2 Transactions with related parties

During the financial year, the following transactions took place between the Company and its related parties and the balances as at the reporting date are as follows.

Jevan Cheloyants is the club's president and the transactions related to him are shown below:

Transactions	2025	2024
Donation received	149,404	116,473

Borrowings received	-	-
Repayment of borrowings received	(24,949)	(310)
	124,455	116,163
Balances	31.12.2025	31.12.2024
Borrowings received	-	24,949
	-	24,949

Borrowings are interest-free with repayment period up to 12 months and not secured with mortgage.

FAVORIT Football Club CJSC is a related party as it is under joint control and related transactions are presented below:

Transactions	2025	2024
Lease received	80,400	80,400
	80,400	80,400
Balances	31.12.2025	31.12.2024
Accounts Payable for lease	73,672	84,120
	73,672	84,120

Borrowings are interest-free with repayment period up to 12 months and not secured with mortgage.

26.3 Compensation of Key Management Personnel

Key management personnel include the CEO and club president.

	2025	2024
Salary and equivalent payments including taxes	15,544	15,544
Total	15,544	15,544

27 Other disclosures according to specific UEFA requirements

These disclosures are additionally submitted in accordance with Euroleague requirements.

- As of March 31, 2026, the Organization has no overdue transfer debts related to 2025.
- As of March 31, 2026, the Organization has no overdue debts to employees, unpaid salaries and other benefits related to 2025.
- As of March 31, 2026, the Organization has no overdue debts for taxes and other mandatory payments related to 2025.
- As of March 31, 2026, the Organization has no overdue obligations for 2025 to other football clubs.
- The financial statements have been prepared in accordance with the accounting requirements set out in Annex G of the UEFA Club Licensing and Financial Sustainability Regulations.

28 Financial risk management

In connection with financial instruments, the Company is exposed to various risks. These risks are debt risk, market risk and liquidity risk.

The company is not involved in active buying and selling of financial assets for speculative purposes, nor does it issue options. The most significant financial risks to which the Company may be exposed are described below.

a) Credit risk

Credit risk is the risk of suffering financial loss when the other party to the contract is unable to fulfill its liabilities, as a result of which the Company may suffer financial losses. The Company's credit risk arises from its financial assets, including cash held at banks and trade and other receivables.

The credit risk of cash balances held in banks is managed by keeping the cash in highly rated financial institutions.

b) Foreign exchange risk

The Company receives foreign currency financing and is therefore exposed to foreign currency exchange rate fluctuations.

The Company's exposure to foreign currency risk is presented below:

	31.12.2025			31.12.2024		
	USD	EUR	RUB	USD	EUR	RUB
<i>Financial assets</i>						
-Trade and other receivables	-	-	9,742	-	-	-
-Cash and cash equivalents	3,950	38,356	1,926	303,965	30,525	-
Total	3,950	38,356	11,668	303,965	30,525	-
<i>Financial liabilities</i>						
-Borrowings received	-	-	-	24,949	-	-
-Accounts payable	-	-	-	-	8,574	-
Total	-	-	-	24,949	8,574	-
Net Result	3,950	38,356	11,668	279,016	21,951	-

c) Interest rate risk

The organization is not exposed to interest rate risk because it does not have borrowings with fixed interest rates.

d) Liquidity risk

Liquidity risk is the risk of a shortage or lack of adequate funds to repay obligations. The purpose of liquidity risk management is to ensure at any time all the necessary funds that will allow paying off the obligations related to cash flows.

29 Contingent cases

a) Insurance

The insurance system in the Republic of Armenia is at the stage of development, as a result of which many types of insurance are not yet widely used. Unless the Company's property and operations are adequately insured, there is a risk that the loss or destruction of certain assets may adversely affect the Company's operations and financial condition.

b) Court cases

State bodies and business entities have not filed such lawsuits against the Company, which could be a significant threat to the latter's normal operation.

c) Controversies and ambiguities in tax law

The newly formed tax system in the Republic of Armenia is characterized by frequently changing legislation, which is often unclear and gives rise to interpretations. Taxes are subject to investigation by relevant authorities, which are legally entitled to impose sanctions (fines, penalties) on business entities and their officials for violating

the legislation. Under these conditions, there is a risk that additional tax liabilities may arise as a result of inspections carried out by competent authorities.

Although the Company's management is convinced that possible additional tax liabilities cannot be significant and there is no need to create a provision for them. However, the interpretations of the relevant competent authorities may differ, with material implications arising from them.

d) Pledged assets

The Company does not have pledged assets.

e) Contingent liabilities

As of the reporting date, the organization has no given guarantees, guarantees and other conditional obligations.

30 Events Occurring After the Reporting Period

No adjusting events or material non-adjusting events have occurred in the periods after the reporting date until the date of validation, as well as before the audit opinion.