

Consolidated Financial Statements and Independent Auditor's Report

Viva Armenia CJSC

31 December 2025

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Independent Auditor's Report

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To the Shareholders and the Board of Directors of Viva Armenia CJSC

Opinion

We have audited the consolidated financial statements of Viva Armenia CJSC (the “Company”) and its subsidiary (together the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Revenue of the Group from mobile and fixed communication services amounted to AMD 55,349,835 thousand for the year ended 31 December 2025 (year ended 31 December 2024: AMD 52,778,010 thousand). This revenue arises from a very large number of individually low-value transactions processed through sophisticated billing systems and multiple tariff structures.

We identified this revenue as a key audit matter due to its quantitative significance and the inherent risk of misstatement associated with capturing and recording high volumes of usage-based transactions, which is further influenced by the frequent evolution of tariff structures and bundled service offerings.

How our audit addressed the key audit matter

We addressed this key audit matter through a combination of control testing and substantive audit procedures, including the following:

- We obtained an understanding of and tested the design and operating effectiveness of the relevant controls within the revenue cycle, as well as the IT environment in which billing and other relevant systems reside. Given the high level of integration among the various information systems involved in revenue recognition, we included team members with specialized information systems expertise to support the audit team in performing these procedures.
- We performed substantive analytical procedures and analyzed revenue trends by service type, customer segment, and competitor data, and investigated any significant or unusual variances.
- We tested a sample of revenue transactions by tracing billed amounts to usage data, approved tariff plans, and contractual terms, and assessed whether revenue was recognized in the appropriate accounting period;
- We tested the occurrence of revenue by reconciling revenue recorded in the general ledger to cash collections received, ensuring that recognized revenue corresponded to actual cash inflows from mobile subscribers;
- We assessed the Group's revenue recognition policies and their compliance with IFRS 15 *Revenue from Contracts with Customers*, as well as reviewed the adequacy of disclosures related to revenue recognition.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Consolidated statement of profit or loss and other comprehensive income

In thousand AMD

	Notes	2025	2024
Contract revenue	6		
Mobile services		53,436,706	51,319,230
Fixed line services		1,913,129	1,458,780
Revenue from sale of goods		849,807	440,253
Commission revenue		3,547,249	3,269,368
Other revenue		341,507	309,634
		60,088,398	56,797,265
Other income			
Other operating income		592,952	497,652
		60,681,350	57,294,917
Expenses			
Depreciation, amortization and impairment		(16,445,029)	(14,271,443)
Payroll and employee benefits		(10,251,889)	(9,757,284)
Interconnection and roaming costs	7	(4,236,455)	(4,110,846)
Other network operating costs	8	(5,523,894)	(5,159,313)
Cost of sold goods		(775,689)	(396,024)
Other operating expenses	9	(6,098,485)	(5,676,664)
		(43,331,441)	(39,371,574)
Profit from operating activities		17,349,909	17,923,343
Finance income	10	2,957,639	1,289,949
Finance costs	11	(5,600,658)	(2,986,901)
Share of loss of a joint venture	17	(78,625)	(1,070)
Net gain (loss) from foreign exchange rate differences	12	(124,731)	1,375,555
Profit before income tax		14,503,534	17,600,876
Income tax expense	13	(2,926,807)	(2,669,026)
Profit for the year		11,576,727	14,931,850
Other comprehensive income		-	-
Total comprehensive income for the year		11,576,727	14,931,850

The consolidated statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 51.

Consolidated statement of financial position

In thousand AMD		31 December 2025	31 December 2024
	Notes		
Assets			
Non-current assets			
Property and equipment	14	25,378,099	21,158,761
Intangible assets	15	26,238,138	17,706,329
Right-of-use assets	16.1	5,302,177	4,590,340
Loans provided	17	23,915,088	26,601,078
Investments in joint ventures		120,305	198,930
Deferred income tax assets	18	2,102,727	2,252,121
Advances for acquisitions of non-current assets		1,585,514	957,352
Total non-current assets		84,642,048	73,464,911
Current assets			
Inventories	19	1,288,943	483,485
Trade and other receivables	20	4,574,078	4,320,413
Bank deposits	21	22,032,468	3,525,618
Cash balances on restricted accounts	22	1,246,076	846,404
Cash and cash equivalents	22	2,928,068	5,304,157
Total current assets		32,069,633	14,480,077
Total assets		116,711,681	87,944,988

Consolidated statement of changes in equity

In thousand AMD	Share capital	Reserve capital	Accumulated profit	Total
Balance at 1 January 2024	550,000	82,500	36,852,906	37,485,406
Profit for the year	-	-	14,931,850	14,931,850
Total comprehensive income for the year	-	-	14,931,850	14,931,850
Dividends	-	-	(6,000,000)	(6,000,000)
Transactions with owners	-	-	(6,000,000)	(6,000,000)
Reserve capital replenishment	-	39,864	(39,864)	-
Balance at 31 December 2024	550,000	122,364	45,744,892	46,417,256
Profit for the year	-	-	11,576,727	11,576,727
Total comprehensive income for the year	-	-	11,576,727	11,576,727
Dividends	-	-	(18,000,000)	(18,000,000)
Transactions with owners	-	-	(18,000,000)	(18,000,000)
Balance at 31 December 2025	550,000	122,364	39,321,619	39,993,983

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 51.

Consolidated statement of cash flows

In thousand AMD

	2025	2024
Cash flows from operating activities		
Profit for the year	11,576,727	14,931,850
<i>Adjustments for:</i>		
Depreciation, amortization and impairment	16,445,029	14,279,647
Loss (gain) on disposal of property, equipment and intangibles	(224,170)	53,995
Expected credit losses on loans provided	57,204	177,800
Share of loss of a joint venture	78,625	1,070
Income tax expense	2,926,807	2,669,026
Finance income	(2,957,639)	(1,289,949)
Finance cost	5,600,658	2,986,901
Foreign exchange loss (gain), net	124,731	(1,375,555)
Operating profit before working capital changes	33,627,972	32,434,785
Change in inventories	(805,458)	23,178
Change in trade and other receivables	(15,597)	(854,454)
Change in cash balances on restricted accounts	(399,672)	(33,604)
Change in contract liabilities	(243,531)	53,868
Change in trade and other payables	1,676,698	(612,638)
Change in provisions	666,054	-
Cash from operations	34,506,466	31,011,135
Income tax paid	(3,153,266)	(2,279,583)
Interest income received on bank balances	290,728	234,080
Net cash from operating activities	31,643,928	28,965,632

Consolidated statement of cash flows (continued)

In thousand AMD

	Notes	2025	2024
Cash flows from investing activities			
Payments for acquisition of property and equipment		(9,595,807)	(2,680,727)
Payments for acquisition of intangible assets		(8,186,018)	(3,036,667)
Proceeds from disposal of property and equipment		279,332	39,742
Investments made in joint venture		-	(200,000)
Provision of loans to related parties		(5,857,950)	(25,218,941)
Placement of deposits		(48,190,559)	(4,439,810)
Bank deposits repaid		29,619,950	1,009,439
Interest received		321,915	279,592
Net cash used in investing activities		(41,609,137)	(34,247,372)
Cash flows from financing activities			
Lease obligation paid		(2,573,551)	(2,687,172)
Payment of payables in respect of spectrum fees		(3,139,180)	(3,918,768)
Proceeds from bank loans		-	17,350,976
Repayment of bank loans		(7,232,958)	(186,610)
Proceeds from issuance of bonds		31,648,913	-
Bond issuance costs paid		(256,481)	-
Interest paid		(2,386,357)	(717,648)
Dividends paid, including withholding taxes		(8,328,830)	(7,405,318)
Net cash from financing activities	28	7,731,556	2,435,460
Net decrease in cash and cash equivalents		(2,233,653)	(2,846,280)
Foreign exchange effect on cash		(142,436)	(169,432)
Cash and cash equivalents, beginning of the year		5,304,157	8,319,869
Cash and cash equivalents, end of year		2,928,068	5,304,157

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 13 to 51.

Notes to the consolidated financial statements

Viva Armenia CJSC

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

1 Nature of operations

Viva Armenia CJSC (former MTS Armenia CJSC) (the Company, together with the Subsidiary - the Group) is involved in providing a wide range of telecommunication services including voice and data transmission, internet access, various value-added services through wireless and fixed lines, as well as sale of handsets and accessories. The Group has a wide service center network, including 74 service centers in Yerevan and the regions. The number of active subscribers as at 31 December 2025 is 2,358,224 (31 December 2024: 2,344,193).

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

Viva Armenia CJSC is a closed joint-stock company established under the laws of the Republic of Armenia in November 2004. On 25 March 2024, as per the amendment registered by the RA Ministry of Justice Agency for State Register of Legal Entities, MTS Armenia CJSC was renamed to Viva Armenia CJSC.

The Company is operating under the license #765 “On rendering of telephone services” issued by the Ministry of Transport and Communication (currently the Ministry of High-Technological Industry) of the Republic of Armenia on 4 November 2004 for 15 years, which was prolonged till 4 November 2034, based on the decision No 403A of the Public Services Regulatory Commission of the RA dated 1 November 2019.

The Company is governed by the General Meeting of Shareholders, the Board of Directors and the Chief Executive Body of the Company, represented by the General Director.

The Company is controlled by Fedilco Group Limited (the owner of 80% of the Company’s shares), a company incorporated in Cyprus and registered in the commercial register of the city of Nicosia under number HE 433524. These financial statements are consolidated by Fedilco Group Limited (parent company). The 20% of the Company’s shares are owned by the Republic of Armenia, represented by the RA Prime Minister’s Office.

The registered address of the Company and the Subsidiary is 4/1 Argishti Street, Yerevan, Republic of Armenia.

The number of employees of the Group as at 31 December 2025 was 1,168 employees (31 December 2024: 1,166 employees).

These consolidated financial statements include financial statements of MobiDram Closed Joint Stock Company (the Subsidiary). The Company's ownership in the Subsidiary is 100%. The principal activity of the Subsidiary is the provision of payment and settlement services. The Subsidiary was established under the laws of the Republic of Armenia in August 2011. The Subsidiary is operating under the license #15 “On performing money remittances, processing and clearing of payment instruments and payment and settlement documents” dated 14.10.2011 and 16.12.2014 issued by the Central Bank of the Republic of Armenia.

Statement of compliance and going concern

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

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

Business environment

Armenia's business environment in 2025 continues to be influenced by geopolitical tensions, regional security risks and evolving global economic conditions. These factors contribute to heightened uncertainty for local companies.

As a result of the war in Ukraine, many leading countries and economic unions have announced severe economic sanctions on Russia and Belarus, including Russian banks, other entities and individuals. Since the start of the war, there has been a significant volatility of the Russian ruble against foreign currencies, as well as significant loss of value on the securities markets in Russia and of Russian companies listed in other markets. The situation is still unfolding, but it has already resulted in a humanitarian crisis and huge economic losses in Ukraine, Russia and the rest of the world. Ukraine and Russia are important trade partners of Armenia.

Economic performance across sectors was uneven during the period. Growth continued to be supported primarily by the trade, service and construction sectors, reflecting resilient private consumption and investment activity. Industrial output, while previously affected by contractions in select subsectors, demonstrated stability and modest improvement in recent reporting periods, aided by recovery within certain manufacturing activities. The financial sector remained stable, underpinned by a well-capitalized and adequately regulated banking system. Regulatory oversight and supervisory practices continued to support the maintenance of liquidity, solvency, and operational soundness across financial institutions, despite the presence of external risks.

The telecommunications sector in Armenia continued to operate in a competitive and technologically advancing environment during 2025, reflecting steady year-on-year growth. During 2025, the Armenian telecommunications sector experienced continued progress in the rollout of next-generation mobile networks, particularly through the expansion of 5G infrastructure. Multiple market participants advanced the deployment of 5G services nationwide, supported by earlier regulatory approvals granting access to additional spectrum bands, enabling broader coverage and improved network performance.

The regulatory environment remained supportive, characterized by advanced ICT governance and government-led digital transformation initiatives, which contributed to improved service quality, increased network capacity, and enhanced competitiveness across the sector. These developments reflect ongoing industry modernization and may influence market dynamics, infrastructure investment requirements, and the competitive landscape in future periods.

Management has assessed the impact of the current economic environment on the operations of the Group and reflected this in these consolidated financial statements. However, the future economic and political situation may differ from current expectations, and such differences could affect the Group's financial position, performance, and cash flows.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2025

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

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

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

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

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

- IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

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

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

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

4 Material accounting policies

4.1 Basis of preparation

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

The consolidated financial statements have been prepared on a historical cost basis with the exception of certain financial instruments that are stated at present discounted value of future cash flows.

4.2 Basis of consolidation

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

All transactions and balances between companies are eliminated on consolidation, including unrealized gains and losses on transactions between the Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

4.3 Climate-related matters

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

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

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

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

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

4.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. Reportable segments whose revenue, profit after tax or assets are ten percent or more of all the segments are reported separately.

The Group's management determined operating segments as reportable even if those do not meet any of the quantitative thresholds, and disclose them separately, as it believes that information about the segment would be useful to users of these financial statements.

4.5 Foreign currency

Functional and presentation currency

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

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

Foreign currency transactions

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

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

Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date).

4.6 Investments in joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement and have rights to the net assets of the arrangement. The Group recognizes its interest in a joint venture where it has joint control of the investment and accounts for that investment using the equity method.

The carrying amount of the investment in joint ventures is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealized gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

The Group presents its share in profits or losses in joint ventures accounted for using equity method within non-operating profit.

4.7 Revenue

Revenue arises mainly from provision of mobile and fixed telecommunication services (access charges, voice and video calls, messaging, interconnect fees, fixed and mobile broadband and connection fees), selling of devices and accessories, as well as from the wire transfer commissions.

Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and rebates allowed by the Group.

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

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

Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group recognizes revenues over time, except for revenue from sales of goods, which is recognized at a point in time.

Products and services may be sold separately or in bundle packages. The Group accounts for individual products and services separately if they are distinct, which means that a product or service, as well as the customer benefit, is separately identifiable from other items in the bundled package and a customer can benefit from it. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

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

Mobile and internet data services (voice, data, messaging)

Revenue from mobile and internet data services is recognized over time as the service is provided. Revenue is measured by the volume of voice and data traffic packages processed or the “pay as you go” transactions airtime provided. The revenue is recognized in the period in which the connection is provided.

Subscriber revenue primarily consists of monthly fixed charges for usage of the mobile network, recognized as the service is provided. For bundled packages, as unused megabytes, messages, and minutes cannot be carried forward to future periods, revenue is recognized over time using a time-elapsed measure of progress. This recognition begins when the package is activated and continues until the service term expires. These services are billed and paid for monthly.

Interconnection revenue

Revenues from network interconnection with other domestic and international telecommunication carriers are recognized monthly on the basis of the actual recorded traffic for the month.

Roaming revenue

Roaming revenue is recognized in the period in which the services are provided and includes:

- revenue accrued from own subscribers when using mobile services while in a foreign country/network: this stream of revenues is composed of outbound roaming revenues from voice services, messaging services and data consumption while abroad (outbound roaming)
- revenue accrued from visiting (foreign) subscribers when using mobile services within a country/network. This stream of revenues is composed of inbound roaming revenue from voice services, messaging services and data consumption while in the country/network (inbound roaming).

Value added services

These services include ring back tone, partner content applications, etc. Revenue from value added services is recognized in the period in which the service is provided.

Fixed services

Revenue from fixed services primarily consists of monthly fixed charges for usage of services and is recognized over time as the services are provided using time elapsed measure of progress. These services include internet, television and voice over IP.

Revenue from sale of goods

Revenue from sale of goods (mainly mobile handsets and other mobile devices) is recognized when the significant risks and rewards of ownership have been transferred to the customer.

Commission revenue

Revenue arises from commissions paid by banks for the wire transfer services.

Wire transfer services mainly include:

- receiving and making payments through the direct beneficiary or other person;
- Implementation of cashier transactions for third parties;
- processing and clearing;

The process of providing services is measured based on accepted payments, cash withdrawal transactions and money transfers. Revenue from rendering of services mainly includes fixed monthly payments and is recognized over time along with the provision of services.

4.8 Intangible assets

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

The cost of intangible assets acquired as part of telecommunication equipment is added to the cost of appropriate telecommunication equipment, and amortized during useful lives of the corresponding equipment.

Amortization is charged to profit or loss on a straight line basis over the estimated useful lives of the intangible assets, which are;

- the legally enforceable period of time, and in case of the absence of such timing arrangements, the estimated useful lives, but not in excess of 5 years for telecommunication software, rights and licenses and,
- the legally enforceable period of time and in case of the absence of such timing arrangements, the estimated useful lives, but not in excess of 10 years for other assets.

The Group recognizes the cost of obtaining rights to use radiofrequencies as an intangible asset and amortizes during the term of the license on a straight-line basis. In addition, during the term of the license, the Group pays annual fee for use of these radiofrequencies. The Group considers these fees as a component of the acquisition cost of the license. The present values of the estimated future amounts payable are recorded on initial recognition of the intangible asset, with a corresponding liability. Any remeasurements of the related liability and any additional payments are either recognized in the consolidated statement of profit or loss or capitalized.

4.9 Property and equipment

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

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

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

Depreciation is charged to profit or loss 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:

	Useful lives in
Buildings, constructions and leasehold improvements	- 20 years
Network and base station equipment	- 3 – 8 years
Transmitting devices and constructions	- 5 – 20 years
Vehicles	- 4 - 8 years

Office equipment, fixture and fittings - 1 - 8 years.

4.10 Leased assets

The Group as a lessee

The Group's lease contracts largely relate to leases of cellular sites (i.e. land, space in cell towers or rooftop surface areas), network infrastructure, and service centers as well as buildings used for administrative or technical purposes.

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

Some lease contracts contain both lease and non-lease components. The Group has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component.

Measurement and recognition of leases as a lessee

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

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease term corresponds to the non-cancellable period of each contract except in cases where the Group is reasonably certain of exercising renewal or termination options. When assessing the lease term, the Group considers all facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, such as useful life of the asset located on the leased site, sites replacement statistics, sequence of technology change, profitability of service centers as well as costs to terminate or enter into lease contracts.

Lease obligations are recognized initially at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the Group. The lease payments mostly include fixed payments and early termination fees unless the Group is reasonably certain not to terminate earlier.

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

Lease liability is remeasured when the Group changes its assessment of whether it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of right-of-use asset had been reduced to zero.

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

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

4.11 Impairment of depreciable assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. 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 (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU 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 CGU in prior years. A reversal of an impairment loss is recognized as income immediately.

4.12 Financial instruments

Recognition and derecognition

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

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

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

Classification and initial measurement of financial assets

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

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

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

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

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or gain or loss from foreign exchange rate differences, except for impairment of trade receivables which is presented within other expenses.

In the periods presented the Group does not have any financial assets categorized as FVTPL or FVOCI.

A summary of the Group's financial assets by category is given in Note 32.

Subsequent measurement of financial assets

The Group's financial assets include trade and other receivables, loans provided, bank deposits and cash and cash equivalents, which fall into amortized cost category of financial instruments.

Financial assets at amortized cost

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

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

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

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (ECL) model”. Instruments within the scope of IFRS 9 requirements include loans and other debt-type financial assets measured at amortised cost, trade receivables, contract assets recognised and measured under IFRS 15.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

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

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

“12-month expected credit losses” are recognized for the first category while “lifetime expected credit losses” are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For a detailed analysis of how the impairment requirements of IFRS 9 are applied refer to Note 33.2.

Classification and measurement of financial liabilities

The Group's financial liabilities include bank loans, bonds issued, trade and other payables and lease obligations.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

In the periods presented the Group does not have any financial liability at FVTPL.

A summary of the Group's financial liabilities by category is given in Note 32.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank accounts, cash in transit and on-demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.14 Inventories

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

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

4.15 Provisions

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

4.16 Income taxes

Current tax

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

Deferred tax

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

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

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

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

4.17 Equity, reserves and dividends

Equity instruments issued by the Group are recorded at the proceeds received.

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

Accumulated profit includes all current and prior period retained profits.

All transactions with owners are recorded separately within equity.

Dividends are recognized as a liability in the period in which they are declared. The Group recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of the Group. As per the Charter of the Group, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

4.18 Employee benefits

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

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

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

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

Paid absences

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

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

Bonuses

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

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

4.19 Significant management judgement in applying accounting policies and estimation uncertainty

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

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

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

Useful lives of telecommunication equipment and intangible assets

Management of the Group estimated useful lives of telecommunication systems and related intangible assets up to 8 years. This estimate is based on the Group's current intentions to continue exploitation of the existing systems.

Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortization or depreciation charges. Technological developments are difficult to predict and management views on the trends and pace of development may change over time.

Some of the assets and technologies, in which the Group invested several years ago, are still in use and provide the basis for new technologies. Critical estimates in the evaluations of useful lives for intangible assets include, but are not limited to, the remaining license period and the expected developments in technology and markets. However, rapid changes in the technological, market and economic environments in which the Group operates may require changes in the management plans to continue with the existing systems.

The useful lives of property and equipment and intangible assets are reviewed at least annually, taking into consideration the factors mentioned above and all other important relevant information. The actual economic lives of property and equipment and intangible assets may be different from useful lives estimated by management, thereby resulting in different carrying values.

Leases

The value of right-of-use assets and lease liabilities is based on management estimates of lease terms as well as an incremental borrowing rate used to discount lease payments.

The lease term corresponds to the non-cancellable period of each contract except in cases where the Group is reasonably certain of exercising renewal options. When assessing the lease term, management considers all facts and circumstances that create the economic incentive for the Group to exercise the option to extend the lease, such as the useful life of the asset located on the leased site, statistics on sites replacement, sequence of technology change, profitability of service centers as well as costs to terminate or enter into lease contracts.

Additionally, the Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Changes in these factors could affect the estimated lease term and the reported value of right-of-use assets and lease liabilities.

Provision for expected credit losses of financial assets

The Group uses judgement to estimate allowance for expected credit losses (ECL) for financial assets at amortized costs. ECL are measured in a way that reflects the unbiased and probability-weighted amount, the time-value of money and reasonable and supportable information at the reporting date pertaining to past events, current conditions and forecasts of future economic conditions. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, service type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

ECL are measured as probability-weighted present value of all cash shortfalls over the expected life of each financial asset. ECL are mainly calculated using a statistical model based on three major risk parameters: probability of default, loss given default and exposure of default.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. This information includes macroeconomic factors (unemployment rate, inflation rate) and forecasts of future economic conditions. The impact of forecast economic conditions in the determination of ECL was not significant. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets is disclosed in note 33.2.

5 Segment reporting

The Board of Directors and the General Director, (together the "Management") function as the "chief operating decision maker" of the Group.

Management analyzes, and reviews results of the Group's operating segments separately based on the nature of services and regulatory environments. The Group identified two reportable segments:

- (i) **Telecom – VIVA:** VIVA's main activity is providing telecommunication services through various mobile and fixed-line technologies, including voice and data services, transmission and various value-added services.
- (ii) **Payments and settlements – MobiDram:** MobiDram CJSC is involved in the provision of payment and settlement services. Its main services include the utility payments, including electricity, gas and water supply, fixed and cell phone payments, payments for internet services, as well as wire transfers.

Management regularly reviews the financial results of each segment, with information prepared in accordance with IFRS, to make decisions on resource allocation and assess performance. Management of the Group evaluates the performance of each segment based on revenue and operating profit, excluding depreciation and amortization measured on the basis consistent with IFRS consolidated financial statements (the relevant financial indicator called OIBDA). Management does not analyze assets or liabilities by reporting segments. These segments reflect the way the management evaluates the entities' business performance and allocates resources. The following table sets forth the revenue and operating results attributable to each reportable segment:

2025	Telecom	Payments and settlements	Total of reportable segments	Eliminations	Consolidated
Revenue					
External segment	56,541,149	3,547,249	60,088,398	-	60,088,398
Intersegment	3,771	93,042	96,813	(96,813)	-
Total revenue	56,544,920	3,640,291	60,185,211	(96,813)	60,088,398
Recognised over time	55,695,113	3,640,291	59,335,404	(96,813)	59,238,591
Recognised at a point in time	849,807	-	849,807	-	849,807
	56,544,920	3,640,291	60,185,211	(96,813)	60,088,398
Income (expenses)					
Other operating income	597,594	50	597,644	(4,692)	592,952
Depreciation, amortization and impairment	(16,389,185)	(55,844)	(16,445,029)	-	(16,445,029)
Payroll and employee benefits	(10,001,112)	(250,777)	(10,251,889)	-	(10,251,889)
Interconnection and roaming costs	(4,236,455)	-	(4,236,455)	-	(4,236,455)
Other network operating costs	(5,531,844)	-	(5,531,844)	7,950	(5,523,894)
Cost of sold goods	(775,689)	-	(775,689)	-	(775,689)
Other operating expenses	(4,119,705)	(2,072,335)	(6,192,040)	93,555	(6,098,485)

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

2025	Telecom	Payments and settlements	Total of reportable segments	Eliminations	Consolidated
Operating profit					
OIBDA	32,477,709	1,317,229	33,794,938	-	33,794,938
Depreciation and amortization	-	-	-	-	(16,445,029)
Operating profit	-	-	-	-	17,349,909
Profit for the year	10,404,392	1,172,335	11,576,727	-	11,576,727

2024	Telecom	Payments and settlements	Total of reportable segments	Eliminations	Consolidated
Revenue					
External segment	53,527,897	3,269,368	56,797,265	-	56,797,265
Intersegment	3,369	112,118	115,487	(115,487)	-
Total revenue	53,531,266	3,381,486	56,912,752	(115,487)	56,797,265
Recognised over time	53,091,013	3,381,486	56,472,499	(115,487)	56,357,012
Recognised at a point in time	440,253	-	440,253	-	440,253
	53,531,266	3,381,486	56,912,752	(115,487)	56,797,265

Income (expenses)					
Other operating income	501,233	1,053	502,286	(4,634)	497,652
Depreciation, amortization and impairment	(14,232,267)	(39,176)	(14,271,443)	-	(14,271,443)
Payroll and employee benefits	(9,556,152)	(201,132)	(9,757,284)	-	(9,757,284)
Interconnection and roaming costs	(4,110,846)	-	(4,110,846)	-	(4,110,846)
Other network operating costs	(5,167,263)	-	(5,167,263)	7,950	(5,159,313)
Cost of sold goods	(396,024)	-	(396,024)	-	(396,024)
Other operating expenses	(3,798,802)	(1,990,033)	(5,788,835)	112,171	(5,676,664)

Operating profit					
OIBDA	31,003,412	1,191,374	32,194,786	-	32,194,786
Depreciation and amortization	-	-	-	-	(14,271,443)
Operating profit	-	-	-	-	17,923,343
Profit for the year	14,055,322	876,528	14,931,850	-	14,931,850

No single customer represents 10% or more of the consolidated revenue.

The reconciliation of OIBDA to profit before tax for each reportable segment is presented below:

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	VIVA		MobiDram	
	2025	2024	2025	2024
Reconciliation of profit				
Segment OIBDA	32,477,709	31,003,412	1,317,229	1,191,374
Depreciation, amortization and impairment	(16,389,185)	(14,232,267)	(55,844)	(39,176)
Finance Income	2,854,643	1,261,635	102,996	28,314
Finance cost	(5,600,658)	(2,986,901)	-	-
Share of loss of a joint venture	(78,625)	(1,070)	-	-
Net (loss) gain on currency exchange rate differences	(198,104)	1,428,069	73,373	(52,514)
Inter-segment sales (elimination)	-	-	-	-
Profit before tax	13,065,780	16,472,878	1,437,754	1,127,998

6 Contract revenue

The Group generates revenue from a range of services, including mobile and fixed-line telecommunications (such as access charges, voice and video calls, messaging, connection charges, fixed and mobile broadband). Additional revenue streams include financial services, cloud services, and the sale of cell phones and accessories. These products and services may be sold individually or bundled into packages.

	2025	2024
Revenue from contracts with customers		
Mobile services	53,436,706	51,319,230
Fixed line services	1,913,129	1,458,780
Revenue from sale of goods	849,807	440,253
Commission revenue	3,547,249	3,269,368
Other revenue	341,507	309,634
	60,088,398	56,797,265

Detailed description and accounting policy of each revenue stream is presented in Note 4.7.

Contract revenue from the provision of telecommunication services was as follows:

Mobile services	2025	2024
Data revenue	31,301,087	28,756,080
Voice air-time revenue	9,839,923	10,201,689
Interconnection services	4,094,310	4,492,921
Revenue from SMS	4,533,520	4,457,421
Roaming services	1,865,968	1,523,083
Other value-added services	947,553	1,038,014
Subscription revenue	756,620	826,853
Other revenue	97,725	23,169
	53,436,706	51,319,230
Fixed line services		
Fixed line services	1,913,129	1,458,780
Total revenue from provision of telecommunication services	55,349,835	52,778,010

The majority of revenue is derived from prepaid contracts.

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Commission revenue was as follows:

Commission revenue	2025	2024
Financial services	3,429,345	3,122,422
Utility payments	84,386	121,817
Other	33,518	25,129
	3,547,249	3,269,368

The Group's revenue by pattern of recognition is as follows:

	2025	2024
Revenue recognized over time	59,238,591	56,357,012
Revenue recognized at a point in time	849,807	440,253
	60,088,398	56,797,265

Current year revenue includes AMD 1,510,038 thousand (2024: AMD 1,445,315 thousand) of contract liability balance included in the deferred revenue balance at the beginning of the year.

7 Interconnection and roaming costs

	2025	2024
Interconnection costs	3,351,769	3,333,796
Roaming costs	884,686	777,050
	4,236,455	4,110,846

8 Other network operating costs

	2025	2024
Maintenance of billing system and network equipment	2,556,837	2,389,456
Electric power	1,341,513	1,301,942
Content services	945,754	784,020
Data transferring costs	164,280	287,414
Leases of communication lines and areas	408,048	287,281
Other radio frequencies charges	100,290	95,636
Other	7,172	13,564
	5,523,894	5,159,313

9 Other operating expenses

	2025	2024
Commissions	750,648	790,808
Bank charges and foreign currency conversions*	1,851,925	1,513,501
Office and utility expenses	571,309	564,319
Marketing and advertisement	584,352	490,182
Tax expenses and state duties	249,351	282,059
Travel and training costs	295,601	221,231
Donations and sponsorship	225,787	113,000
Impairment of financial assets	144,110	334,956

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For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	2025	2024
Security	72,239	121,785
Audit and consulting	119,604	111,597
Insurance expenses	125,975	115,851
Other expenses	1,107,584	1,017,375
	6,098,485	5,676,664

**Bank charges and foreign currency conversions” include costs of the Subsidiary at AMD 1,735,205 thousand (2024: AMD 1,428,005 thousand).

10 Finance income

	2025	2024
Interest income on loans provided	2,124,287	1,012,276
Interest income on bank deposits	439,627	43,593
Interest income on cash and cash equivalents	393,725	234,080
Total finance income	2,957,639	1,289,949

11 Finance cost

	2025	2024
Interest expenses on bank loans	952,501	808,701
Interest expenses on lease liabilities	720,802	495,408
Interest expenses on bonds	1,630,647	-
Unwinding of discount on long-term payables	2,296,708	1,682,792
Total finance cost	5,600,658	2,986,901

12 Gain (loss) from foreign exchange rate differences, net

	2025	2024
Financial assets at amortized cost	(1,263,760)	1,628,581
Financial liabilities measured at amortized cost	1,139,029	(253,026)
Gain (loss) from foreign exchange rate differences, net	(124,731)	1,375,555

13 Income tax expense

	2025	2024
Current tax	2,665,419	3,079,272
Adjustments recognized in the current year in relation to the current tax of the prior years	111,994	(521,531)
Deferred tax	149,394	111,285
Total income tax expense	2,926,807	2,669,026

Reconciliation of the effective tax rate is as follows:

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	2025	Effective tax rate (%)	2024	Effective tax rate (%)
Profit before taxation (under IFRS Accounting Standards)	14,503,534		17,600,876	
Tax calculated at a tax rate of 18% (2024: 18%)	2,610,636	18.00	3,168,158	18.00
(Non-taxable) non-deductible items, net	204,177	1.41	18,911	0.11
Effect of transfer pricing	-	-	3,488	0.02
Adjustments recognized in the current year in relation to the current tax of prior years	111,994	0.77	(521,531)	(2.96)
Income tax expense	2,926,807	20.18	2,669,026	15.16

14 Property and equipment

	Lands, buildings, constructions and leasehold improvements	Network and base station equipment	Transmitting devices and constructions	Office equipment, vehicles and fixture and fittings	Total
Cost					
Balance at 1 January 2024	4,122,514	131,172,867	21,494,290	5,361,536	162,151,207
Additions	69,606	2,539,076	521,484	246,549	3,376,715
Disposals	(46,965)	(2,097,368)	(70,115)	(203,305)	(2,417,753)
Transferred to intangible assets	-	(989,914)	-	-	(989,914)
Balance at 31 December 2024	4,145,155	130,624,661	21,945,659	5,404,780	162,120,255
Additions	94,120	10,489,459	396,330	402,794	11,382,703
Disposals	(1,153)	(4,091,536)	(3,375)	(579,096)	(4,675,160)
Balance at 31 December 2025	4,238,122	137,022,584	22,338,614	5,228,478	168,827,798
Accumulated depreciation and impairment					
Balance at 1 January 2024	3,136,180	115,198,655	14,681,293	4,539,056	137,555,184
Depreciation	83,711	4,374,478	995,316	313,173	5,766,678
Impairment	-	46,118	3,147	2,041	51,306
Eliminated on disposal	(46,633)	(2,093,665)	(68,636)	(202,740)	(2,411,674)
Balance at 31 December 2024	3,173,258	117,525,586	15,611,120	4,651,530	140,961,494
Depreciation	73,118	5,853,731	911,612	309,560	7,148,021
Eliminated on disposal	(845)	(4,090,626)	(3,175)	(565,170)	(4,659,816)
Balance at 31 December 2025	3,245,531	119,288,691	16,519,557	4,395,920	143,449,699
Carrying amount					
Balance at 31 December 2024	971,897	13,099,075	6,334,539	753,250	21,158,761
Balance at 31 December 2025	992,591	17,733,893	5,819,057	832,558	25,378,099

In 2025, the Group advanced its 5G deployment following regulatory approvals granting access to radio frequency bands in the 2300–2350 MHz and 2350–2400 MHz ranges for a 10-year period. Under these permits, the Group is required to expand 5G mobile broadband coverage across Armenia through a phased

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For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

rollout. Commitments include achieving outdoor mobile broadband coverage on 98% of interstate highways, with at least 10% supported by 5G within three years, and implementing 5G coverage in priority urban areas and strategic national locations such as airports and border crossing points. Longer-term obligations require increasing 5G coverage across major cities and eventually ensuring 60% 5G coverage of all urban settlements nationwide within seven years.

These regulatory obligations reflect a significant expansion of next-generation network infrastructure and are expected to influence future capital expenditure requirements and the competitive dynamics of the telecommunications sector.

The Group's commitment to the 5G deployment resulted in certain existing equipment being taken out of use, which required a revision of the useful lives of related network assets. During the reporting period, the Group recognized expenses on these assets amounting to AMD 1,146,247 thousand.

The cost of fully depreciated property and equipment is AMD 94,282,164 thousand as at 31 December 2025 (31 December 2024: AMD 83,816,174 thousand).

15 Intangible assets

	Billing and other software	Rights and licenses	Total
Cost			
Balance at 1 January 2024	4,194,763	33,579,578	37,774,341
Additions	295,196	3,201,178	3,496,374
Disposals	(334,622)	(2,694,704)	(3,029,326)
Transferred from property and equipment	-	989,914	989,914
Balance at 31 December 2024	4,155,337	35,075,966	39,231,303
Additions	496,456	15,442,450	15,938,906
Disposals	(663,008)	(2,587,657)	(3,250,665)
Balance at 31 December 2025	3,988,785	47,930,759	51,919,544
Accumulated amortization and impairment			
Balance at 1 January 2024	2,928,850	14,869,020	17,797,870
Amortization	499,504	6,169,268	6,668,772
Eliminated on disposal	(323,731)	(2,617,937)	(2,941,668)
Balance at 31 December 2024	3,104,623	18,420,351	21,524,974
Amortization	556,776	6,810,503	7,367,279
Eliminated on disposal	(663,008)	(2,547,839)	(3,210,847)
Balance at 31 December 2025	2,998,391	22,683,015	25,681,406
Carrying amount			
Balance at 31 December 2024	1,050,714	16,655,615	17,706,329
Balance at 31 December 2025	990,394	25,247,744	26,238,138

The Group holds licenses (permissions) for using radio frequency spectrum to provide telecommunication services. These permissions are issued by the Public Services Regulatory Commission and enable the Group to offer mobile services. The Group pays an annual fee for the use of the radio-frequency spectrum, and these fees are recognized as an intangible asset at their present value. The related liability in respect of future spectrum fees payable is presented in "Trade and other payables" in the consolidated statement of financial position.

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For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

On 2 April 2025, the Public Services Regulatory Commission of Armenia approved the issuance of new radio frequency usage permits to Viva Armenia CJSC for a period of 10 years. The permits cover the 2300–2350 MHz and 2350–2400 MHz bands and were awarded following a competitive tender process aimed at advancing the rollout of public mobile 5G networks across the country for a total amount of AMD 2,500,000 thousand.

The carrying amount of permissions for using radio frequencies as at 31 December 2025 is AMD 15,976,473 thousand (31 December 2024: AMD 9,480,136 thousand).

16 Leases

The Group has leases for the cellular sites (i.e. land, space in cell towers or rooftop surface areas), network infrastructure, and service centers as well as buildings used for administrative or technical purposes.

16.1 Right-of-use assets

	Fiber optic lines	Sites for placement of network equipment	Service centers	Administrative buildings and warehouses	Total
Cost					
Balance at 1 January 2024	765,631	7,773,620	2,242,424	236,981	11,018,656
Additions and remeasurements	579,188	1,727,362	449,947	6,681	2,763,178
Terminations and amendments	(502,709)	(3,705,699)	(1,145,352)	(12,494)	(5,366,254)
Balance at 31 December 2024	842,110	5,795,283	1,547,019	231,168	8,415,580
Additions and remeasurements	1,447,721	1,554,882	574,948	224,829	3,802,380
Terminations and amendments	(940,110)	(847,032)	(535,534)	(240,775)	(2,563,451)
Balance at 31 December 2025	1,349,722	6,503,133	1,586,433	215,222	9,654,510
Accumulated depreciation					
Balance at 1 January 2024	619,446	4,604,953	1,513,353	17,120	6,754,872
Amortization	285,232	1,071,258	384,568	51,833	1,792,891
Eliminated on termination and amendments	(488,981)	(3,145,872)	(1,075,174)	(12,496)	(4,722,523)
Balance at 31 December 2024	415,697	2,530,339	822,747	56,457	3,825,240
Amortization	496,983	987,239	394,847	50,660	1,929,729
Eliminated on termination and amendments	(239,462)	(678,885)	(403,810)	(80,480)	(1,402,637)
Balance at 31 December 2025	673,218	2,838,693	813,784	26,638	4,352,333
Carrying amount					
Balance at 31 December 2024	426,413	3,264,944	724,272	174,711	4,590,340
Balance at 31 December 2025	676,504	3,664,440	772,649	188,584	5,302,177

16.2 Lease liabilities

	31 December 2025	31 December 2024
Minimum lease payments, including:		
Less than 1 year	2,225,631	2,323,974
From 1 to 5 years	4,258,278	4,014,861
Over 5 years	1,264,304	1,292,992
	7,748,213	7,631,827
Less amount representing interest	2,229,445	2,226,361
Present value of minimum lease payments, including:		
Less than 1 year	1,633,726	1,748,032
From 1 to 5 years	3,250,540	3,030,128
Over 5 years	634,502	627,306
Net present value	5,518,768	5,405,466
Including		
Current	1,633,726	1,748,032
Non-current	3,885,042	3,657,434

The weighted average borrowing rate applied by the Group to discount its lease liabilities was 14%.

Interest expense accrued on lease obligations for the year ended 31 December 2025 was AMD 720,802 thousand (2024: AMD 495,408 thousand) and was included in "finance costs".

Lease payments not recognized as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The expense for such payments for 2025 is AMD 408,048 thousand (2024: AMD 287,281 thousand).

17 Loans provided

On 1 March 2024, the Company signed a revolving loan agreement with its parent company, Fedilco Group Limited, with a maximum principal amount of USD 85,000,000. The loan carries an interest rate of 8.5% per annum and has a maturity date of 1 March 2029.

As at 31 December 2025, the outstanding balance of the loan amounted to AMD 23,915,088 thousand (31 December 2024: AMD 26,601,078 thousand), which includes an accrued expected credit loss (ECL) of AMD 228,189 thousand (2024: AMD 177,800 thousand).

Under the statements dated 10 March 2025 and 1 August 2025 between the Company and Fedilco Group Limited, the parties agreed to partially settle the loan by offsetting it against dividends declared in 2025, in the amount of AMD 9,671,170 thousand.

Note 33.2 includes further disclosures relating to credit risk exposures.

18 Deferred income taxes

The movement of deferred income taxes is disclosed below:

	2025	2024
Balance at the beginning of year	2,252,121	2,363,406
(Charged) credited to profit or loss	(149,394)	(111,285)
Balance at the end of year	2,102,727	2,252,121

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

	1 January 2025	Recognized in profit or loss	31 December 2025
Deferred income tax assets			
Property and equipment	708,925	62,526	771,451
Lease obligations	946,251	133,035	1,079,286
Trade and other payables	2,410,088	1,259,602	3,669,690
Inventories	121,590	(23,624)	97,966
Trade and other receivables	36,006	(4,033)	31,973
Loans provided	59,199	(18,125)	41,074
	4,282,059	1,409,381	5,691,440
Deferred income tax liabilities			
Right-of-use assets	826,261	128,130	954,391
Intangible assets	1,203,677	1,430,645	2,634,322
	2,029,938	1,558,775	3,588,713
Net position – deferred income tax assets	2,252,121	(149,394)	2,102,727

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

	1 January 2024	Recognized in profit or loss	31 December 2024
Deferred income tax assets			
Property and equipment	946,207	(237,282)	708,925
Lease obligations	953,056	(6,805)	946,251
Trade and other payables	2,571,921	(161,833)	2,410,088
Inventories	120,869	721	121,590
Trade and other receivables	39,819	(3,813)	36,006
Loans provided	-	59,199	59,199
	4,631,872	(349,813)	4,282,059
Deferred income tax liabilities			
Right-of-use assets	767,481	58,780	826,261
Intangible assets	1,500,985	(297,308)	1,203,677
	2,268,466	(238,528)	2,029,938
Net position – deferred income tax assets	2,363,406	(111,285)	2,252,121

19 Inventories

	31 December 2025	31 December 2024
Spare parts	932,296	233,662
SIM cards and prepaid phone cards	108,574	70,742
Handsets and accessories	113,475	86,789
Other	134,598	92,292
Total inventories	1,288,943	483,485

20 Trade and other receivables

	31 December 2025	31 December 2024
Financial assets		
Receivables from mobile services	2,132,350	1,973,158
Receivables from interconnection	412,679	452,848
Receivables from roaming services	470,031	334,841
Receivables from money transfer services	638,312	899,471
Receivables from intermediaries for collected cash	217,519	178,885
Receivables from dealers	22,952	50,215
Receivables from sale of handsets	51,001	41,694
Other receivables	142,861	22,813
Allowances for expected credit losses	(150,503)	(172,913)
Total financial assets	3,937,202	3,781,012
Non-financial assets		
Current advances for goods and services	257,061	221,743
Prepaid taxes	76,200	20,795
Other	303,615	296,863
Total non-financial assets	636,876	539,401
Total trade and other receivables	4,574,078	4,320,413

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The average credit period on sales of services approximates one month. No interest is charged on trade receivables.

The movement in the loss allowance of trade receivables is as follows:

	2025	2024
Loss allowance as at 1 January	172,913	199,653
Increase in the allowance during the year	79,292	304,411
Written off during the year	(101,702)	(331,151)
Loss allowance as at 31 December	150,503	172,913

Note 33.2 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

See Note 33.1 for the currencies in which the trade and other receivables are denominated.

21 Bank deposits

The Group placed several deposits with local banks at the total balance of AMD 22,032,468 thousand as at 31 December 2025 (AMD 3,525,618 thousand as at 31 December 2024).

Details of the bank deposits are as follows:

Bank	Currency	Principal amount*	Interest	Maturity	31 December 2025
AMIO Bank CJSC	USD	10,000,000	3.75%	11 September 2026	3,857,875
AMIO Bank CJSC	EUR	1,000,000	1.25%	11 February 2026	451,163
AMIO Bank CJSC	AMD	100,000	9.00%	25 February 2026	103,132
AMIO Bank CJSC	AMD	4,500,000	8.95%	30 October 2026	4,570,619
AMIO Bank CJSC	AMD	2,000,000	8.95%	30 November 2026	2,017,164
AMIO Bank CJSC	AMD	2,000,000	8.95%	7 December 2026	2,013,241
AMIO Bank CJSC	AMD	900,000	8.83%	May 2026	948,839
Inecobank CJSC	EUR	500,000	3.00%	26 February 2026	228,546
Inecobank CJSC	USD	550,000	2.25%	20 August 2026	210,928
Ameria Bank CJSC	USD	20,000,000	3.00%	26 June 2026	7,630,961
					22,032,468

*Principal amounts in AMD are rounded to the nearest thousand

Bank	Currency	Principal amount	Interest	Maturity	31 December 2024
AMIO Bank CJSC	USD	7,400,000	3.50%	February 2025	2,973,522
AMIO Bank CJSC	EUR	800,000	3.00%	February 2025	332,759
Inecobank CJSC	USD	550,000	2.25%	August 2025	219,337
					3,525,618

Note 33.2 includes disclosures relating to credit risk exposures and market risk analysis for bank deposits.

22 Cash and cash equivalents and cash balances on restricted accounts

Cash and cash equivalents and cash balances on restricted accounts at the end of the financial year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position, as follows:

	31 December 2025	31 December 2024
Bank accounts	2,729,791	5,002,217
Cash in hand	11,527	47,227
Cash in transit	186,750	254,713
Cash and cash equivalents reported in the consolidated statement of cash flows	2,928,068	5,304,157
Cash balances on restricted accounts	1,246,076	846,404
Cash and cash equivalents and cash balances on restricted accounts reported in the consolidated statement of financial position	4,174,144	6,150,561

Balances held on restricted accounts represent designated bank accounts maintained by the Subsidiary. At all times, the balance in these accounts is required to be no less than the total collections from the previous day. These funds are restricted in use and may only be utilized for the purpose of fulfilling payment obligations related to collection services.

See Note 33.1 for the currencies in which the cash and cash equivalents are denominated.

23 Equity

23.1 Share capital

Number of shares unless otherwise stated	Ordinary shares	Ordinary shares
	2025	2024
Authorized shares		
Number of ordinary shares of AMD 1,000 each	550,000	550,000

The Company has one class of ordinary shares, which carry no right to fixed income.

23.2 Dividends

On 27 February 2025 and 30 July 2025, the General Meeting of Viva Armenia CJSC Shareholders made a decisions to distribute dividends in the amount of AMD 10,000,000 thousand and AMD 8,000,000 thousand respectively. The dividends were allocated to shareholders in proportion to their holdings.

23.3 Reserve capital

The reserve capital is used to transfer profits from accumulated profit. These transfers are regulated by the Company's charter and RA Law "On Joint Stock Companies", which state that the Company is obligated to create an undistributable reserve, capped at 15% of the issued share capital. The purpose of this reserve is to cover potential future losses.

24 Bank loans

The Group obtained several loans from local Armenian banks. The loans were taken for the purposes to make capital investment, replenishing working capital, lending, and repaying other obligations.

Details of the loan agreements are as follows:

Bank	Principal amount	Interest	Maturity	In thousand AMD	
				31 December 2025	31 December 2024
Ameria Bank CJSC	\$20,000,000	8.75%	20 May 2027	4,644,632	7,106,355
Ameria Bank CJSC	\$5,000,000	8.75%	27 May 2027	-	2,669,130
Converse Bank CJSC	\$2,700,000	8.25%	28 October 2027	697,932	1,085,925
ID Bank CJSC	\$5,000,000	8.25%	4 September 2029	-	1,988,178
AMIO Bank CJSC	\$12,000,000	8.175%	20 May 2031	4,408,290	4,777,892
				9,750,854	17,627,480

All loans are secured by a guarantee from the Group's parent, Fedilco Group Limited, which pledges all of its bank accounts, funds on deposit with financial institutions as collateral for the loans.

As at 31 December 2025 the Group has no undrawn borrowing facilities.

See Note 33.1 for more information about the Group's exposure to foreign currency risks.

25 Bonds issued

On 12 February 2025, Viva Armenia CJSC launched a public placement of nominal, coupon paying bonds. The offering involved the issuance of US dollar-denominated bonds with a total face value of 80 million US dollars. The underwriter for these bonds is Ameriabank CJSC.

Each bond has a face value of 100 US dollars, carries an annual coupon rate of 7.65% (payable semi-annually), and matures in 36 months. The effective rate is calculated at 8.15%.

The placement of bonds was successfully completed on 23 June 2025, with the entire issue fully subscribed, raising the targeted amount of 80 million US dollars. The first coupon payment was made on 12 August 2025, in the amount of AMD 1,174,459 thousand (USD 3,060,000).

The proceeds from the issuance are used by the Group to refinance existing debt and fund capital expenditures and other strategic initiatives. The bonds issued are listed on the Armenia Securities Exchange.

26 Contract liabilities

	31 December 2025	31 December 2024
Deferred mobile revenues	1,128,343	1,027,038
Roaming deposits	27,385	33,645
Other prepayments received	173,223	483,000
	1,328,951	1,543,683

Contract liabilities represent amounts paid by customers to the Group before receiving the goods and services promised in the contract.

Revenue recognized that was included in the contract liabilities balance at the beginning of the year amounted to AMD 1,510,038 thousand (for the year ended 31 December 2024: AMD 1,445,315 thousand).

The Group expects to recognize almost the entire amount of contract liabilities as at 31 December 2025 as revenue in 2026.

27 Trade and other payables

	31 December 2025	31 December 2024
Non-current		
Payables for spectrum fees	16,047,597	9,689,528
Provisions	666,054	-
	16,713,651	9,689,528
Current		
Trade payables	2,165,795	1,622,616
Payables for spectrum fees	3,408,655	1,508,242
Payables to employees	2,368,242	2,051,187
Payables to the State budget	647,400	135,600
Payables for acquisition of telecom equipment and software	1,788,468	55,422
Other payables and accruals	480,577	165,016
	10,859,137	5,538,083
Total trade and other payables	27,572,788	15,227,611

Payables to employees include liabilities in respect of unused vacation days and accrued bonuses.

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As described in Note 15, the Group pays an annual fee for the use of the radio-frequency spectrum to the Public Services Regulatory Commission, and these fees are recognized as an intangible asset at their present value. The related liability in respect of future spectrum fees payable is presented in payables for spectrum fees.

Provisions represent the obligation for asset retirement obligations. Based on the useful lives of the installed assets and expected future technological developments, the average restoration period is estimated to the end of the operational license period, which is November 2034. The present value of the restoration costs was calculated by discounting the estimated expenditures using a risk-free rate of 9% and expected inflation of 3.8%. The corresponding amount has been capitalized as part of the cost of the right-of-use assets.

The Group has financial risk management policies to ensure that all payables are paid within the credit timeframe.

See Note 33.1 for more information about the Group's exposure to foreign currency risk.

28 Reconciliation of liabilities arising from financing activities

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

	Dividends	Bonds	Bank loans	Lease liabilities	Spectrum fees payable	Total
Balance at 1 January 2024	21,669,500	-	-	5,486,708	13,433,746	40,589,954
Cash-flows						
Proceeds	185,182	-	17,350,976	-	-	17,536,158
Principal payments	(5,700,000)	-	(186,610)	(2,687,172)	(3,918,768)	(12,492,550)
Withholding tax paid	(1,890,500)	-	-	-	-	(1,890,500)
Interest paid	-	-	(717,648)	-	-	(717,648)
Non-cash						
Dividend declared	6,000,000	-	-	-	-	6,000,000
Reclassified from payables to the State budget	1,590,500	-	-	-	-	1,590,500
Offset with loans	(21,854,682)	-	-	-	-	(21,854,682)
Interest accrued	-	-	808,701	495,408	1,682,792	2,986,901
Additions and remeasurements	-	-	-	2,763,178	-	2,763,178
Terminations and amendments	-	-	-	(643,731)	-	(643,731)
Foreign exchange gain (loss)	-	-	372,061	(8,925)	-	363,136
Balance at 31 December 2024	-	-	17,627,480	5,405,466	11,197,770	34,230,716
Cash-flows						
Proceeds	-	31,648,913	-	-	-	31,648,913
Principal payments	(7,608,830)	-	(7,232,958)	(2,573,551)	(3,139,180)	(20,554,519)
Withholding tax paid	(720,000)	-	-	-	-	(720,000)
Interest paid	-	(1,174,459)	(1,211,898)	-	-	(2,386,357)
Other costs paid	-	(256,481)	-	-	-	(256,481)
Non-cash						
Dividend declared	18,000,000	-	-	-	-	18,000,000
Offset with loans	(9,671,170)	-	-	-	-	(9,671,170)
Interest accrued	-	1,630,647	952,501	720,802	2,296,708	5,600,658
Additions and remeasurements	-	-	-	3,136,326	9,100,954	12,237,280

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	Dividends	Bonds	Bank loans	Lease liabilities	Spectrum fees payable	Total
Terminations and amendments	-	-	-	(1,160,814)	-	(1,160,814)
Foreign exchange gain (loss)	-	(649,922)	(384,271)	(9,461)	-	(1,043,654)
Balance at 31 December 2025	-	31,198,698	9,750,854	5,518,768	19,456,252	65,924,572

29 Related parties

The Group's related parties include its parent companies, entities under common control, key management personnel, and other related parties as detailed below.

29.1 Control relationships

The Group is controlled by Fedilco Group Limited, which holds 80% of the Company's shares.

The ultimate parent of the Group is Nofal Holdings Limited, which has 75% ownership interest in Fedilco Group Limited. Nofal Holdings Limited is registered in the Republic of Cyprus, registration number: HE433417, registration date: 18 April 2022, registered address: Stasandrou 9, Flat/Office 201, 1060, Nicosia, Cyprus.

The ultimate beneficial owners of Viva Armenia CJSC are:

- Mr. Zhe Zhang who holds 60% of the Company's shares indirectly;
- Mr. Konstantin Sokolov who holds 20% of the Company's shares indirectly;
- Republic of Armenia which holds 20% of the Company's shares directly.

The authority to manage the shares of the Republic of Armenia is reserved to the Office of the Prime Minister of Armenia.

29.2 Transactions with related parties

Viva Armenia CJSC has a revolving loan agreement with its parent company, Fedilco Group Limited, with a maximum principal amount of USD 85,000,000. The loan carries an interest rate of 8.5% per annum and has a maturity date of 1 March 2029.

During the reporting period, the Company provided loans to its parent company totaling AMD 5,857,950 thousand (USD 15,000 thousand) (2024: AMD 25,218,942 thousand (USD 65,000 thousand)).

During the year, the parties agreed to partially settle the loan by offsetting it against dividends declared in 2025, in the amount of AMD 9,671,170 thousand.

The outstanding balance of the loan as of 31 December 2025 is AMD 23,915,088 thousand (2024: AMD 26,601,078 thousand). Accrued interest income equals to AMD 2,124,287 thousand (2024: AMD 1,012,276 thousand).

Fedilco Group Limited provided guarantees for all bank loans of Viva Armenia CJSC.

29.3 Transactions with management and close family members

The Director of Viva Armenia CJSC and their close family members as at 31 December 2025 and 31 December 2024 had no shares in the Group.

Key management received the following remuneration during the year, which is included in "payroll and employee benefits" in the consolidated statement of profit or loss. The balance in respect of accrued salaries and bonuses is included in "Trade and other payables".

	2025	2024
Salaries and bonuses	1,992,319	1,980,609
Trade and other payables	857,051	961,153

30 Commitments

30.1 Capital commitments

The Group has entered into contracts for capital commitments for AMD 8,615,922 thousand (2024: AMD 3,721,471 thousand).

The Group is planning substantial investments in developing its 5G network to ensure consistent operations and future growth. The acquired frequency bands during the year require a phased expansion of 5G coverage, including outdoor mobile broadband coverage of interstate highways with at least 10% enabled by 5G within three years, and deployment in priority urban areas, airports, and border-crossing points. Longer-term obligations include extending 5G to major cities and achieving 60% coverage of all urban settlements within seven years.

There are no future capital commitments of the Group with related parties.

31 Contingent liabilities

31.1 Insurance

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

31.2 Taxes

The taxation system in Armenia is characterized by frequently changing legislation, which sometimes needs interpretations. Often differing interpretations exist among various taxation authorities and jurisdictions. Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose fines and penalties.

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

32 Financial assets and liabilities

Categories of financial instruments

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

Financial assets

	31 December 2025	31 December 2024
Amortized cost		
Loans provided	23,915,088	26,601,078
Trade receivables	3,937,202	3,781,012
Bank deposits	22,032,468	3,525,618
Cash and cash equivalents	2,928,068	5,304,157
Cash balances on restricted accounts	1,246,076	846,404
Total financial assets	54,058,902	40,058,269

Financial liabilities

	31 December 2025	31 December 2024
Amortized cost		
Lease obligations	5,518,768	5,405,466
Bank loans	9,750,854	17,627,480
Bonds issued	31,198,698	-
Contract liabilities	22,107	204,307
Trade and other payables	26,925,388	15,092,011
Total financial liabilities	73,415,815	38,329,264

Details of each financial instrument is presented in respective notes.

Note 33 includes risk analysis relating to financial instruments.

Note 34 includes disclosures relating to fair value measurements of instruments.

33 Financial instruments risk

Risk management objectives and policies

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

The most significant financial risks to which the Group is exposed are described below.

33.1 Market risk analysis

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

Foreign currency risk

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

Most of the Group's transactions are carried out in Armenian drams. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in USD and Euro. The Group also has significant USD loans provided, bank loans received, bonds issued and deposits.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are translated into Armenian drams at the closing rate:

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

Item

31 December 2025	USD	Euro	RUR
Financial assets			
Loans provided	23,915,088	-	-
Trade receivables	102,903	786,223	687,627
Bank deposits	11,698,584	679,709	-
Cash and cash equivalents	207,751	138,886	274,365
Total financial assets	35,924,326	1,604,818	961,992
Financial liabilities			
Lease obligations	445,299	38,827	-
Bonds issued	31,198,698	-	-
Bank loans	9,769,458	-	-
Trade and other payables	1,507,904	600,420	9,671
Total financial liabilities	42,921,359	639,247	9,671
Net position	(6,997,033)	965,571	952,321

Item

31 December 2024	USD	Euro	RUR
Financial assets			
Loans provided	26,601,078	-	-
Trade receivables	61,453	321,645	5,489
Bank deposits	3,191,629	332,759	-
Cash and cash equivalents	415,562	390,784	86,825
Cash held on restricted accounts	-	-	261,194
Total financial assets	30,269,722	1,045,188	353,508
Financial liabilities			
Lease obligations	191,410	-	-
Bank loans	17,627,480	-	-
Contract liabilities	-	-	142,782
Trade and other payables	159,304	131,589	3,991
Total financial liabilities	17,978,194	131,589	146,773
Net position	12,291,528	913,599	206,735

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

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

	2025	2024
USD	699,703	(1,229,153)
Euro	(96,557)	(91,360)

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

33.2 Credit risk analysis

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

The Group's management carefully manages its exposure to credit risk. The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures. The estimation of credit risk for risk management purposes involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time.

In accordance with IFRS 9 the Group records an allowance for expected credit losses (ECL) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows that the Group expects to receive. The shortfall is discounted at an approximation to the asset's original effective interest rate.

The expected credit-loss approach uses three stages for allocating impairment losses:

Stage 1: expected credit losses within the next twelve months

Stage 1 includes all contracts with no significant increase in credit risk since initial recognition and usually contains new contracts that are fewer than 31 days past due date. The portion of the lifetime expected credit losses resulting from default events possible within the next 12 months is recognized.

Stage 2: expected lifetime credit losses - not credit impaired

If a financial asset has a significant increase in credit risk since initial recognition but is not yet credit impaired, it is moved to stage 2 and measured at lifetime expected credit loss. This is defined as the expected credit loss that results from all possible default events over the expected life of the financial instrument.

In all cases, the Group considers that there has been a significant increase in credit risk when the contractual payment is more than 31 days past due.

Stage 3: expected lifetime credit losses - credit impaired

If a financial asset is defined as credit impaired or in default, it is transferred to stage 3 and measured at lifetime expected credit loss. Objective evidence for a credit-impaired financial asset includes 90 days past due date as well as other information indicating significant financial difficulties of the counterparty. The Group considers a financial asset to be in default when the counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default, which is made at least monthly, incorporating external credit rating information as well as internal information on the credit quality of the financial asset. For financial assets that are not receivable from financial institutions, a significant increase in credit risk is assessed mainly based on past-due information.

The maximum exposure to credit risk is represented by the carrying amounts of the following financial instruments:

	31 December 2025	31 December 2024
Amortized cost		
Loans provided	23,915,088	26,601,078
Trade receivables	3,937,202	3,781,012
Bank deposits	22,032,468	3,525,618
Cash and cash equivalents	2,916,541	5,256,930
Cash held on restricted accounts	1,246,076	846,404

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For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	31 December 2025	31 December 2024
Total financial assets	54,047,375	40,011,042

Trade receivables

The concentration of credit risk with respect to trade receivables is limited given that the Group's customer base is large and unrelated.

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

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due for groupings of various customer segments with similar loss patterns. The expected loss rates are based on the payment profile for sales of the last year as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to make payments and failure to engage with the Group on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery.

The Group's management reviews ageing analysis of outstanding trade receivables and follows up on past due balances. Management therefore considers it appropriate to provide ageing and other rating information about credit risk of these receivables as follows:

	2025	2024
Receivables from mobile and related services	3,231,874	2,875,569
Expected credit losses	(150,503)	(172,913)
	3,081,371	2,702,656
Receivables from financial institutions	855,831	1,078,356
	3,937,202	3,781,012

31 December 2025	Expected credit loss	Gross carrying amount	Lifetime expected credit loss
Non past due - 30	0.3%	2,969,425	10,152
31- 60	8.7%	80,429	6,988
61 - 90	25.4%	26,127	6,646
91 - 180	45.1%	42,702	19,277
181 – 360	86.7%	43,144	37,393
361 - more	100.0%	70,047	70,047
		3,231,874	150,503

31 December 2024	Expected credit loss	Gross carrying amount	Lifetime expected credit loss
Non past due - 30	0.4%	2,601,632	9,779
31- 60	10.9%	65,440	7,127
61 - 90	27.4%	27,695	7,599
91 - 180	46.3%	44,561	20,633

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

31 December 2024	Expected credit loss	Gross carrying amount	Lifetime expected credit loss
181 – 360	83.0%	49,710	41,244
361 - more	100.0%	86,531	86,531
		2,875,569	172,913

Management believes there is no further credit risk provision required in excess of the normal provision for bad and doubtful receivables.

Bank balances, deposits and receivables from financial institutions

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

The table below discloses the credit quality of balances from financial institutions based on credit risk grades at 31 December 2025 and 31 December 2024.

S&P Global Ratings	2025	2024
A+	116,175	52,268
BB-	9,863,175	1,483,863
B+	5,605	1,202,464
B	-	7,052
Not rated	15,962,378	7,961,661
CCC/C	247,752	-
Total	26,195,085	10,707,308

Management assessed the balances held in unrated banks and amounts due from financial institutions to be within the BB- –B+ credit rating range, based on S&P equivalents.

The above bank balances, deposits, and receivables are neither past due nor impaired, and the expected credit loss (ECL) is considered insignificant.

Loans provided

The Group management concluded that there is no significant increase in credit risk in respect of the loan balance provided to the parent company since initial recognition, and recognized the lifetime expected credit loss possible within the next 12 months at the amount of AMD 228,198 thousand (2024: AMD 177,800 thousand). The loan provided is not secured.

33.3 Liquidity risk analysis

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

2025	Demand and less than 1 month	1 month to 6 months	6 months to one year	From 1 to 5 years	More than 5 years	Total
Assets						
Loans provided	-	-	-	30,371,918	-	30,371,918
Trade receivables	3,937,202	-	-	-	-	3,937,202
Bank deposits	-	9,362,641	12,669,827	-	-	22,032,468
Cash and bank balances	2,928,068	-	-	-	-	2,928,068
Cash held on restricted accounts	1,246,076	-	-	-	-	1,246,076
	8,111,346	9,362,641	12,669,827	30,371,918	-	60,515,732
Liabilities						
Lease obligations	246,102	866,714	1,112,816	4,258,278	1,264,304	7,748,213
Bank loans	65,216	1,886,360	1,049,456	11,287,483	-	14,288,515
Bonds issued	-	1,166,962	1,166,962	34,009,685	-	36,343,608
Contract liabilities	22,107	-	-	-	-	22,107
Trade and other payables	4,289,192	1,808,648	695,724	9,517	-	6,803,082
Spectrum fee payables	1,222,871	3,291,082	3,291,082	15,830,879	8,093,806	31,729,719
Provisions	-	-	-	-	666,054	666,054
Total potential future payments for financial obligations	5,845,488	9,019,765	7,316,039	65,395,842	10,024,164	97,601,298
Net liquidity position	2,265,858	342,876	5,353,788	(35,023,924)	(10,024,164)	(37,085,566)
2024						
	Demand and less than 1 month	1 month to 6 months	6 months to one year	From 1 to 5 years	More than 5 years	Total
Assets						
Loans provided	-	-	-	36,202,376	-	36,202,376
Trade receivables	2,559,375	813,075	408,562	-	-	3,781,012
Bank deposits	-	3,307,510	218,108	-	-	3,525,618
Cash and bank balances	5,304,157	-	-	-	-	5,304,157
Cash held on restricted accounts	846,404	-	-	-	-	846,404
	8,709,936	4,120,585	626,670	36,202,376	-	49,659,567
Liabilities						
Lease obligations	148,516	1,013,471	1,161,987	4,014,861	1,292,992	7,631,827
Bank loans	89,576	3,419,216	1,133,125	13,084,531	4,211,813	21,938,260
Contract liabilities	204,307	-	-	-	-	204,307
Trade and other payables	3,974,419	1,428,190	1,428,190	11,890,929	1,149,806	19,871,533
Total potential future payments for financial obligations	4,416,818	5,860,876	3,723,301	28,990,321	6,654,611	49,645,927
Net liquidity position	4,293,118	(1,740,291)	(3,096,631)	7,212,055	(6,654,611)	13,641

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, particularly its cash resources, bank deposits and trade receivables.

34 Fair value measurement

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

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

34.1 Fair value measurement of financial instruments

The carrying amount of the Group's financial instruments are considered to be a reasonable approximation of the fair value.

Trade receivables and payables, bank deposits, cash and cash equivalents are either liquid or short-term, thus, it is assumed that the carrying amount is close to their fair value.

The fair values of the Group's interest-bearing loans and borrowings are determined by using the discounted cash flows method using the discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

The table below presents the fair values analyzed by level in the fair value hierarchy and the carrying value of assets and liabilities not measured at fair value are as follows:

	31 December 2025				31 December 2024			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying amount	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying amount
Assets								
Financial assets at amortized cost								
Loans provided	-	23,915,088	-	23,915,088	-	26,601,078	-	26,601,078
Trade receivables	-	3,937,202	-	3,937,202	-	3,781,012	-	3,781,012
Bank deposits	-	22,032,468	-	22,032,468	-	3,525,618	-	3,525,618
Cash and cash equivalents	-	2,928,068	-	2,928,068	-	5,304,157	-	5,304,157
Cash balances on restricted accounts	-	1,246,076	-	1,246,076	-	846,404	-	846,404
Total assets	-	54,058,902	-	54,058,902	-	40,058,269	-	40,058,269

	31 December 2025				31 December 2024			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying amount	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying amount
Liabilities								
Borrowings								
Bank loan	-	9,750,854	-	9,750,854	-	17,627,480	-	17,627,480
Bonds issued	-	31,198,698	-	-	-	-	-	-

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For the year ended 31 December 2025 (expressed in thousands of Armenian drams (AMD))

	31 December 2025				31 December 2024			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying amount	Level 1 fair value	Level 2 fair value	Level 3 fair value	Carrying amount
Other financial liabilities								
Contract liabilities	-	22,107	-	22,107	-	204,307	-	204,307
Trade payables	-	26,925,388	-	26,925,388	-	15,092,011	-	15,092,011
Total liabilities	-	67,897,047	-	36,698,349	-	32,923,798	-	32,923,798

35 Capital management policies and procedures

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

The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves, bank loans, bonds issued and accumulated profits.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital using a ratio of "net debt" to "adjusted equity".

	31 December 2025	31 December 2024
Net debt		
Bank loans	9,750,854	17,627,480
Bonds issued	31,198,698	-
Less: cash and cash equivalents	(2,928,068)	(5,304,157)
	38,021,484	12,323,323
Total equity	39,993,983	46,417,256
Net debt to equity ratio	0.95	0.27

36 Events after the reporting period

Dividends

On 6 March 2026, the General Meeting of Shareholders of Viva Armenia CJSC approved the distribution of dividends in the amount of AMD 10,000,000 thousand. The dividends were allocated to shareholders in proportion to their respective holdings.