

TELECOM Armenia OJSC

**International Financial Reporting Standards
Financial Statements
(not audited)**

30 September 2025

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Financial Statements

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TELECOM Armenia OJSC
Statement of Financial Position

<i>In thousands of Armenian Drams</i>	30 September 2025	31 December 2024 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	29,350,737	28,409,826
Investment property	6,097,112	6,097,112
Intangible assets	11,957,382	12,264,582
Prepayments for indefeasible right-of-use (IRU)	1,175,414	1,175,414
Leasehold improvements	983,870	859,745
Right-of-use assets	6,195,297	5,921,387
Prepayments for non-current assets	8,975,114	1,892,432
Loans issued	20,164,067	19,629,859
Deferred income tax assets	1,360,417	1,360,417
Deferred expenses	58,084	58,084
Investments in joint ventures	198,914	198,914
Total non-current assets	86,516,408	77,867,772
Current assets		
Inventories	658,323	651,030
Trade and other receivables	12,332,872	12,643,219
Current income tax prepayments	269,728	269,728
Other taxes receivable	153,091	160,580
Deferred expenses	45,804	45,804
Term deposit	-	673,914
Cash and cash equivalents	685,974	7,905,458
Total current assets	14,145,792	22,349,733
TOTAL ASSETS	100,662,200	100,217,505
EQUITY		
Share capital	22,837,709	22,837,709
Share premium	4,240,000	4,240,000
Retained earnings	14,307,852	12,194,787
Reserve capital	3,425,656	3,425,656
TOTAL EQUITY	44,811,217	42,698,152
LIABILITIES		
Non-current liabilities		
Bonds issued	28,054,905	28,967,505
Other financial payables	2,225,869	2,225,869
Lease liabilities	3,594,436	3,870,684
Provisions for asset retirement obligations	1,871,950	1,740,060
Deferred income	14,968	14,968
Total non-current liabilities	35,762,128	36,819,086
Current liabilities		
Bonds issued	170,493	184,547
Lease liabilities	1,859,095	2,039,264
Trade and other financial payables	9,258,949	10,675,835
Provisions for liabilities and charges	34,947	35,479
Deferred income	19,254	19,254
Payables to staff	1,335,192	1,223,856
Advances received	6,850,691	5,987,713
Other taxes payable	560,234	534,319
Total current liabilities	20,088,855	20,700,267
TOTAL LIABILITIES	55,850,983	57,519,353
TOTAL LIABILITIES AND EQUITY	100,662,200	100,217,505

Hayk Yesayan
General Director

Karen Mnatsakanyan
Financial Director

Tatevik Gevorgyan
Chief Accountant

TELECOM Armenia OJSC
Statement of Profit or Loss and Other Comprehensive Income

<i>In thousands of Armenian Drams</i>	Jan-Sep 2025	Jan-Sep 2024
Revenue from mobile communication services	13,393,450	12,625,259
Revenue from fixed communication services	9,302,648	10,097,567
Revenue from sale of equipment	1,979,682	2,190,320
Other revenue	4,839,813	1,488,331
Total revenues	29,515,593	26,401,477
Cost of services provided	(17,091,462)	(15,679,495)
Cost of equipment sold	(1,806,403)	(2,054,578)
Total cost of sales	(18,897,865)	(17,734,073)
Gross profit	10,617,728	8,667,404
Other operating income	391,426	43,013
General and administrative expenses	(4,049,722)	(3,849,499)
Distribution expenses	(2,472,381)	(2,562,435)
Other operating expenses	(503,488)	(256,829)
Net change for expected credit losses on financial assets	(500,290)	(122,969)
Operating profit	3,483,273	1,918,685
Finance income	1,261,132	1,335,539
Finance costs	(2,547,000)	(2,184,106)
Foreign exchange losses less gains	(84,340)	(79,195)
Profit before income tax	2,113,065	990,923
PROFIT	2,113,065	990,923
TOTAL COMPREHENSIVE INCOME	2,113,065	990,923

TELECOM Armenia OJSC
Statement of Changes in Equity

<i>In thousands of Armenian Drams</i>	Share capital	Share premium	Retained earnings	Reserve capital	Total
Balance at 1 January 2024	22,837,709	4,240,000	10,770,742	3,425,656	41,274,107
Profit for 2024	-	-	1,424,045	-	1,424,045
Total comprehensive income for 2024	-	-	1,424,045	-	1,424,045
Balance at 31 December 2024	22,837,709	4,240,000	12,194,787	3,425,656	42,698,152
Profit for Jan-Sep 2025	-	-	2,113,065	-	2,113,065
Total comprehensive income for 2025	-	-	2,113,065	-	2,113,065
Balance at 30 September 2025	22,837,709	4,240,000	14,307,852	3,425,656	44,811,217

TELECOM Armenia OJSC
Statement of Cash Flows

<i>In thousands of Armenian Drams</i>	Jan-Sep 2025	Jan-Sep 2024
Cash flows from operating activities		
Cash received from customers	29,756,188	30,055,795
Cash proceeds from rent	990,679	1,193,156
Cash proceeds from other operating activities	910,778	193,813
Interest received	19,800	75,849
Cash paid to service providers	(9,957,021)	(7,306,794)
Cash paid to staff	(5,673,619)	(5,394,740)
Cash paid to inventory suppliers	(2,859,732)	(3,127,138)
Taxes other than on income tax paid	(3,686,904)	(3,150,269)
Interest paid	(1,828,983)	(1,047,249)
Cash paid for business trips	(55,292)	(23,649)
Cash paid for other operating activities	(17,740)	(686,074)
Net cash from operating activities	7,598,154	10,782,700
Cash flows from investing activities		
Purchases/sale of property, plant and equipment	(13,291,171)	(6,931,489)
Investments in joint ventures	-	-
Repayment received on bank deposits	1,791,429	802,459
Placement of bank deposits	(1,104,117)	(819,655)
Net cash used in investing activities	(12,603,859)	(6,948,685)
Cash flows from financing activities		
Received loans	-	774,680
Repayment of loans	-	(1,037,065)
Rents paid	(2,178,171)	(1,747,396)
Net cash from financing activities	(2,178,171)	(2,009,781)
Effect of exchange rate changes on cash and cash equivalents	(35,608)	(14,213)
Net change in cash and cash equivalents	(7,219,484)	1,810,021
Cash and cash equivalents at the beginning of the period	7,905,458	989,762
Cash and cash equivalents at the end of the period	685,974	2,799,783