

TELECOM Armenia OJSC

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

31 December 2025

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TELECOM Armenia OJSC
Statement of Financial Position

<i>In thousands of Armenian Drams</i>	31 December 2025	31 December 2024 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	29,727,726	28,409,826
Investment property	6,097,112	6,097,112
Intangible assets	13,441,272	12,264,582
Prepayments for indefeasible right-of-use (IRU)	1,175,414	1,175,414
Leasehold improvements	1,201,784	859,745
Right-of-use assets	6,286,600	5,921,387
Prepayments for non-current assets	1,966,206	1,892,432
Loans issued	16,514,799	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	78,028,328	77,867,772
Current assets		
Inventories	880,034	651,030
Trade and other receivables	12,341,322	12,643,219
Current income tax prepayments	269,728	269,728
Other taxes receivable	74,142	160,580
Deferred expenses	45,804	45,804
Term deposit	-	673,914
Cash and cash equivalents	9,134,776	7,905,458
Total current assets	22,745,806	22,349,733
TOTAL ASSETS	100,774,134	100,217,505
EQUITY		
Share capital	22,837,709	22,837,709
Share premium	4,240,000	4,240,000
Retained earnings	13,746,401	12,194,787
Reserve capital	3,425,656	3,425,656
TOTAL EQUITY	44,249,766	42,698,152
LIABILITIES		
Non-current liabilities		
Bonds issued	27,979,505	28,967,505
Other financial payables	2,225,869	2,225,869
Lease liabilities	3,820,863	3,870,684
Provisions for asset retirement obligations	1,915,914	1,740,060
Deferred income	14,968	14,968
Total non-current liabilities	35,957,119	36,819,086
Current liabilities		
Bonds issued	178,679	184,547
Lease liabilities	1,859,095	2,039,264
Trade and other financial payables	9,946,061	10,675,835
Provisions for liabilities and charges	25,617	35,479
Deferred income	19,254	19,254
Payables to staff	1,192,652	1,223,856
Advances received	6,883,688	5,987,713
Other taxes payable	462,203	534,319
Total current liabilities	20,567,249	20,700,267
TOTAL LIABILITIES	56,524,368	57,519,353
TOTAL LIABILITIES AND EQUITY	100,774,134	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-Dec 2025	Jan-Dec 2024
Revenue from mobile communication services	18,115,893	17,050,428
Revenue from fixed communication services	12,510,578	13,400,945
Revenue from sale of equipment	3,630,546	2,701,055
Other revenue	2,044,184	1,896,217
Total revenues	36,301,201	35,048,645
Cost of services provided	(23,236,592)	(21,906,182)
Cost of equipment sold	(3,422,334)	(2,239,631)
Total cost of sales	(26,658,926)	(24,145,813)
Gross profit	9,642,275	10,902,832
Income from measuring of investment property	-	(138,650)
Other operating income	3,938,863	169,352
General and administrative expenses	(5,549,053)	(4,782,476)
Distribution expenses	(3,387,257)	(3,478,581)
Other operating expenses	(675,492)	(476,523)
Net change for expected credit losses on financial assets	(622,854)	(263,086)
Operating profit	3,346,482	2,459,040
Finance income	1,680,704	2,026,693
Finance costs	(3,392,348)	(2,667,753)
Foreign exchange losses less gains	(83,224)	(14,984)
Profit before income tax	1,551,614	1,802,996
Income before taxes	-	(378,951)
Profit	1,551,614	1,424,045
TOTAL COMPREHENSIVE INCOME	1,551,614	1,424,045

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 2025	-	-	1,551,614	-	1,551,614
Total comprehensive income for 2025	-	-	1,551,614	-	1,551,614
Balance at 31 December 2025	22,837,709	4,240,000	13,746,401	3,425,656	44,249,766

TELECOM Armenia OJSC
Statement of Cash Flows

<i>In thousands of Armenian Drams</i>	Jan-Dec 2025	Jan-Dec 2024
Cash flows from operating activities		
Cash received from customers	38,112,511	36,637,875
Cash proceeds from rent	1,409,252	1,583,782
Cash proceeds from other operating activities	1,362,858	319,252
Interest received	29,358	128,174
Cash paid to service providers	(12,579,441)	(10,607,099)
Cash paid to staff	(7,942,772)	(7,041,425)
Cash paid to inventory suppliers	(4,274,717)	(4,622,779)
Taxes other than on income tax paid	(4,654,169)	(4,224,105)
Interest paid	(2,431,587)	(2,297,730)
Cash paid for business trips	(74,952)	(32,970)
Cash paid for other operating activities	(25,255)	(28,103)
Net cash from operating activities	8,931,086	9,814,871
Cash flows from investing activities		
Purchases/sale of property, plant and equipment	(7,964,400)	(10,535,439)
Investments in joint ventures	-	(200,000)
Repayment of borrowings provided	4,000,000	-
Repayment received on bank deposits	1,791,429	1,530,000
Placement of bank deposits	(1,104,117)	(833,256)
Net cash used in investing activities	(3,277,088)	(10,038,695)
Cash flows from financing activities		
Received loans	-	1,571,750
Repayment of loans	-	(20,076,440)
Proceeds from issuance of bonds	-	29,301,491
Rents paid	(4,380,346)	(3,650,350)
Net cash from financing activities	(4,380,346)	(7,146,451)
Effect of exchange rate changes on cash and cash equivalents	(44,334)	(6,931)
Net change in cash and cash equivalents	(1,229,318)	6,915,696
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	9,134,776	7,905,458