

Renshin LLC

**Consolidated Financial Statements
for 2025**

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Independent Auditors' Report

To the Shareholders and Board of Directors of Renshin LLC

Opinion

We have audited the consolidated financial statements of Renshin LLC (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory 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 (IFRS Accounting Standards).

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 *Auditors' 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) (*IESBA Code*), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements in the Republic of Armenia. We have also fulfilled our other ethical responsibilities in accordance with these 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Property	
Please refer to Note 11 in the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group's investment property, measured at fair value, amounted to AMD 13,615,614 thousand as at 31 December 2025.</p> <p>The fair value of the investment property was determined by management with reference to valuations performed by an independent external valuer. The valuations were based on a combination of the market approach and income approach.</p> <p>The determination of fair value involves significant judgement and estimation uncertainty. Due to the limited frequency of transactions for comparable properties and, in certain cases, lack of observable recent market prices, the valuation process requires the use of significant unobservable inputs. The fair values are sensitive to changes in market data, valuation inputs, pricing assumptions and prevailing economic and business conditions.</p> <p>Accordingly, we considered the valuation of investment property as a key audit matter.</p>	<p>To address this key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none"> – Assessed the competence, capabilities, objectivity and independence of the external valuer engaged by the Group; – Obtained and evaluated the valuation reports prepared by the external valuer; – Tested the mathematical accuracy of the valuation calculations; – Involved our valuation specialists to assess the appropriateness of the valuation methodologies applied and to assess the reasonableness of significant assumptions and inputs used in the valuations, with reference to available market data, as well as the resulting fair value estimates for a sample of investment properties; and – Assessed whether the disclosures in the financial statements, including disclosures related to significant accounting judgements and estimates, appropriately reflect the valuation techniques used, key assumptions and sensitivities, the level of the fair value hierarchy.

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, 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.

Auditors' 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 auditors' 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 scepticism throughout the audit. We also:

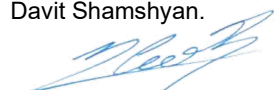
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Davit Shamshyan.


Davit Shamshyan
Engagement Partner


Irina Gevorgyan
Management Partner, Director of KPMG Armenia LLC

KPMG Armenia LLC
30 June 2026



Consolidated Statement of Financial Position as at 31 December 2025

'000 AMD	Note	31 December 2025	31 December 2024
Assets			
Property and equipment	9	2,331,511	2,019,428
Investment property under construction	10	13,007,901	10,815,851
Investment property	11	13,615,614	12,890,139
Intangible asset		136,099	126,911
Prepayments for non-current assets	12	3,007,057	87,151
Deferred tax assets		1,163	438
Non-current assets		32,099,345	25,939,918
Inventories	13	87,180,990	60,540,347
Balances held on restricted accounts	14	9,804,322	2,635,382
Bank deposit	15	6,433,670	10,557,783
Borrowings given		467,000	467,000
Trade and other receivables	16	2,042,764	1,179,310
Cash and cash equivalents	14	602,772	1,288,201
Current assets		106,531,518	76,668,023
Total assets		138,630,863	102,607,941
Equity			
Charter capital	17	3,000,000	3,000,000
Property and equipment revaluation surplus	17	797,331	522,669
Retained earnings		5,332,747	4,754,802
Equity attributable to the owners of the Company		9,130,078	8,277,471
Non-controlling interest		4,254,800	4,195,697
Total equity	17	13,384,878	12,473,168
Liabilities			
Loans and borrowings	19	37,442,356	22,544,967
Lease liability		129,372	142,509
Consideration payable	22	2,852,064	3,574,390
Trade and other payables	20	-	1,322,934
Deferred tax liabilities	8	2,107,459	1,668,814
Non-current liabilities		42,531,251	29,253,614
Contract liabilities	20	67,815,266	46,604,445
Loans and borrowings	19	5,548,466	6,221,436
Lease liability		13,655	13,655
Consideration payable	22	1,357,600	1,403,835
Trade and other payables	21	7,905,225	6,602,759
Current tax liability		74,522	35,029
Current liabilities		82,714,734	60,881,159
Total liabilities		125,245,985	90,134,773
Total equity and liabilities		138,630,863	102,607,941

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.


Consolidated Statement of Profit or Loss and Other Comprehensive Income for 2025

'000 AMD	Note	2025	2024
Revenue	5	333,376	400,650
Cost of sales	6	(11,480)	(37,000)
Gross profit		321,896	363,650
Change in fair value of investment property	11(a)	698,466	1,118,900
Income from government grant	22	-	2,034,448
Marketing and selling expenses		(260,398)	(786,367)
Administrative expenses		(1,015,995)	(774,240)
Other income		11,978	9,100
Other expenses		(264,610)	(167,543)
Results from operating activities		(508,663)	1,797,948
Finance income	7	2,457,680	1,284,105
Finance costs	7	(920,285)	(581,075)
Net finance income		1,537,395	703,030
Profit before income tax		1,028,732	2,500,978
Income tax expense	8	(391,684)	(691,017)
Profit for the year		637,048	1,809,961
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss</i>			
Revaluation of property and equipment	9	334,954	117,379
Related income tax	8(c)	(60,292)	(21,128)
Other comprehensive income, net of income tax	9(a)	274,662	96,251
Total comprehensive income for the year		911,710	1,906,212
Profit attributable to:			
Owners of the Company		577,945	1,780,776
Non-controlling interest		59,103	29,185
		637,048	1,809,961
Total comprehensive income attributable to:			
Owners of the Company		852,607	1,877,027
Non-controlling interest		59,103	29,185
		911,710	1,906,212

These consolidated financial statements were approved by management on 30 June 2026 and were signed on its behalf by:


Eduard Marutyan
General Director




Kristine Chichyan
Chief Financial Officer

The consolidated statement of profit and loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

Consolidated Statement of Changes in Equity for 2025

AMD'000	Attributable to equity holders of the Company				Non- controlling interest	Total equity
	Charter capital	Property and equipment revaluation surplus	Retained earnings	Total		
Balance at 1 January 2024	3,000,000	426,418	2,974,026	6,400,444	-	6,400,444
Total comprehensive income						-
Profit for the year	-	-	1,780,776	1,780,776	29,185	1,809,961
Other comprehensive income						
Revaluation of property and equipment	-	96,251	-	96,251	-	96,251
Total other comprehensive income for the year	-	96,251	-	96,251	-	96,251
Total comprehensive income for the year	-	96,251	1,780,776	1,877,027	29,185	1,906,212
Changes in ownership interests						
Acquisition of assets with non-controlling interest (Note 21)	-	-	-	-	4,166,512	4,166,512
Total change in ownership interests	-	-	-	-	4,166,512	4,166,512
Balance at 31 December 2024	3,000,000	522,669	4,754,802	8,277,471	4,195,697	12,473,168
Balance at 1 January 2025	3,000,000	522,669	4,754,802	8,277,471	4,195,697	12,473,168
Total comprehensive income						-
Profit for the year	-	-	577,945	577,945	59,103	637,048
Other comprehensive income						
Revaluation of property and equipment	-	274,662	-	274,662	-	274,662
Total other comprehensive income for the year	-	274,662	-	274,662	-	274,662
Total comprehensive income for the year	-	274,662	577,945	852,607	59,103	911,710
Balance at 31 December 2025	3,000,000	797,331	5,332,747	9,130,078	4,254,800	13,384,878

Consolidated Statement of Cash Flows for 2025

'000 AMD	Note	2025	2024
Cash flows from operating activities			
Cash receipts from customers, including VAT:		10,312,963	16,075,309
– Transferred from restricted account	14(a)	5,703,973	4,184,177
– Advances received for the inventory property under development (receipts to current bank accounts)	20(b)	4,288,480	11,457,199
– Cash receipts from the sale of completed inventory property and investment property rentals		320,510	433,933
Acquisition of property for development		(5,094,647)	(2,874,328)
Cash paid to suppliers and employees, including VAT		(21,974,176)	(17,059,056)
Advances returned to customers		(1,276,944)	(135,351)
VAT refund received from the state budget		2,255,900	3,093,101
Taxes paid other than on income and VAT		(233,272)	(252,051)
Other operating cash flows		(635,823)	(58,920)
Cash flows (used in)/from operations before income tax and interest paid		(16,645,999)	1,663,032
Income tax paid		(26,600)	(19,620)
Interest paid	19(b)	(3,228,572)	(1,975,345)
Net cash (used in)/from operating activities		(19,901,171)	(331,933)
Cash flows from investing activities			
Placement of deposit		-	(10,900,000)
Withdrawal of deposit		4,116,330	350,000
Borrowings given		(4,010,000)	(380,000)
Repayment of borrowings given		4,010,000	58,000
Interest received		1,194,249	373,562
Deferred consideration paid on acquisition of subsidiary		(1,374,000)	-
Acquisition of intangible assets		-	(660)
Acquisition of property and equipment		(82,700)	(92,563)
Net cash from/(used in) investing activities		3,853,879	(10,591,661)
Cash flows from financing activities			
Proceeds from loans and borrowings	19(b)	18,703,968	29,470,135
Repayment of loans and borrowings	19(b)	(3,287,624)	(18,339,358)
Net cash from financing activities		15,416,344	11,130,777
Net (decrease)/increase in cash and cash equivalents		(630,948)	207,183
Cash and cash equivalents as at 1 January		1,288,201	1,074,831
Effect of exchange rate fluctuations on cash and cash equivalents		5,519	6,187
Cash and cash equivalents at 31 December	13	602,772	1,288,201

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements.

Notes to Consolidated Financial Statements for 2025

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1. Reporting entity

(a) Organisation and operations

These consolidated financial statements have been prepared for the year ended 31 December 2025 for Renshin LLC (the “Company”) and its subsidiaries (together referred to as the “Group”).

Renshin LLC (the “Company”) is a limited liability company incorporated in the Republic of Armenia on 2 October 2002.

The Company’s registered office is 91 Pavstos Buzand Street, area 72, Yerevan 0002, Republic of Armenia.

The Group’s principal activity is development of residential and business properties for sale and for rental purposes in Yerevan.

The Company is equally owned by Arayik Karapetyan and Eduard Marutyan, who have the power to direct the transactions of the Company at their own discretion and for their own benefit. In addition, they have a number of other business interests outside the Company.

In July 2023 the Company founded ArtLife Residences LLC. ArtLife Residences LLC is 100% owned by the Company as at 31 December 2025 and 2024. In May 2024 the Company founded World Trade Center Yerevan CJSC (the Subsidiary). Details on subsidiaries are presented in Note 22.

Related party transactions are described in detail in Note 28.

(b) Armenian business environment

The Company’s operations are primarily located in Armenia. Consequently, the Company is exposed to the economic and financial markets of Armenia which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Armenia. Additionally, continuous military conflicts between Armenia and Azerbaijan eventually leading to Azerbaijan remaining in effective control of Nagorno-Karabakh territory in September 2023 and ongoing military conflict between the Russian Federation and Ukraine have increased the level of uncertainty in the business environment. In August 2025, Armenia and Azerbaijan signed a Joint Declaration expressing a mutual intention to normalize bilateral relations, including commitments to reduce tensions, advance border delimitation discussions, and promote regional stability. However, the practical implementation of the declaration and its long-term impact on economic activity remain uncertain.

Additionally, during 2026, geopolitical tensions escalated significantly following military action in the Middle East, including developments involving Iran. These events have increased uncertainty in global financial markets, disrupted supply chains and contributed to volatility in energy prices. The Company continues to assess the potential impact of these developments.

The consolidated financial statements reflect management’s assessment of the impact of the Armenian business environment on the operations and the financial position of the Company. The future business environment may differ from management’s assessment.

2. Basis of accounting

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

3. Functional and presentation currency

The national currency of the Republic of Armenia is the Armenian Dram (“AMD”), which is the Company’s and subsidiaries’ functional currency and the currency in which these consolidated financial statements are presented. All financial information presented in AMD has been rounded to the nearest thousand.

4. Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 9 – valuation of buildings;
- Note 10 and Note 11 – valuation of investment properties;
- Note 22 – consolidation: whether the Group has de facto control over assets acquired;
- Note 22 – recognition of government grant related to a consideration payable as income from government grant.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 9 – valuation of buildings;
- Note 10 and Note 11 – valuation of investment properties;
- Note 22(b) – acquisition of assets: fair value of consideration transferred.

5. Revenue

(a) Revenue streams

The Group generates revenue primarily from the sale of completed residential properties to its customers. Other sources of revenue include rental income from investment property.

'000 AMD	2025	2024
Revenue from contracts with the customers		
Revenue from sale of completed inventory property – transferred at a point in time	11,667	62,917
Other revenue from contracts with customers	9,874	11,083
Total revenue from contracts with the customers	21,541	74,000
Other revenue		
Investment property rentals	311,835	326,650
Total other revenue	311,835	326,650
	333,376	400,650

As at 31 December 2025 the recognized value of contract liabilities is AMD 67,815,266 thousand (31 December 2024: AMD 46,604,445 thousand), for which revenue will be recognized when control over the promised property is transferred to the customers (see Note 5(b)).

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

'000 AMD	Note	31 December 2025	31 December 2024
Receivables, which are included in 'trade and other receivables'	16	35,400	35,400
Contract liabilities	20	67,815,266	46,604,445

The contract liabilities primarily relate to the advance consideration received from customers for pre-completion sales of properties under development (see Note 11(a)), for which revenue is recognised point in time. The revenue from these contract liabilities is expected to be recognised in the following 3 years.

(c) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Advances received from the customers range from 20% to 100% of contract amount.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policy.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of completed inventory property	The control of the property is transferred when the property is accepted by the customers.	Revenue is recognised at a point in time when the property is accepted by customers and the act of transfer of the right of ownership is completed.
Pre-completion sales of the units in a multi-unit complex under construction	The Customer can terminate the contract at any time and the Group has only the right to retain the 20% of the deposit. The asset units created have no alternative use for the Group, as the contract restricts the Group from re-selling the unit of asset or substituting it with another unit. The customer does not have the ability to direct the use of the asset unit during the construction process.	Revenue recognized at point in time when the property is accepted by customers as the Group does not have an enforceable right to receive payment for performance completed to date. Advances received are accounted as contract liabilities.

6. Cost of sales

'000 AMD	2025	2024
Cost of sales		
Cost of sale of completed inventory property	11,480	37,000
Total cost of sale of completed inventory property	11,480	37,000

7. Net finance income

'000 AMD	2025	2024
Non-capitalised interest on contract liabilities	-	817,229
Interest income on bank deposit	941,102	287,963
Interest income on current and restricted accounts	253,147	116,979
Net foreign exchange gain	1,263,431	61,934
Finance income	2,457,680	1,284,105
Interest expense on loans and borrowings (Note 19(b))	(321,852)	(370,357)
Interest expense on consideration payable (Note 22(b))	(589,039)	(202,285)
Other interest expense	(9,394)	(8,433)
Finance costs	(920,285)	(581,075)
Net finance income recognised in profit or loss	1,537,395	703,030

8. Income tax expense

(a) Amounts recognised in profit or loss

The Group's applicable tax rate is the income tax rate of 18% for Armenian companies.

'000 AMD	2025	2024
Income tax expense	(12,893)	(35,029)
Deferred tax expense		
Origination and reversal of temporary differences	(378,791)	(655,988)
Total income tax expense	(391,684)	(691,017)

Reconciliation of effective tax rate:

	2025		2024	
	'000 AMD	%	'000 AMD	%
Profit before tax	1,028,752	100%	2,500,978	100%
Tax at applicable tax rate	(185,172)	(18%)	(450,176)	(18%)
(Non-deductible expenses)/ non-taxable income	(206,512)	(20%)	(240,841)	(10%)
	(391,684)	(38%)	(691,017)	(28%)

(b) Movement in deferred tax balances

'000 AMD	1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2025
Property and equipment	(102,522)	32,302	(60,292)	(130,512)
Investment property	(1,625,638)	(139,633)	-	(1,765,271)
Inventories	(1,143,828)	(1,403,667)	-	(2,547,495)
Contract liabilities	1,275,785	1,014,400	-	2,290,185
Trade payables	(387,572)	117,807	-	(269,765)
Tax loss carry-forwards	315,399	-	-	315,399
	(1,668,376)	(378,791)	(60,292)	(2,107,459)

	1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2024
Property and equipment	(131,364)	2,826	(21,128)	(149,666)
Investment property	(1,422,350)	(214,283)	-	(1,636,633)
Inventories	(72,610)	(1,019,853)	-	(1,092,463)
Contract liabilities	561,878	710,475	-	1,272,353
Trade payables	(120,597)	(256,330)	-	(376,927)
Tax loss carry-forwards	193,783	121,177	-	314,960
	(991,260)	(655,988)	(21,128)	(1,668,376)

(c) Tax losses

'000 AMD	2025	2024
Tax losses	(1,749,778)	(1,749,778)

The tax losses originated in 2023 and 2024 and expire in 2029 and 2030.

9. Property and equipment

'000 AMD	<u>Properties</u>	<u>Vehicles</u>	<u>Office and computer equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<i>Cost</i>					
Balance at 1 January 2024	962,054	207,400	147,662	-	1,317,116
Additions	73,093	4,575	83,729	118,050	279,447
Revaluation	117,379	-	-	-	117,379
Reclassification of owner-occupied property from Investment property (Note 11)*	555,498	-	-	-	555,498
Disposal	-	(13,764)	(991)	-	(14,755)
Accumulated depreciation elimination	(10,810)	-	-	-	(10,810)
Balance at 31 December 2024	1,697,214	198,211	230,400	118,050	2,243,875
Balance at 1 January 2025	1,697,214	198,211	230,400	118,050	2,243,875
Additions	12,573	3,596	46,369	-	62,538
Disposal	-	-	(15,944)	-	(15,944)
Revaluation	334,954	-	-	-	334,954
Accumulated depreciation elimination	(17,698)	-	-	-	(17,698)
Balance at 31 December 2025	2,027,043	201,807	260,825	118,050	2,607,725
<i>Depreciation</i>					
Balance at 1 January 2024	-	(87,805)	(81,399)	-	(169,204)
Depreciation for the year	(10,810)	(26,678)	(24,264)	(4,883)	(66,635)
Disposal	-	-	582	-	582
Accumulated depreciation elimination	10,810	-	-	-	10,810
Balance at 31 December 2024	-	(114,483)	(105,081)	(4,883)	(224,447)
Balance at 1 January 2025	-	(114,483)	(105,081)	(4,883)	(224,447)
Depreciation for the year	(17,698)	(10,074)	(19,416)	(38,221)	(85,409)
Disposal	-	-	15,944	-	15,944
Accumulated depreciation elimination	17,698	-	-	-	17,698
Balance at 31 December 2025	-	(124,557)	(108,553)	(43,104)	(276,214)
<i>Carrying amounts</i>					
At 1 January 2024	962,054	119,595	66,263	-	1,147,912
At 31 December 2024	1,697,214	83,728	125,319	113,167	2,019,428
At 31 December 2025	2,027,043	77,250	152,272	74,946	2,331,511

* In September 2024, the property's actual use was changed from being held for rental to use as owner-occupied property.

Depreciation expense of AMD 85,409 thousand (2024: AMD 66,635 thousand) has been charged to administrative expenses.

(a) Revaluation of building

Management contracted independent valuator to independently appraise buildings as at 31 December 2025 and 31 December 2024.

The fair value of building was determined to be AMD 2,027,043 thousand (2024: AMD 1,697,214 thousand), which has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see Note 4). Revaluation surplus, net of related income tax of AMD 274,662 thousand is recognised in other comprehensive income for the year ended 31 December 2025 (2024: AMD 96,251 thousand).

The carrying value of buildings as at 31 December 2025, if the buildings would not have been revalued, would be AMD 1,374,327 thousand (2024: AMD 1,059,813 thousand).

The basis for the appraisal is the combination of:

- The market comparable approach. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. Key assumptions relate to the condition, quality and location of buildings used as comparatives. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property.
- The income capitalisation approach. Under this approach, forecast net cash flows, based upon current market derived estimated rental values (market rents) together with estimated costs, are discounted at market derived capitalisation rates to produce the valuer's opinion of fair value. The average discount rate, which, if applied to all cash flows would produce the fair value, is described as the equivalent yield.

Significant unobservable inputs of the approach are as follows:

	2025	2024
Operating expenses	5%	5%
Capitalization rate	5.1%-6.0%	5.1%-6.0%
Adjustments applied to comparable properties for location, condition, size, etc.	up to 25%	up to 25%

Operating expenses, capitalization rate increase will lead to decrease of property fair value.

Increase in adjustments applied to comparable properties for location, condition and size will lead to decrease in fair value.

(b) Security

At 31 December 2025 inventory property under development with amount of AMD 59,879,199 thousand and restricted cash in amount of AMD 9,804,322 thousand are pledged as collateral for secured bank loan 1 and 2 (31 December 2024: property and equipment of AMD 1,068,625 thousand and investment property with carrying amount of AMD 9,988,209 thousand) and investment property under construction in amount of AMD 9,804,322 thousand is pledged as collateral for secured credit line 1, Note 18 (a).

10. Investment property under construction

(c) Reconciliation of carrying amount

'000 AMD	2025	2024
Balance at 1 January	10,815,851	-
Land plot acquired through foundation of the Subsidiary (Note 22)	-	9,845,567
Purchase of land plots	954,922	924,300
Other additions	1,237,128	45,984
Balance at 31 December	13,007,901	10,815,851

The investment property under construction includes the land plot (cadastral code: 01-006-0507-0001) contributed to the Subsidiary's share capital in accordance with the procedure established by decision No. 1529-U dated 7 September 2023 of the Government of the Republic of Armenia and located at the addresses specified therein, and the land plots recognized as overriding public interest and alienated to the Subsidiary according to decision No. 999-Ն dated 27 June 2024 of the Government of the Republic of Armenia.

The Subsidiary will implement urban development project for construction of World Trade Center Yerevan (WTC) approved by decision No. 1529-U dated 7 September 2023 of the Government of the Republic of Armenia on the above-mentioned land plots and those recognized as overriding public interest and to be alienated to the Company as the acquirer.

Fair value disclosures of investment property under construction are disclosed in Note 22(c). Fair value of other land plots and other additions approximates the cost.

11. Investment property

(a) Reconciliation of carrying amount

'000 AMD	2025	2024
Balance at 1 January	12,889,455	12,470,605
Additions	27,693	136,653
Reclassification of owner-occupied property to properties and equipment (Note 9) *	-	(555,500)
Disposals	-	(280,521)
Change in fair value	698,466	1,118,900
Balance at 31 December	13,615,614	12,890,139

* In September 2024, the property's actual use was changed from being held for rental to use as owner-occupied property.

Investment property comprises primarily commercial properties held with the aim of capital appreciation and earning rentals or both and properties with undetermined future use.

Changes in fair values are recognised as gains in profit or loss. All gains are unrealised.

(b) Measurement of fair value

(i) Fair value hierarchy

Management contracted independent valuator to independently appraise investment property as at 31 December 2025 and 31 December 2024.

The fair value measurement for investment property of AMD 13,615,614 thousand (2024: AMD 12,890,139 thousand) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 4). There have been no transfers of properties within the fair value hierarchy in the financial year.

The following valuation techniques are used in measuring the fair value of investment property, as well as the significant unobservable inputs:

- The market comparable approach. Under the market comparable approach, a property’s fair value is estimated based on comparable transactions. Key assumptions relate to the condition, quality and location of buildings used as comparatives. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property.
- The income capitalisation approach. Under this approach, forecast net cash flows, based upon current market derived estimated rental values (market rents) together with estimated costs, are discounted at market derived capitalisation rates to produce the valuer’s opinion of fair value. The average discount rate, which, if applied to all cash flows would produce the fair value, is described as the equivalent yield.

Significant unobservable inputs of the approach are:

	2025	2024
Operating expenses	5%	5%
Capitalization rate	5.1%-6.0%	5.1%-6.0%
Adjustments applied to comparable properties for location, condition, size, etc.	up to 25%	up to 25%

Operating expenses, capitalization rate increase will lead to decrease of property fair value.

Increase in adjustments applied to comparable properties for location, condition and size will lead to decrease in fair value.

(c) Security

At 31 December 2025 inventory property under development with amount of AMD 59,879,199 thousand and restricted cash in amount of AMD 9,804,322 thousand are pledged as collateral for secured bank loan 1 and 2 (31 December 2024: property and equipment of AMD 1,068,625 thousand and investment property with carrying amount of AMD 9,988,209 thousand) and investment property under construction in amount of AMD 9,804,322 thousand is pledged as collateral for secured credit line 1, Note 13 (a).

12. Prepayments for non-current assets

Pursuant to Decision No. 999-Ն of the Government of the Republic of Armenia dated 27 June 2024, during the period from May to October 2025, the Company, in accordance with the procedure prescribed by the Law of the Republic of Armenia “On Alienation of Property for the Needs of Society and the State” (the “Law”), submitted to the owners of the properties subject to alienation and to the holders of proprietary rights thereto, as specified in the annexes to the Decision, draft property alienation agreements together with offers for alienation. As no alienation agreements were concluded within the three-month period prescribed by the Law, the Company reapplied to the relevant licensed organizations and obtained updated valuations of the market value of the properties subject to alienation. Following the revaluation process and in accordance with Article 12 of the Law, during the period from September 2025 to February 2026, the Company periodically deposited the relevant compensation amounts into the deposit account of the Court of First Instance of General Jurisdiction of the City of Yerevan. As of the reporting date, the related amount totals AMD 2,899,597 thousand and is held in the court deposit account pending completion of the legal transfer procedures.

13. Inventories

'000 AMD	31 December 2025	31 December 2024
Inventory property under development	81,753,418	56,784,997
Completed inventory property	131,883	138,883
Prepayments given	5,295,689	3,616,467
	87,180,990	60,540,347

(a) Inventory property under development

Inventory property under development as at 31 December is as follows (by projects):

Name of the project	Location of the project	Type of the project	31 December 2025 '000 AMD	31 December 2024 '000 AMD
107 Teryan Street	Kentron administrative district, Yerevan	Residential multi-unit complex (part of land)	59,879,199	43,617,336
23 Orbeli Street	Kentron administrative district, Yerevan	Residential multi-unit complex (part of land)	22,196,071	13,167,661

During 2025 borrowing costs of AMD 2,992,910 thousand (see Note 19(b)) (2024: AMD 1,579,361 thousand), financing component of AMD 5,377,992 thousand (see Note 19(b)) (2024: AMD 3,947,078 thousand), and salary costs of AMD 736,660 thousand were capitalised on inventory property under development. The borrowing costs are related to the acquisition of land and development of inventory property. The capitalisation rate used was 12.07% (2024: 11.9%).

As at 31 December 2025 inventory property under development with amount of AMD 59,879,199 thousand (31 December 2024: AMD 43,617,336 thousand) is pledged as collateral for secured bank loan 1 and 2 (2024: secured bank loan 1), Note 19(a).

As at 31 December 2025 inventory property under development with amount of AMD 22,196,071 thousand (31 December 2024: AMD 13,167,661 thousand) is pledged for fulfilment of the deferred payments and total predetermined investments (see Note 26(a)) under the purchase agreement concluded with the Government of Republic of Armenia based on decision N 871-U dated 09.06.2022.

(b) Completed inventory property

At 31 December 2025 no completed inventory property is pledged as collateral for secured bank loans (see Note 18(a)) (2024: nil).

Completed inventory property as at 31 December is as follows (by projects):

Name of the project	Location of the project	Type of the project	31 December 2025 '000 AMD	31 December 2024 '000 AMD
Davtashen I	Davtashen administrative district, Yerevan	Residential apartments and parking spaces	100,653	107,653
Davtashen II	Davtashen administrative district, Yerevan	Residential multi-unit complex apartments and parking spaces	31,230	31,230

14. Cash and cash equivalents

'000 AMD	31 December 2025	31 December 2024
Bank balances		
– rated BB-	360,977	1,039,078
– rated B+	-	6,834
– not rated	141,115	162,021
Bank balances (current accounts)	502,092	1,207,933
Petty cash	100,680	80,268
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	602,772	1,288,201
Balances held on restricted accounts		
– rated BB-	9,804,322	2,635,382
Balances held on restricted accounts in the consolidated statement of financial position	9,804,322	2,635,382

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24.

Balances held on restricted accounts represent developer's special accounts with conditions that restrict the use by the Group under the special terms.

Developer's special accounts had been opened for purposes to receive payments from customers in frames of the pre-completion sales agreement between the customers and the Group. These special accounts are restricted for use by the Group (before 1 July 2024, only the accounts that were used when the counterparty bank provides mortgage loans to buyers were restricted for use by the Group). Withdrawals from these accounts are regulated by the RA Civil Code. 50% (before 1 January 2025 – 30%, before 1 July 2024 – 20%) of funds received can be released only after the ownership right is transferred to the buyer and thus considered as restricted.

(a) Reconciliation of carrying amount (developer's restricted special accounts)

'000 AMD	Note	2025	2024
Balance at 1 January		2,635,382	1,061,738
Advances received for the pre-completion sales of inventory property under development (receipts to restricted accounts)	20(b)	12,872,893	5,734,225
Balances held on restricted accounts used in operations (transfers from developer's special accounts to current bank accounts)		(5,703,973)	(4,184,177)
Interest income on restricted accounts		-	23,596
Balance at 31 December		9,804,322	2,635,382

Interest income on restricted account was accumulated on current account for the year ended 31 December 2025.

15. Bank deposit

'000 AMD	Currency	Effective interest rate	Year of maturity	31 December 2024	
				Face value	Carrying amount
Bank deposit, rated BB-	AMD	9.0%	2026	6,433,670	6,433,670

'000 AMD	Currency	Effective interest rate	Year of maturity	31 December 2024	
				Face value	Carrying amount
Bank deposit, rated BB-	AMD	9.0%	2025	10,557,783	10,557,783

The Group's exposure to credit and interest rate risk related to bank deposit are disclosed in Note 24.

16. Trade and other receivables

'000 AMD	31 December 2025	31 December 2024
Tax receivables other than on income tax	790,386	595,931
Prepayments given	784,757	355,766
Other receivables	467,621	227,613
	2,042,764	1,179,310

The allowance for impairment over trade receivables is considered immaterial.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 24.

17. Capital and reserves

(a) Charter capital

The owners of charter capital are entitled to receive dividends as declared from time to time. In accordance with Armenian legislation the Company's distributable reserves are limited to the balance of retained earnings as recorded in the Company's statutory financial statements prepared in accordance with IFRS.

(b) Dividends

No dividends were declared and paid during 2025 (2024: no dividends were declared and paid).

(c) Property and equipment revaluation surplus

Property and equipment revaluation surplus comprises the cumulative positive revaluation difference on land and buildings.

18. Capital management

The Group has no formal policy for capital management but management seeks to maintain a sufficient capital base for meeting the Group's operational and strategic needs, and to maintain confidence of market participants. This is achieved with efficient cash management, constant monitoring of Group's revenues and profit, and long-term investment plans mainly financed by through loans and borrowings. With these measures the Group aims for steady profits growth.

The Group's debt to equity ratio at the end of the reporting period was as follows:

'000 AMD	31 December 2025	31 December 2024
Total liabilities	125,303,918	90,134,773
Less: cash and cash equivalents	602,772	1,288,201
Less: balances held on restricted accounts	9,804,322	2,635,382
Less: bank deposits	6,433,670	10,557,783
Net debt	108,463,154	75,653,407
Total equity	13,648,797	12,473,168
Net debt to equity ratio at 31 December	7.9	6.1

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

19. Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 23.

'000 AMD	31 December 2025	31 December 2024
<i>Non-current liabilities</i>		
Secured bank loans and credit lines	30,344,809	21,994,967
Unsecured borrowings from related parties	6,514,084	-
Unsecured loans from third party	583,462	550,000
	37,442,356	22,544,967
<i>Current liabilities</i>		
Secured bank loans and credit lines	5,096,841	5,604,651
Unsecured borrowings from related parties	450,000	609,778
Unsecured loans from third party	1,625	7,007
	5,548,466	6,221,436
	42,990,822	28,766,403

(a) Terms and debt repayment schedule

'000 AMD	Currency	Nominal interest rate	Year of maturity	31 December 2025		31 December 2024	
				Face value	Carrying amount	Face value	Carrying amount
Secured bank loan 1	USD	9.0%	2027	14,897,733	14,897,733	15,899,635	15,899,635
Secured bank loan 2	USD	8.8%	2030	6,891,591	6,891,591	-	-
Secured credit line 1	USD	9.55%	2031	13,652,326	13,652,326	11,599,396	11,599,396
Secured credit line 2	USD	7.5%	2028	-	-	100,761	100,761
Unsecured borrowing from third party	USD	11.0%	2028	355,839	355,839	370,024	370,024
Unsecured borrowing from third party	USD	6.0%	2028	229,248	229,248	239,753	239,753
Unsecured loans from related parties	AMD	15.5%	2027	555,754	555,754	506,370	506,370
Unsecured loans from related parties	AMD	15.0 %	2028	759,555	759,555	50,637	50,637
Unsecured loans from related parties	AMD	14.0%	2028	1,113,164	1,113,164	-	-
Unsecured loans from related parties	AMD	14.5%	2028	1,059,113	1,059,113	-	-
Unsecured loans from related parties	AMD	16.0%	2028	2,576,499	2,576,499	-	-
Unsecured loans from related parties	AMD	0.0%	2027	450,000	450,000	-	-
Unsecured loans from related parties	AMD	0.0%	On demand	450,000	450,000	-	-
				42,990,822	42,990,822	28,766,576	28,766,576

Bank loans are secured by the following:

- Secured bank loans 1 and 2 are secured by inventory property under development with carrying amount of AMD 59,879,199 thousand, restricted cash in amount of AMD 9,804,322 thousand (31 December 2024: secured bank loan 1 and secured credit lines 1, 2 were secured by inventory property under development with carrying amount of AMD 43,617,336 thousand,), Note 19(a).
- Secured credit line 1 is secured by investment property under construction of with carrying amount of AMD 12,159,583 thousand.

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

'000 AMD	Note	<u>Liabilities</u> <u>Other loans and borrowings</u>
Balance at 1 January 2025		28,766,403
Changes from financing cash flows		
Proceeds from loans and borrowings		18,703,968
Repayment of loans and borrowings		(3,287,624)
Total changes from financing cash flows		15,416,344
The effect of changes in foreign exchange rates		(1,278,114)
Other changes		
<i>Liability-related</i>		
Capitalised borrowing costs	13(a)	3,314,762
Interest paid		(3,228,572)
Total liability-related other changes		86,190
Balance at 31 December 2025		42,990,822
'000 AMD		
	Note	<u>Liabilities</u> <u>Other loans and borrowings</u>
Balance at 1 January 2024		17,769,372
Changes from financing cash flows		
Proceeds from loans and borrowings		29,470,135
Repayment of loans and borrowings		(18,339,358)
Total changes from financing cash flows		11,130,777
The effect of changes in foreign exchange rates		(108,119)
Other changes		
<i>Liability-related</i>		
Capitalised borrowing costs	13(a)	1,579,361
Interest expense	7	370,357
Interest paid		(1,975,345)
Total liability-related other changes		(25,627)
Balance at 31 December 2024		28,766,403

20. Contract liabilities

'000 AMD	31 December 2025	31 December 2024
Current liabilities		
Advances received for inventory property under construction	55,349,580	39,516,751
Capitalized interest due to time value of money component	12,465,686	7,087,694
	67,815,266	46,604,445

The contract liabilities primarily relate to the advances received from customers for the right to purchase immovable property in a building under construction based on the contracts between the Group and customer, for which revenue is recognised point in time at the date of the transfer of the control to the customer (Note 5(c)).

In accordance with the Civil Code of the Republic of Armenia advance payments by customer for the apartment purchases shall be made exclusively to the special accounts of the Group, which shall be opened with a bank operating on the territory of the Republic of Armenia.

(a) Significant financing component

These contracts contain significant financing component because of the length of time between when the consideration was received and when the Group transfer the control to the customer. Under IFRS 15 for these contracts the amount of consideration is adjusted to reflect the time value of money using rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception.

The effect of a significant financing component was estimated using the interest rate of 11% to 13% (2023: 10% to 13%), depending on the date of inception of the contract and expected period between receipt of customer payment and transfer of ownership rights.

(b) Reconciliation of carrying amount

'000 AMD	Note	2025	2024
Balance at 1 January		46,604,445	25,610,682
Set-off with trade receivables		-	(38,160)
Advances returned to customers		(1,276,944)	(135,351)
Advances received for the pre-completion sales of inventory property under development (receipts to restricted accounts)	14(a)	12,872,893	5,734,225
Advances received for the pre-completion sales of inventory property under development (receipts to special bank accounts that are not restricted)		182,260	6,121,736
Advances received for the pre-completion sales of inventory properties under development (receipts to current bank accounts)		4,046,620	5,335,463
Advances received for the completed inventory property (receipts to current bank accounts)		8,000	28,772
Financing component capitalised on inventory property under development	13(a)	5,377,992	3,947,078
Balance at 31 December		67,815,266	46,604,445

21. Trade and other payables

'000 AMD	31 December 2025	31 December 2024
Payables for property purchase	975,850	2,494,709
Trade payables	6,824,958	5,365,210
Tax payables	31,806	43,624
Other payables	72,611	22,150
	7,905,225	7,925,693
Current	7,905,225	6,602,759
Non-current	-	1,322,934

Payables for property purchase represent discounted deferred amounts payable for purchase of inventory property (Note 12(a)). Under the purchase agreement the amounts are payable annually by August 2026. The Group applied discounting rate of 13.3%. During 2025 interest of AMD 248,225 thousand is calculated on payable balance and capitalised on inventory property under development (2024: AMD 383,287 thousand is calculated and capitalised on inventory property under development) (Note 12 (a)).

Audit fees for the year ended 31 December 2025 amounted to AMD 23,000 thousand (2024: AMD 23,000 thousand). Non-audit fees paid to the auditor of the Group amounted to AMD 8,000 thousand (2024: nil).

Payroll expenses for the year ended 31 December 2025 are AMD 711,321 thousand (2024: AMD 553,696 thousand).

22. Acquisition of assets

Based on the decision of the founding meeting of shareholders of 30 April 2024, pursuant to the decision of the Government of the Republic of Armenia N 1529-U dated 7 September 2023, the Company, the Government of the Republic of Armenia, and Haypost CJSC (a wholly state-owned entity) jointly established World Trade Center Yerevan CJSC (the “Subsidiary”). The Subsidiary was registered on 31 May 2024, and the charter capital was fully paid on 29 August 2024. At the date of acquisition the Subsidiary did not constitute a business.

The Company acquired 50% of the shares in the Subsidiary through a cash payment (contribution) of AMD 10,949,260 thousand, while the Government of the Republic of Armenia and Haypost CJSC acquired the remaining 50% by paying (contributing) real estate owned by them.

Under the Shareholders agreement signed on 4 June 2024 between the Company, the Republic of Armenia, World Trade Center Yerevan CJSC and Haypost CJSC, the Company is obliged to buy 30.997529% shares of the Subsidiary with the amount of AMD 6,788,000 thousand payable within five years from the registration of the Subsidiary (Note 21 (b)) and Haypost CJSC is obliged to sell the Company’s shares at the abovementioned amount.

The Company concluded that controls the assets acquired as at date of acquisition and as at 31 December 2025 considering the following:

- the Company nominates the majority of the members of the Board of Directors and all of the members of the Management Board of the Subsidiary and thus has the power to direct key decisions relating to operations of the subsidiary.
- the Company has a non-cancellable obligation to purchase additional shares in the Subsidiary, which increases the Company’s exposure to the returns from its involvement with the Subsidiary, even though the purchase of these additional shares has not yet been completed at the reporting date.

The Management of the Company treated the non-cancellable agreement to buy shares as fixed price forward agreement which has been accepted by Haypost CJSC and applying anticipated acquisition method recognized financial liability in respect of the obligation to pay for these shares (Note 22 (b)). Thus, non-controlling interest is recognized only with regards to 19.002471% ownership of the Government of the Republic of Armenia.

The Company consolidated 100% results of the subsidiary from the acquisition date to 31 December 2025 and allocated results of the Subsidiary as follows:

- profit attributable to the owners of the parent – 80.997529%
- profit attributable to NCI – 19.002471%

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Fair value of identifiable assets acquired and liabilities assumed

'000 AMD	29 August 2024
Investment property under construction (Note 10, Note 22(c))	9,845,567
Cash and cash equivalents	10,949,260
VAT receivable	1,131,333
Total identifiable net assets	21,926,160
Cash consideration transferred	(10,949,260)
Consideration payable (Note 22(b))	(4,775,940)
Total consideration	(15,725,200)
Carrying amount of non-controlling interest based on proportionate interest in the recognised amounts of the assets and liabilities	(4,166,512)
Government grant received as part of the acquisition	(2,034,448)

Net cash outflow

'000 AMD	29 August 2024
Cash consideration paid	10,949,260
Cash acquired	10,949,260
Total net cash outflow	-

(a) Government grant received as part of the acquisition

As part of the acquisition the Government allowed the Company to make deferred payment of consideration, as an incentive for the Project. The Company recognised the incentive as a government grant, amounting AMD 2,034,448 thousand with no conditions attached and the Group recognised this unconditional government grant in profit or loss as other income for the year ended 31 December 2024.

(b) Consideration payable

'000 AMD	31 December 2025	31 December 2024
Consideration payable	4,209,664	4,978,225
Current	1,357,600	1,403,835
Non-current	2,852,064	3,574,390

The consideration payable is recognised as a discounted deferred liability, using a discount rate of 13.2%. The difference between the nominal amount and the discounted present value, amounting to AMD 2,012,060 thousand, has been recognised as income from government grants (Note 22(a)) in 2024.

The unwinding of the discount on the deferred payables for the year ended 31 December 2025, in the amount of AMD 589,039 thousand, has been recognised in finance costs (Note 7), (2024: AMD 202,285 thousand).

The Company has paid AMD 1,357,600 thousand during 2025.

(c) Fair value of investment property contributed to the share capital of the Subsidiary by the shareholders

The management contracted independent valuator to independently appraise the investment property, namely, land plot contributed to the share capital of the Company by the shareholders as at 1 August 2024. The management estimates that the fair value of the investment property contributed to the share capital as at 1 August 2024 approximates the fair value as at date of capital replenishment and as at 31 December 2025.

Based on valuation results the fair value of the investment property contributed to the share capital of the Subsidiary by the shareholders amounted to AMD 9,845,567 thousand and was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The basis for the appraisal is:

- The market comparable approach. Under the market comparable approach, fair value of investment property is estimated based on comparable transactions. Key assumptions relate to the condition, location of land used as comparatives. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property.
- Demolishing costs of the building and structures were deducted from the value determined based on market comparable approach.

Significant unobservable inputs of the approach are as follows:

Demolishing costs	AMD 746,796 thousand
Adjustments applied to comparable properties for location, condition, size, etc.	up to 15%

Increase in adjustments applied to comparable properties for location, condition and size will lead to decrease of the property value.

23. Significant subsidiaries

<u>Subsidiary</u>	<u>Country of incorporation</u>	<u>2025 Ownership/ voting</u>	<u>2024 Ownership/ voting</u>
World Trade Center Yerevan CJSC (established on 31 May 2024)	Republic of Armenia	80.997529%	80.997529%
ArtLife Residences LLC	Republic of Armenia	100.00%	100.00%

In July 2023 the Company founded ArtLife Residences LLC. ArtLife Residences LLC is 100% owned by the Company as at 31 December 2024. The principal activity of ArtLife Residences LLC is the management of Artlife Kempinski Residences.

Based on the decision of the founding meeting of shareholders of the Company, the Government of the Republic of Armenia, and Haypost CJSC established World Trade Center Yerevan CJSC the “Subsidiary”) pursuant to the decision of the Government of the Republic of Armenia N 1529-U dated 7 September 2023. The Subsidiary was registered on 31 May 2024.

The principal activity of World Trade Center Yerevan CJSC is the implementation of urban development project for construction of World Trade Center (WTC) as defined by the decree of the Government of the Republic of Armenia No. 1529-U dated 7 September 2023, namely, construction of class A state-of-the-art business ecosystem and offering of modern office facilities to the local business community, provision of services related to international trade and investments to the members of the business platform.

Financial information related to non-controlling interest 19%

	<u>'000 AMD</u>
Non-current assets	16,161,953
Current assets	6,517,909
Current liabilities	167,369
Net assets	22,512,493
Interest income from bank deposits	868,422
Total comprehensive income	311,027
Cash flow used in operating activities	411,551
Cash from used in investing activities	142,668
Cash flow used in financing activities	554,239

24. Fair values and risk management

(a) Accounting classifications and fair values

At 31 December 2025 the estimated fair value of all the financial assets and liabilities approximates their carrying amounts except for loans and borrowing received. The fair value of loans and borrowing received is categorised in Level 3 fair value hierarchy.

The table below sets out the carrying amounts and fair values of Loans and borrowings received as at 31 December 2025.

2025	Carrying amount AMD'000	Fair value AMD'000	Difference AMD'000
Loans and borrowings	42,990,882	44,832,228	1,841,406

(b) Measurement of fair values

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Bank deposit, borrowings given and trade receivables	Discounted cash flows	Not applicable
Other financial liabilities*	Discounted cash flows	Not applicable

* Other financial liabilities include loans and borrowings, consideration payable and trade payables.

(c) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

(i) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and balances with financial institutions.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Due to nature of its activities the Group has no significant credit risk from receivables from customers.

Cash and cash equivalents, balances held on restricted accounts and bank deposit

The Group held balances on current accounts of AMD 602,773 thousand, balances of AMD 9,804,322 thousand on restricted accounts and bank deposit of AMD 6,433,670 thousand (31 December 2024: balances on current accounts of AMD 1,288,201 thousand and AMD 2,635,382 thousand on restricted accounts and bank deposit of AMD 10,557,783 thousand), which represents its maximum credit exposure on these assets. All the balances are held with reputable Armenian banks, and the Group does not expect them to fail to meet their obligations.

Current accounts, balances held on restricted accounts and deposits are fully in Stage 1. Per the Company's assessment no impairment loss is recognised on current and restricted accounts in banks and deposits primarily due to their short maturities and immateriality of resulted ECL amounts.

Financial guarantee contracts

The Group does not consider that financial guarantee contracts entered into by the Group to guarantee the indebtedness of other parties are insurance arrangements, and accounts for them under IFRS 9. The Group's policy is to provide financial guarantees only for related parties' liabilities. At 31 December 2025 and 31 December 2024, the Group has issued guarantee to bank in respect of loans granted to its participant amounting to AMD 114,408 thousand and AMD 118,968 thousand, respectively.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

31 December 2025 '000 AMD	Carrying amount	Total	On demand	Less than 2months	2-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities								
Secured bank loans	21,789,303	26,489,876	-	340,939	6,604,386	11,206,716	8,337,836	-
Secured credit lines	13,652,326	18,714,424	-	228,074	1,115,424	2,471,540	12,526,963	2,372,423
Unsecured borrowings from third party	585,088	744,029	-	9,083	44,390	53,473	637,082	-
Unsecured loan from related party	6,964,084	8,775,925	450,000	136,917	656,333	1,774,217	5,758,458	-
Consideration payable	4,209,664	5,430,400	-	-	1,357,600	1,357,600	2,715,200	-
Trade payables	7,914,373	7,914,373	-	6,804,583	1,109,790	-	-	-
Total	55,114,859	68,069,027	450,000	7,519,596	10,887,923	16,863,546	29,975,539	2,372,423
Financial guarantees provided (off balance)	114,408	114,408	114,408	-	-	-	-	-
Net position	55,229,267	68,183,435	564,408	7,519,596	10,887,923	16,863,546	29,975,539	2,372,423
31 December 2024 '000 AMD	Carrying amount	Total	On demand	Less than 2months	2-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities								
Secured bank loans	15,899,440	17,695,268	-	321,585	6,443,183	10,930,500	-	-
Secured credit lines	11,700,178	17,144,765	-	195,189	1,049,146	1,141,483	9,481,746	5,277,201
Unsecured borrowings from other related party	557,007	781,353	-	14,714	70,302	85,250	611,087	-
Unsecured loan from third party	609,777	655,448	-	9,445	646,003	-	-	-
Consideration payable	4,978,225	6,788,000	-	-	1,357,600	1,357,600	4,072,800	-
Trade payables	7,859,919	8,205,210	686,917	4,359,752	1,738,541	1,420,000	-	-
Total	36,758,783	51,270,044	686,917	4,900,685	11,304,775	14,934,833	14,165,633	5,277,201
Financial guarantees provided (off balance)	118,968	118,968	-	-	118,968	-	-	-
Net position	36,877,751	51,389,012	686,917	4,900,685	11,423,743	14,934,833	14,165,633	5,277,201

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group does not apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk on loans and borrowings that are denominated in currencies other than the functional currency of the Group. The currency in which these transactions primarily are denominated is USD.

Exposure to currency risk

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 31 December 2025:

'000 AMD	USD	EUR	Other currencies	Total
ASSETS				
Cash and cash equivalents	235	1	-	236
Trade and other receivables	92,810	61,476	50,616	204,902
Total assets	93,045	61,477	50,616	205,138
LIABILITIES				
Loans and borrowings	36,132,050	-	-	36,132,050
Trade and other payables	1,326	142,403	24	143,753
Total liabilities	36,133,376	142,403	24	36,275,803
Net position	(36,040,331)	(80,926)	50,592	(36,070,665)

The following table shows the currency structure of financial assets and liabilities as at 31 December 2024:

'000 AMD	USD	EUR	Other currencies	Total
ASSETS				
Cash and cash equivalents	75,291	41,422	-	116,713
Trade and other receivables	66,201	84,872	9,577	160,650
Total assets	141,492	126,294	9,577	277,363
Loans and borrowings	28,209,396	-	-	28,209,396
Trade and other payables	512	50,461	21,711	72,684
Total liabilities	28,209,908	50,461	21,711	28,282,080
Net position	(28,068,416)	75,833	(12,134)	(28,004,717)

The following significant exchange rates have been applied during the year:

in AMD	Average rate		Reporting date spot rate	
	2025	2024	2025	2024
USD	386.82	386.82	381.36	396.56

Sensitivity analysis

A reasonably possible strengthening (weakening) of AMD, as indicated below, against USD at 31 December would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

'000 AMD	Strengthening	Weakening
	Profit or loss	Profit or loss
31 December 2025		
AMD 10% movement against USD	3,603,925	(3,603,925)
31 December 2024		
AMD 10% movement against USD	2,806,842	(2,806,842)

Interest rate risk

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Group’s exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Exposure to interest rate risk

At the reporting date the interest rate profile of the Group’s interest-bearing financial instruments was:

'000 AMD	Carrying amount	
	2025	2024
Fixed rate instruments		
Financial assets	16,237,992	13,193,165
Financial liabilities	(42,990,822)	(28,766,403)
	(26,448,971)	(15,573,238)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments as fair value through profit or loss or fair value through other comprehensive income. Therefore, a change in interest rates at the reporting date would not have an effect in profit or loss or in equity.

25. Leases

(a) Leases as lessor

The Group leases out its investment property (see Note 11). All leases are classified as operating leases from a lessor perspective, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2025 was AMD 311,835 thousand (2024: AMD 326,650 thousand) and was included in revenue (see Note 5).

The following table sets out a maturity analysis of expected lease payments, showing the undiscounted lease payments to be received after the reporting date.

'000 AMD

2025 – Operating leases under IFRS 16

Less than one year	203,981
One to two years	194,180
Two to three years	109,186
Three to four years	57,698
Four to five years	16,301
More than five years	-
Total	581,346

2024 – Operating leases under IFRS 16

Less than one year	278,613
One to two years	233,510
Two to three years	196,236
Three to four years	116,233
Four to five years	2,493
More than five years	-
Total	827,085

26. Commitments

Capital expenditure related to inventory property under development

The Contract with the main constructor do not define the total project implementation cost and payment is performed based on the acts provided. The Group has a right to cease the contract at any time during the project by compensating the actual cost of the constructor.

For other works there are commitments as specified in the contracts between parties. As at 31 December 2025 the Company has commitment of AMD 2,202,825 thousand (31 December 2024: AMD 2,483,125 thousand) with regards to 107 Teryan Street.

For 23 Orbeli Street the Group has commitment towards the government to make investments of AMD 71,000,000 thousand within four years from the purchase date as specified in the purchase agreement (Note 13(a)).

Assets acquisition

Under the Shareholders agreement dated 4 June 2024 (Note 21) the Government of the Republic of Armenia has a call option to buy the Company's shares in the Subsidiary if the project to construct World Trade Center (the "Project") fails (the "Project Failure"). A Project Failure occurs if:

- Construction is delayed by more than 24 months for intermediate stage or more than 48 months for final completion (unless due to certain justified delays), if the degree of completion of an intermediate stage of the Project or its final completion, respectively, is less than 80 (eighty) percent.
- Violation of the requirements of the RA legislation including those for seismic safety, fire safety, technical safety, protection of human life or health, or such a violation or any other deficiency that results in a risk of collapse of the complex or any part thereof, a threat to the human life or health of people, or a risk of causing significant damage to real estate adjacent to the complex. It shall not be deemed a failure if the construction has been carried out in accordance with the approved construction permit and the architectural and planning assignment.
- The Subsidiary loses the right to use the World Trade Center (WTC) brand due to licensing termination and new equivalent brand is not obtained within one year.

Project Failures do not include issues caused by the Government actions or force majeure.

Total Project investments are estimated to be approximately USD 212 mln, including the value of the land.

The Management of the Group estimates that probability of the Project Failure as at 31 December 2025 is remote.

The Company has right to sell its shares in the Subsidiary to the Government if adverse event occurs (the "Adverse Event"). An Adverse Event refers to certain situations that significantly hinder or prevent implementation of the Project, such as:

- Government actions or inactions (e.g., denial of permits, legal changes, or property seizure) that delay or block construction or require major changes to the Project.
- Failure to secure demolition or construction permits without the Company's fault.
- Recognition of public interest over the project site or related assets, obstructing development.
- Breach of guarantees by the Government affecting project feasibility.
- Actions by local authorities that similarly delay or obstruct construction.

There are no Adverse Events as at 31 December 2025 and the Management of the Group is certain that will not exercise the put option in the foreseeable future.

27. Contingencies

(a) Insurance

The insurance industry in the Republic of Armenia is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. 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 Group property or relating to Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Group's operations and financial position.

(b) Litigations

In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material effect on the results of operations or financial position of the Group.

(c) Taxation contingencies

The taxation system in Armenia is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation. Taxes are subject to review and investigation by tax authorities, which have the authority to impose fines and penalties. In the event of a breach of tax legislation, no liabilities for additional taxes, fines or penalties may be imposed by tax authorities once three years have elapsed from the date of the breach.

These circumstances may create tax risks in Armenia that are more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Armenian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

28. Related parties

(a) Parent and ultimate controlling party

The Company is equally owned by Arayik Karapetyan and Eduard Marutyan, who jointly control the Company.

(b) Transactions with members of the Board of Directors and the Management

Total remuneration included in administrative expenses during the year is as follows:

'000 AMD	2025	2024
Salaries and bonuses	<u>123,435</u>	<u>74,152</u>

There were advances received from management for pre-completion of inventory property under construction as at 31 December 2024 in the amount of AMD 432,105 thousand.

(c) **Other related party transactions**

‘000 AMD	Transaction value for the year ended 31 December		Outstanding balance as at 31 December	
	2025	2024	2025	2024
Investment property rentals:				
Entities under control of shareholders	121,433	176,315	203,786	183,830
Advances received for the pre-completion sales of inventory property under development:				
Shareholder	-	(332,080)	(331,980)	(332,080)
Purchases for inventory property				
Entities under control of shareholders	-	(42,500)	-	-
Purchase of goods/services:				
Entities under control of shareholders	(270,635)	(36,000)	(9,151)	-
Prepayments given:				
Entities under control of shareholders	188,546	68,300	16,264	60,300
Charity expenses				
Entities under control of shareholders	(20,000)	(10,000)	-	-
Loans and borrowings received:				
Shareholder	(1,285,000)	(240,000)	(900,000)	-
Entities under control of shareholders	(6,031,277)	(1,822,311)	(6,064,084)	(557,007)
Loans and borrowings given:				
Entities under control of shareholders	-	355,000	467,000	467,000
Financial guarantees provided:				
Shareholder	-	-	(114,408)	(118,968)

Terms of the loans and borrowings received from related parties are described in Note 19(a).

Loans given to related party are with 0% (2024: 0%) and are on demand (2024 on demand). During 2025 interest expense of AMD 556,277 thousand was accrued on loans and borrowings received from related parties (2024: AMD 72,311 thousand).

29. Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, except for investment property, investment property under construction and properties (included in property and equipment category) stated at fair value as determined by independent appraisal.

30. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

(a) Revenue

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5(c).

(b) Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers for property purchase contracts, for which revenue is recognised on transfer of the property.

The effect of financing (interest expense) is presented separately from revenue from contracts with customers in the consolidated statement of profit or loss and other comprehensive income and included in 'finance costs'.

(c) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense on financial instruments is recognised using the effective interest method, except for the interest expense calculated on contract liabilities.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(d) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow 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 if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Property and equipment

(i) Recognition and measurement

Items of property and equipment, except for building are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Revaluation of building

Building is measured at fair value, based on periodic valuation by external independent valuator. A revaluation increase on building is recognised directly under the heading of revaluation surplus in other comprehensive income, except to the extent that it reverses a previous revaluation decrease recognized in profit or loss, in which case it is recognized in profit or loss. A revaluation decrease on a building is recognized in profit or loss except to the extent that it reverses a previous revaluation increase recognized as other comprehensive income directly in equity, in which case it is recognized in other comprehensive income.

(iv) Depreciation

Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use. Depreciation is based on the cost of an asset less its estimated residual value.

Depreciation is generally recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives of significant items of property and equipment for the current and comparative periods are as follows:

- building 100 years;
- vehicles 5 years;
- office and computer equipment 1-5 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(v) *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is reclassified accordingly.

(g) *Investment property*

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

The effect of sales of investment property below market value where the counterparty is related or owner related, is recognized through equity accounts.

(h) *Investment property under construction*

Investment property under construction is measured at fair value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

(i) *Financial instruments*

(i) *Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities comprise of loans and borrowings and trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(j) Charter capital

The shares of the Group are redeemable at the option of the shareholder under the legislation of the Republic of Armenia. The entity is obliged to pay a withdrawing shareholder its share of the net assets of the entity for the year of withdrawal in cash or, with the consent of the shareholder, by an in-kind transfer of assets.

In accordance with IAS 32 *Financial Instruments: Presentation* the net assets attributable to shareholders are classified as equity in all periods presented in these consolidated financial statements because the management concluded that the Group's puttable financial instruments satisfy all the conditions set in IAS 32 for equity presentation of puttable instruments.

(k) Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

(l) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

If the Group acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, the Group accounts such transactions as asset acquisitions in which the cost of acquisition is allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition.

Assets acquired in an asset acquisition are recognised based on the cost of acquisition. The cost of an asset acquisition may comprise the following:

- cash or cash equivalent price at the date of acquisition;
- fair value of non-cash consideration (e.g. non-cash assets given up or liabilities assumed); and
- transaction costs directly attributable to the acquisition of the assets.

(ii) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- exposure, or rights, to variable returns from its involvement with the investee
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(m) Government grants

The Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

(n) Segment reporting

An operating segment is a component of a Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same Group); whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Management considers that the Group comprises of one operating segment.

31. New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

(a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

(b) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

32. Subsequent events

The Company issued bonds in two series denominated in USD with total amount of USD 20,000 thousand with an annual interest rate of 10%, with maturity dates February 2029 and February 2031 and one series denominated in AMD with total amount of AMD 2,300,000 thousand with annual interest of 12% and maturity date February 2029.

The Company acquired Premium Plaza CJSC with total consideration of USD 25,050 thousand in February 2026, it will be accounted as asset acquisition.

The Company made prepayment for acquiring GTB Development LLC and Real G LLC with total amount of USD 80,000 thousand in March 2026.

On 7 April 2026 Board of Directors approved the proposal of the General Director to attract borrowings from Ameria Bridge General Trading LLC on the following terms and conditions: 30,000,000 AED - with an annual interest rate of 7.65% and maturity date 15 February 2027; 70,000,000 AED - with an annual interest rate of 7.65% and maturity date 15 October 2026.