

# "PRIME CAPITAL"

LIMITED LIABILITY COMPANY

FINANCIAL STATEMENTS

For the Year Ended December 31, 2025

Together with the Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of "Prime Capital" LLC

### Opinion

We have audited the financial statements of "Prime Capital" LLC (the "Company"), which comprise the statement of financial position as of December 31, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the "Code of Ethics"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code of Ethics and the professional ethics requirements relevant to financial statement audits in the Republic of Armenia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

Our objective is to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



"Prime Capital" LLC  
Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended December 31, 2025

Thousands of AMD	Notes	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Income from management fees	5	259,467	117,694
Net income from trading	6	65,304	21,212
Interest income		133	203
Net loss from foreign currency revaluation		(46)	(25)
Other income		35	66
Total operating expenses	7	(45,696)	(39,077)
<b>Profit before tax</b>		<b>279,197</b>	<b>100,073</b>
Profit tax expense	8	(38,861)	(6,329)
<b>Profit for the year</b>		<b>240,336</b>	<b>93,744</b>
<i>Other comprehensive income</i>			
Other		-	-
<b>Total other comprehensive income after tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>240,336</b>	<b>93,744</b>

The financial statements were approved on March 6, 2025.



Asya Khalatyan

Representative of the Accounting  
Service Provider

Arthur Harutyunyan

The Statement of Profit or Loss and Other Comprehensive Income should be read together with the notes to the financial statements, presented on pages 9 to 31, which form an integral part of these financial statements.

"Prime Capital" LLC  
Statement of Financial Position  
As of December 31, 2025

Thousands of AMD	Notes	As of December 31, 2025	As of December 31, 2024
<b>ASSETS</b>			
Cash and cash equivalents	9	15,025	32,671
Trade receivables from management fees	10	79,842	13,283
Financial assets at fair value through profit or loss	11	276,939	106,487
Loans issued	12	-	30,000
Property and intangible assets	13	2,731	3,284
Deferred tax assets		1,135	808
Other assets		1,644	1,691
<b>TOTAL ASSETS</b>		<b>377,316</b>	<b>188,224</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Current profit tax liabilities		36,741	6,632
Borrowings received	14	68,000	-
Provisions	15	6,446	4,653
Other liabilities		1,240	386
<b>TOTAL LIABILITIES</b>		<b>112,427</b>	<b>11,671</b>
<b>EQUITY</b>	16		
Authorized capital		60,000	52,000
Issuance income		20,400	20,400
Main reserve		10,400	10,400
Retained earnings		174,089	93,753
<b>TOTAL EQUITY</b>		<b>264,889</b>	<b>176,553</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>377,316</b>	<b>188,224</b>

The Statement of Financial Position should be read together with the notes to the financial statements, presented on pages 9 to 31, which form an integral part of these financial statements.

"Prime Capital" LLC  
Statement of Changes in Equity  
For the Year Ended December 31, 2025

Thousands of AMD	Authorized capital	Issuance income	Main reserve	Retained earnings	Total
<b>As of January 1, 2024</b>	<b>52,000</b>	<b>28,000</b>	<b>2,800</b>	<b>10,309</b>	<b>93,109</b>
Profit for the year	-	-	-	93,744	93,744
<i>Total comprehensive income for the year</i>	-	-	-	93,744	93,744
Transfer to main reserve	-	(7,600)	7,600	-	-
Dividends	-	-	-	(10,300)	(10,300)
<b>As of December 31, 2024</b>	<b>52,000</b>	<b>20,400</b>	<b>10,400</b>	<b>93,753</b>	<b>176,553</b>
Profit for the year	-	-	-	240,336	240,336
<i>Total comprehensive income for the year</i>	-	-	-	240,336	240,336
Increase in charter capital	8,000	-	-	-	8,000
Dividends	-	-	-	(160,000)	(160,000)
<b>As of December 31, 2025</b>	<b>60,000</b>	<b>20,400</b>	<b>10,400</b>	<b>174,089</b>	<b>264,889</b>

The Statement of Changes in Equity should be read together with the notes to the financial statements, presented on pages 9 to 31, which form an integral part of these financial statements.

"Prime Capital" LLC  
Cash Flow Statement  
For the Year Ended December 31, 2025

Thousands of AMD	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
<i>Cash Flows from Operating Activities</i>		
Inflows from securities portfolio management	10,435	16,786
Inflows from fund management	182,473	106,791
Payments for acquisition of financial assets measured at fair value through profit or loss	(105,146)	(14,414)
Paid salary and other equivalent payments	(24,751)	(20,388)
Payments to state budget	(585)	(182)
Profit tax paid	(9,080)	-
Other operating expenses paid	(16,901)	(18,534)
Interest receipts	133	203
Refund of advances	-	1,141
Other operating inflows	35	66
<b>Net Cash Flows from Operating Activities</b>	<b>36,613</b>	<b>71,469</b>
<i>Cash Flows from Investing Activities</i>		
Loan disbursements	(35,000)	(30,000)
Repayment of loans granted	65,000	-
Payments for acquisition of PPE and intangible assets	(258)	(279)
<b>Net Cash Flows from Investing Activities</b>	<b>29,742</b>	<b>(30,279)</b>
<i>Cash Flows from Financing Activities</i>		
Proceeds from share capital increase	8,000	-
Proceeds from borrowings	68,000	-
Dividend payments	(160,000)	(10,300)
<b>Net Cash Flows from Financing Activities</b>	<b>(84,000)</b>	<b>(10,300)</b>
<b>Net Cash Flow</b>	<b>(17,645)</b>	<b>30,890</b>
Cash and cash equivalents at the beginning of the period	32,671	1,781
<b>Cash and cash equivalents at the end of the period</b>	<b>15,025</b>	<b>32,671</b>

The Cash Flow Statement should be read together with the notes to the financial statements, presented on pages 9 to 31, which form an integral part of these financial statements.

## 1. Nature of Operations and General Information

"Prime Capital" LLC (hereinafter referred to as the "Company") was established in 2019. On December 6, 2019, the Company was registered with the Central Bank of the Republic of Armenia (CBRA) as an investment fund manager and was granted Investment Fund Management License No. 0006. The Company's activities are regulated by the Central Bank of Armenia. The governing bodies of the Company are the General Meeting of Participants, the Board of Directors, and the Executive Director. The rights of the General Meeting of the Company are exercised by the sole participant of the Company, Nerses Sarinyan, who, within the scope of his authority, has the final decision-making power on any issue related to the management and activities of the Company.

The composition of the Company's Board of Directors is as follows:

- Sergey Shevchenko - Chairman of the Board of Directors
- Nerses Sarinyan - Member of the Board of Directors
- Ashot Khurshudyan - Member of the Board of Directors

The current operations of the Company are managed by the Executive Director, Asya Khalatyan. The Executive Director is responsible for managing the ongoing activities of the Company, except for those matters that are reserved for the General Assembly by the Charter and Legislation.

The Company manages the following investment funds (Funds):

- "Prime Invest" non-public, specialized, intermediate, contractual investment fund
- "Prime Capital" LLC's "Prime Prof" qualified investors, non-public, specialized (additional risk), intermediate, contractual investment fund

The company's registration address is: 0015, Yerevan, Argishti Street, building 7, office 311.

As of December 31, 2025, the number of employees of the company is 6 (2024: 6).

## 2. Business Environment in Armenia

The business environment in the Republic of Armenia continues to be shaped by external and regional developments. The regional security situation and geopolitical factors may continue to give rise to a certain level of uncertainty and may affect economic activity, market stability, and business relationships. At the same time, negotiation processes aimed at reducing tensions and achieving long-term stability are ongoing; however, there remains uncertainty as to their outcomes and timing.

Management monitors developments and considers that, as of the reporting date, it is not possible to reliably quantify the overall impact of the above circumstances on the Company's operations, financial position and cash flows, due to the ongoing nature of events and the number of contributing factors. Future economic and political developments and their effects on the Company may differ from management's current expectations. Accordingly, these financial statements do not include any adjustments for potential future impacts arising from the above circumstances, except where required by applicable accounting standards.

### **3. Basis of Preparation**

#### **3.1 Statement of Compliance**

These financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

#### **3.2 Basis of Measurement**

The measurement basis adopted by the Company for preparing the financial statements is the historical cost, which is generally combined with other measurement bases. When other measurement bases are applied, the Company discloses such changes in the relevant notes.

#### **3.3 Functional and Presentation Currency**

The national currency of the Republic of Armenia is the Armenian Dram (AMD), which is also the Company's functional currency, as it most appropriately reflects the economic substance of the underlying events and transactions of the Company.

All financial information presented in these financial statements is rounded to the nearest thousand.

#### **3.4 Going Concern**

The financial statements have been prepared on the going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business, and that there is no intention or necessity to cease or significantly reduce operations within the 12-month period following the reporting date.

#### **3.5 Use of Estimates and Judgments**

The preparation of financial statements in accordance with the IFRS standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Information about the significant judgments made in applying accounting policies that have a material impact on the amounts recognized in the financial statements is presented in Note 16, "Fair Value and Risk Management."

The best evidence of fair value is the quoted price in an active market. In the absence of a quoted price in an active market, management uses other valuation methods, in particular, the comparison method with similar instruments in both internal and external markets.

##### ***Fair Value Measurement***

When measuring the fair value of an asset or liability, the Company uses observable market data, where possible. Fair values are classified based on the levels of the fair value hierarchy, using the input data used in the valuation methods, as outlined below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the input data used to measure the fair value of an asset or liability can be classified into different levels of the fair value hierarchy, the entire fair value measurement is classified in the level of the fair value hierarchy in which the lowest level input that is significant to the measurement is classified.

### **3.6 Adoption of New and Revised Standards**

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

#### **IFRS 7 "Financial Instruments: Disclosures" - Disclosures**

The amendment made to IFRS 7 requires the disclosure of other comprehensive income related to fair value remeasurements of equity instruments measured at fair value through other comprehensive income, separating the portion related to assets recognized in the current period. It is also required to separately disclose the contractual terms of financial assets and liabilities measured at amortized cost, as well as financial assets measured at fair value through other comprehensive income, which may cause changes in the amounts and timing of contractual cash flows, and which represent contingent events not directly related to changes in the risk and value of the underlying debt agreement.

*This amendment to IFRS 7 will be effective for annual periods beginning on or after January 1, 2026, or for periods starting from that date..*

#### **IFRS 9 "Financial Instruments". Contracts referencing Nature-dependent Electricity**

Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity's financial statements.

*This amendment to IFRS 19 is effective for annual periods beginning on or after 1 January 2026*

#### **IFRS 9 "Financial Instruments" - Measurement of Trade Receivables**

The amendment made to IFRS 9 clarifies that trade receivables should be measured at the amount determined by applying IFRS 15 "Revenue from Contracts with Customers" at the point of recognition.

*This amendment to IFRS 9 will be effective for annual periods beginning on or after January 1, 2026, or for periods starting from that date.*

#### **IFRS 9 "Financial Instruments" - Derecognition of Lease Liabilities**

The amendment made to IFRS 9 clarifies that the requirement to recognize the difference between the carrying amount of a financial liability and the consideration paid in profit or loss at the time of derecognition should also apply to lease liabilities.

*This amendment to IFRS 9 will be effective for annual periods beginning on or after January 1, 2026, or for periods starting from that date.*

#### **IFRS 9 "Financial Instruments" – Derecognition of Liabilities through Electronic Payment Systems**

In cases where financial liabilities are settled via electronic payment systems, derecognition is permitted at the payment date, provided the payer cannot cancel, stop, or recall the payment.

*This amendment to IFRS 9 will be effective for annual periods beginning on or after January 1, 2026, or for periods starting from that date.*

#### **IFRS 18 "Presentation and Disclosure in Financial Statements"**

IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024 to replace IAS 1 Presentation of Financial Statements. IFRS 18 aims to improve financial reporting by: requiring additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for the aggregation and disaggregation of items. The IASB did not reconsider all aspects of IAS 1 when developing IFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from IAS 1 in IFRS 18 and moved some paragraphs from IAS 1 to IAS 8 Basis of Preparation of Financial Statements and IFRS 7 Financial Instruments: Disclosures.

*This amendment to IFRS 18 is effective for annual periods beginning on or after 1 January 2027.*

#### **IFRS 19 "Subsidiaries without Public Accountability". Disclosures**

IFRS 19 Subsidiaries without Public Accountability: Disclosures was issued in May 2024. IFRS 19 permits some subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply the requirements in other IFRS Accounting Standards except for their disclosure requirements. Instead, these entities apply the requirements in IFRS 19.

*This amendment to IFRS 19 is effective for annual periods beginning on or after 1 January 2027.*

#### **IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Translation in Hyperinflationary Economies**

If the presentation currency of the financial statements is the currency of a hyperinflationary economy, while the functional currency is not, then the financial statements—both the results and the financial position—must be translated at the closing rate of the most recent reporting period.

*These amendments to IAS 21 are effective for annual reporting periods beginning on or after January 1, 2027.*

### **4. Significant Accounting Policies**

The accounting policies outlined below have been consistently applied in the preparation of these financial statements for all periods presented.

#### **4.1 Financial Income**

The Company's financial income includes:

- Interest income,
- Gains or losses from the revaluation of foreign currency on financial assets and financial liabilities.

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts over the life of the financial instrument to:

- the gross carrying amount of the financial asset, or
- the amortized cost of the financial liability.

When calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (if the asset is not credit-impaired) or the amortized cost of the liability. However, for financial assets that have become credit-impaired after initial recognition, interest income is calculated using the effective interest rate on the amortized cost of the financial asset. If the asset is no longer considered credit-impaired, interest income is then calculated on a gross basis again.

Gains and losses arising from exchange rate differences are presented on a net basis as financial income or financial expenses, depending on whether the foreign exchange change results in a net profit or net loss.

#### **4.2 Income from management fees**

The management fee for fund management is calculated on a monthly and quarterly basis, based on the annual rate defined by the fund's rules, applied to the net asset value of the funds.

The management fee for the management of the securities portfolio is calculated on a quarterly basis based on the annual rate defined by the agreements for the net asset value of the assets entrusted for fiduciary management.

The assets under the management of the Company do not belong to the Company's assets and, therefore, are not recognized in the statement of financial position. The Company is not exposed to any credit risk related to such allocation as it does not guarantee these investments.

#### **4.3 Net income from trading**

The Company makes investments in the shares of the funds under its management. The shares are recognized at quoted market prices or at the net asset value attributable to one share purchased and are subsequently measured at fair value through profit or loss. Net income from trading in the statement of profit or loss and other comprehensive income includes all realized and unrealized changes in fair value, foreign exchange differences, but does not include income in the form of interest and dividends.

#### **4.4 Short-term Employee Benefits**

Liabilities for short-term employee benefits are measured without discounting and are recognized as expenses when the service is rendered. The liability is recognized at the amount expected to be paid as a short-term cash bonus if the Company has a present legal or constructive obligation to pay that amount as a result of past services rendered by the employee and can reliably estimate the obligation.

#### **4.5 Profit tax**

Profit tax consists of current and deferred taxes. The tax is recognized in profit or loss, except for the portion related to items recognized directly in equity or other comprehensive income.

##### ***Current Tax***

Current tax is the amount of tax expected to be paid or received on the taxable profit or loss for the year, applying the tax rates that are in effect or substantively in effect at the reporting date, and includes adjustments related to taxes payable for prior years.

##### ***Deferred Tax***

Deferred tax is recognized in the financial statements for the purpose of reflecting temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax purposes. Deferred tax is not recognized for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and does not affect either accounting profit or 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 the company will have taxable profits in the future against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the relevant tax benefit will be realized. Such reductions are reversed when the likelihood of future taxable profits increases.

Deferred tax is measured using the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that are enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the company has a legally enforceable right to offset current tax assets and liabilities, and they relate to income tax levied by the same tax authority on the same taxpayer or different taxpayers, provided the company intends either to settle the current tax liabilities and assets on a net basis or to realize the tax assets and settle the tax liabilities simultaneously.

## **4.6 Cash and Cash Equivalents**

Cash and cash equivalents presented in the statement of financial position represent cash held in banks with a maturity of three months or less.

## **4.7 Financial Instruments**

### ***Recognition and Initial Measurement***

Receivables arising from management fees are initially recognized at the time of origin. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (if it is not a trade receivable that does not contain a significant financing component) or a financial liability is initially measured at fair value, plus, in the case of an item not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or financial liability.

### ***Classification and Subsequent Measurement***

The Company classifies all its financial assets based on the business model for managing the assets and the contractual cash flow characteristics of the assets, measuring them as follows:

- At amortized cost,
- At fair value through other comprehensive income,
- At fair value through profit or loss.

Financial assets are not reclassified after initial recognition, except in cases where the Company changes its business model for managing financial assets. In such cases, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets the following two conditions and is not designated as measured at fair value through profit or loss:

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

All financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. At initial recognition, the company may irrevocably designate a financial asset that otherwise meets the criteria for measurement at amortized cost or fair value through other comprehensive income, as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## **Financial Assets. Assessment of Business Model**

The company assesses the objective of the business model under which an asset is held at the portfolio level, as this assessment best reflects the manner in which the business is managed and the way information is provided to the management. In this case, the following information is considered:

- The policy and objectives set for the portfolio, and how that policy is practically implemented. Specifically, whether the management's strategy aims to generate the contractual interest income, maintain a certain interest rate structure, align the maturities of financial assets with the corresponding maturities of financial liabilities, or manage expected cash outflows or realize cash flows through the sale of assets.
- The risks affecting the business model (and the financial assets held under that business model) and the methods for managing those risks.
- The frequency, volume, and timing of sales of financial assets in previous periods, the reasons for those sales, and expectations related to future sales.

The transfer of financial assets to third parties in transactions that do not meet the derecognition conditions is not considered a sale for this purpose, and the Company continues to recognize the assets.

## **Financial Assets. Assessment of whether the contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" consists of compensation for the time value of money and the credit risk related to the principal amount not yet paid over a certain period, as well as other basic risks and costs related to the transfer and exchange of money (such as liquidity risk and administrative costs), along with the profit margin.

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" consists of compensation for the time value of money and the credit risk related to the principal amount not yet paid over a certain period, as well as other basic risks and costs related to the transfer and exchange of money (such as liquidity risk and administrative costs), along with the profit margin.

In conducting this assessment, the Company considers the following:

- Conditional events that may alter the amount or timing of the cash flows,
- Conditions that may adjust the contractual effective interest rate, including variable interest rate conditions,
- Early repayment and extension terms,
- Conditions that limit the Company's right to cash flows from certain assets (for example, a financial asset without a recourse right).

An early repayment condition meets the criterion of payments consisting solely of principal and interest if the early repayment amount essentially represents the unpaid interest on the principal and the outstanding principal, which may include a reasonable compensation for the early termination of the contract.

## **Financial assets. Subsequent measurement, gains, and losses**

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by the amount of impairment losses. Interest income, gains and losses arising from foreign exchange differences, and impairment are recognized in profit or loss. Gains or losses arising from derecognition are recognized in profit or loss.

## **Financial liabilities. Classification, subsequent measurement, gains, and losses**

Financial liabilities are classified as measured at amortized cost and are subsequently measured at amortized cost using the effective interest rate method. Interest expenses and gains and losses arising from foreign exchange differences are recognized in profit or loss. Any gains or losses arising from derecognition are also recognized in profit or loss.

### ***Financial assets and financial liabilities modification***

#### **Financial assets**

If the terms of a financial asset are modified, the company assesses whether the modified asset's cash flows differ significantly. If the cash flows differ significantly ("significant modification"), the contractual rights to the cash flows arising from the original financial asset are considered extinguished. In that case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.

The company performs both quantitative and qualitative assessments to determine whether the modification is significant. That is, it assesses whether the cash flows of the original financial asset differ significantly from the cash flows of the modified or replaced financial asset. The company evaluates the significance of the modification by considering both quantitative and qualitative factors in the following sequence: qualitative factors, quantitative factors, and the combined effect of both qualitative and quantitative factors. If the cash flows differ significantly, the contractual rights to the cash flows arising from the original financial asset are considered extinguished. In performing this assessment, the company applies a similar set of guidelines to those used for the derecognition of financial liabilities.

The company concludes that the modification is significant based on the following qualitative factors:

- The change in the currency of the financial asset,
- Changes in collateral or other measures improving the quality of the debt,
- Changes in the terms of the financial asset that result in non-compliance with the criterion of only principal and interest payments (e.g., the inclusion of a conversion clause).

If the cash flows arising from the modified financial asset measured at amortized cost are not significantly different, the modification does not result in the derecognition of the financial asset. In that case, the company recalculates the gross carrying amount of the financial asset and recognizes the amount resulting from the adjustment to the gross carrying amount as a gain or loss from the modification in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows, discounted using the original effective interest rate of the financial asset. Any incurred expense or payment adjusts the carrying amount of the modified financial asset and is amortized over the remaining term of the modified financial asset.

#### **Financial Liabilities**

The company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the modified terms. The difference between the carrying amount of the extinguished financial liability and the fair value of the new financial liability under the modified terms is recognized in profit or loss.

If the modification (or exchange) does not result in the derecognition of the financial liability, the company applies the accounting policy where the carrying amount of the financial liability is adjusted. In this case, the company recognizes the adjustment of the amortized cost of the financial liability arising from the modification (or exchange) in profit or loss as of the date of the modification (or exchange).

Changes in cash flows of existing financial liabilities are not considered a modification if they arise from existing contractual terms. For example, changes in fixed interest rates by banks due to changes in the Central Bank of Armenia's key interest rate, if the loan agreement grants banks the right to make such a change and the company has the option to either agree to the revised interest rate or settle the loan at face value without penalty.

Interest rate modifications to align with the current market rate are accounted for by the company following the guidance applicable to financial instruments with floating interest rates. This means that the effective interest rate is adjusted progressively.

The company conducts a quantitative and qualitative assessment of the significance of the modification by considering qualitative factors, quantitative factors, and the combined effect of both qualitative and quantitative factors. The company concludes that the modification is significant based on the following qualitative factors:

- Change in the currency of the financial liability,
- Change in methods that improve the quality of collateral or debt,
- Inclusion of a conversion option,
- Change in the subordination of the financial liability.

For quantitative assessment, conditions are considered significantly different if the discounted present value of the cash flows under the new terms, including paid fees and net received payments, discounted at the initial effective interest rate, differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liability.

If the exchange of debt instruments or modification of terms is accounted for as extinguishment, any incurred expenses or fees are recognized as part of the gain or loss from extinguishment. If the exchange or modification is not accounted for as extinguishment, any incurred expenses or fees adjust the carrying value of the liability and are amortized over the remaining term of the modified liability.

### ***Derecognition***

#### **Financial Assets**

The company derecognises a financial asset when the contractual rights to the cash flows arising from the financial asset cease to exist, or when it transfers the rights to receive cash flows in a transaction where it effectively transfers all risks and rewards associated with the ownership of the financial asset, or when the company neither transfers nor retains effectively all the risks and rewards of ownership and does not retain control over the financial asset.

The company engages in transactions where it transfers recognized assets from its statement of financial position but retains all or essentially all of the risks and rewards associated with the transferred assets. In such cases, the transferred assets are not derecognised.

#### **Financial Liabilities**

The company derecognises a financial liability when its contractual obligations are discharged, canceled, or expire. The company also derecognises a financial liability when its terms are modified and the cash flows arising from the modified liability are significantly different, in which case a new financial liability is recognized at fair value based on the modified terms.

When a financial liability is derecognised, the difference between the carrying amount of the derecognised financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as a gain or loss in profit or loss.

### ***Offsetting***

Financial assets and liabilities are offset and presented in the statement of financial position at their net amount only when the company has a legally enforceable right to set off the amounts and intends either to settle the financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

## 4.8 Impairment

The company recognizes a loss allowance for expected credit losses (ECL) on the following financial instruments that are measured at fair value through profit or loss:

- Cash and cash equivalents,
- Debtor receivables related to management fees.

The loss allowance is measured as follows:

- An amount equal to the 12-month expected credit losses, which represent the portion of the lifetime expected credit losses arising from possible defaults over the next 12 months from the reporting date (Stage 1), or
- An amount equal to the lifetime expected credit losses, which represent expected credit losses arising from all possible default events over the lifetime of the financial instrument (Stage 2 and Stage 3).

The loss allowance for a financial instrument is measured as an amount equal to the lifetime expected credit losses if the credit risk of that financial instrument has significantly increased since initial recognition. For all other instruments, for which the loss allowance is measured as an amount equal to the 12-month expected credit losses.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of the financial instrument. They are measured as the present value of the difference between the contractual cash flows that are due to the Company and the cash flows expected to be received by the Company, weighted for different future economic scenarios, discounted at the instrument's effective interest rate.

## 4.9 Property

### *Property Measured at Cost*

The Company's property is recognized at cost less accumulated depreciation and impairment losses. The cost includes the purchase price, import duties, taxes, and other mandatory payments that are non-refundable and directly attributable to the acquisition costs. When a property unit consists of significant components with different useful lives, this is recognized as separate units of the asset.

The gain or loss arising from the disposal or retirement of a property asset is determined by the difference between the proceeds from the sale and the carrying amount of the asset, and is recognized in the statement of comprehensive financial income.

The costs of replacing components of property which is recognized as separate assets, are capitalized with the carrying amount of the disposed component. Other subsequent expenditures are capitalized only when they increase the future economic benefits associated with the property unit. All other expenditures, including maintenance and repair costs, are recognized in the statement of comprehensive financial income in the period in which they are incurred.

Depreciation is recognized in the statement of comprehensive financial income using the straight-line method over the estimated useful life of the asset. Depreciation begins when the asset becomes available for use in its intended purpose.

The residual values, useful lives, and depreciation methods of property is reviewed at the end of each financial year and, if necessary, adjusted prospectively.

The estimated useful lives of property is presented as follows:

Office equipment and other property	1 - 8 years
Computer and other technology	1 - 3 years

## 4.10 Intangible Assets

Intangible assets acquired by the Company with a finite useful life are presented at cost less accumulated amortization and impairment losses.

Amortization is recognized in the statement of profit or loss and other comprehensive income using the straight-line method over the estimated useful life of the intangible asset.

The estimated useful life of intangible assets is as follows:

Computer software	1 - 10 years
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## 4.11 Foreign Currency Transactions

A foreign currency transaction is a transaction that is denominated in a foreign currency or requires settlement in foreign currency.

A foreign currency transaction is initially recognized in the functional currency by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At the end of each reporting period:

- a) Monetary items in foreign currency are retranslated using the closing exchange rate.
- b) Non-monetary items denominated in foreign currency that are measured at historical cost are retranslated (presented) using the exchange rate at the transaction date.
- c) Non-monetary items denominated in foreign currency that are measured at fair value are retranslated (presented) using the exchange rate at the date of determining the fair value.

Monetary items include cash and cash equivalents, as well as assets and liabilities that are to be received or settled in cash. For the purpose of accounting for the effects of foreign exchange rate changes, advances paid and received in foreign currency are also considered monetary items.

Non-monetary items include all balance sheet items except for cash and cash equivalents and assets and liabilities that are to be received or settled in cash.

The exchange rate used is the official exchange rate published by the Central Bank of the Republic of Armenia.

<i>Foreign Currency</i>	<i>31.12.2025</i>	<i>31.12.2024</i>
1 USD	381.36 AMD	396.56 AMD

## 4.12 Equity

### *Shares*

Shares are classified as equity.

### *Retained Earnings*

Includes retained earnings from the current and previous periods.

### ***Dividends***

The Company's ability to declare and pay dividends is regulated by the legal framework established by the legislation of the Republic of Armenia.

### ***Issuance Income***

Funds received from the difference between the issue price of shares and their nominal value.

### ***Main reserve***

This reserve is formed in the amount specified by the charter, but it must not be less than 20% of the share capital. If the reserve is less than the amount required by the charter, allocations to this fund are made from profit at a rate of at least 3%, as well as from issuance income.

## **4.13 Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events, which can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a financial expense.

## 5. Income from management fees

Thousand of AMD	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Income from funds management	245,479	110,173
Income from securities portfolio management	13,988	7,521
<b>Total</b>	<b>259,467</b>	<b>117,694</b>

The Company earns management fees from the funds it manages and from managing clients' securities portfolios.

The management fee from fund management is calculated on a monthly and quarterly basis as a percentage of the net asset value of the funds, with the applicable rates determined by the respective fund regulations.

The management fee from securities portfolio management is calculated on a quarterly basis as a percentage of the net asset value of the assets entrusted under fiduciary management, with the applicable rates determined by the respective agreements.

## 6. Net income from trading

Thousand of AMD	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Gain from changes in fair value	66,833	23,068
Loss from changes in fair value	(331)	(1,585)
Foreign exchange gain	92	514
Foreign exchange loss	(1,290)	(785)
<b>Total</b>	<b>65,304</b>	<b>21,212</b>

## 7. Total operating expenses

Thousand of AMD	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Salary and other equivalent payments	(27,399)	(20,670)
Depreciation and amortization	(811)	(859)
Commissions and charges	(311)	(382)
Office, utility, and communication expenses	(3,012)	(3,275)
Professional and consultancy expenses	(6,120)	(6,120)
Operating lease expenses	(7,213)	(6,888)
Duty	(501)	(500)
Non-refundable taxes	(85)	(182)
Other operating expenses	(244)	(201)
<b>Total</b>	<b>(45,696)</b>	<b>(39,077)</b>

## 8. Profit tax expense

Thousand of AMD	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Current	(39,188)	(6,523)
Deferred	327	194
<b>Total</b>	<b>(38,861)</b>	<b>(6,329)</b>

The reconciliation of the effective tax rate is presented below:

Thousand of AMD	For the Year Ended December 31, 2025	Effective Tax Rate (%)	For the Year Ended December 31, 2024	Effective Tax Rate (%)
Profit before tax	279,197		100,073	
Profit tax at 18%	50,255	18%	18,013	18%
Net gain from changes in fair value	(11,970)	-4%	(3,867)	-4%
Exchange rate differences	224	0%	53	0%
Prior years tax losses	-	0%	(7,850)	-8%
Other non-deductible / (non-taxable income), net	352	0%	(20)	0%
Profit tax expense	(38,861)	14%	6,329	6%

## 9. Cash and cash equivalents

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Cash and cash equivalents	15,025	32,671
<b>Total</b>	<b>15,025</b>	<b>32,671</b>

There are no restrictions on cash and cash equivalents.

For the purpose of measuring ECL, the balances of cash and cash equivalents are allocated to Stage 1. As of the reporting and the previous date, the provision for ECL is not significant.

## 10. Trade receivables from management fees

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Receivables from securities portfolio management	4,260	707
Receivables from investment fund management	75,582	12,577
<b>Total</b>	<b>79,842</b>	<b>13,283</b>

As of the reporting and the previous date, the Company does not have any overdue or problematic receivables.

For the purpose of measuring ECL, the balances of receivables are allocated to Stage 1. As of the reporting and the previous date, the provision for ECL is not significant.

## 11. Financial assets at fair value through profit or loss

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Shares in funds managed by the Company:		
"Prime Invest" non-public, specialized, intermediate, contractual investment fund	177,630	86,692
"Prime Capital" LLC's "Prime Prof" qualified investors, non-public, specialized (additional risk), intermediate, contractual investment fund	99,309	19,795
<b>Total</b>	<b>276,939</b>	<b>106,487</b>

## 12. Loans issued

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Related Party		
Interest-free	-	30,000
<b>Total</b>	<b>-</b>	<b>30,000</b>

## 13. Property and intangible assets

Thousand of AMD	Office equipment and other property	Computer and other technology	Computer software	Total
<i>Cost</i>				
<b>As of January 1, 2024</b>	<b>1,992</b>	<b>3,844</b>	<b>5,070</b>	<b>10,906</b>
Additions	-	-	279	279
<b>As of December 31, 2024</b>	<b>1,992</b>	<b>3,844</b>	<b>5,349</b>	<b>11,185</b>
Additions	-	179	79	258
<b>As of December 31, 2025</b>	<b>1,992</b>	<b>4,023</b>	<b>5,428</b>	<b>11,444</b>
<i>Depreciation and Amortization</i>				
<b>As of January 1, 2024</b>	<b>1,299</b>	<b>3,713</b>	<b>2,031</b>	<b>7,042</b>
Charge for the year	177	131	551	859
<b>As of December 31, 2024</b>	<b>1,476</b>	<b>3,844</b>	<b>2,582</b>	<b>7,902</b>
Charge for the year	177	22	612	811
<b>As of December 31, 2025</b>	<b>1,653</b>	<b>3,866</b>	<b>3,194</b>	<b>8,713</b>
<i>Carrying amount</i>				
<b>As of December 31, 2024</b>	<b>517</b>	<b>-</b>	<b>2,767</b>	<b>3,284</b>
<b>As of December 31, 2025</b>	<b>339</b>	<b>157</b>	<b>2,234</b>	<b>2,731</b>

As of the reporting and the previous date, the Company's property and intangible assets are not pledged as collateral, and there are no other restrictions on them.

As of the reporting and the previous date, the Company does not have any assets held for sale or temporarily idle property or intangible assets.

As of December 31, 2025, the initial value of fully depreciated assets included in the list of property is 4,499 thousand AMD (4,420 thousand AMD as of December 31, 2024).

## 14. Borrowings received

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Related Party		
Interest-free	68,000	-
<b>Total</b>	<b>68,000</b>	<b>-</b>

As of December 31, 2025, the outstanding borrowings are classified as short-term, with a scheduled maturity in January 2026. These borrowings have been fully repaid subsequent to the reporting date.

## 15. Provisions

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Liabilities for unused vacation	4,646	2,853
Liabilities for audit	1,800	1,800
<b>Total</b>	<b>6,446</b>	<b>4,653</b>

## 16. Equity

### Authorized capital

The authorized capital of the Company as of December 31, 2025, amounts to 60,000 thousand AMD (2024: 52,000 thousand AMD), which is divided into 80,000 shares, with a nominal value of 750 AMD per share (2024: 650 AMD per share).

All of the Company's shares have been allocated, fully paid, and are owned by the sole participant, Nerses Sarinyan.

During 2025, the Company's charter capital increased by AMD 8,000 thousand through an increase in the nominal value per share. The nominal value was set at AMD 750, compared to the previous AMD 650. This increase was funded by a cash contribution from the Company's sole participant.

### Issuance income

In the year preceding 2024, a reduction in charter capital amounting to AMD 28,000 thousand was recognized as share premium. Share premium cannot be used for dividend distribution; however, per the decision of the Company's sole participant, it may subsequently be utilized to cover prior period losses, allocated to the reserve capital, or used to increase the charter capital.

In 2024, by the decision of the sole participant, AMD 7,600 thousand was allocated from the existing share premium to the general reserve.

In 2025, no changes were recorded in the share premium account.

### Main reserve

The Company has a reserve fund amounting to 20% of the authorized capital, which is created from the Company's profit share, as well as from issuance income. If the reserve capital is less than the specified minimum, allocations to this fund are made from the profit, at least 3% of it, as well as from the issuance income.

The reserve fund is used to cover the Company's losses if its profit is insufficient for this purpose. The reserve fund cannot be used for other purposes.

### Dividends

The Company has the right, based on the decision of the General Meeting, to distribute profits among its participants through the payment of quarterly, semi-annual, or annual dividends.

The payable dividends are limited by the maximum retained earnings determined by the legislation of the Republic of Armenia.

In 2025, based on the decision of the General Meeting, the Company declared and paid dividends in the amount of AMD 80,000 thousand (including tax) based on the annual financial statements for 2024. Subsequently, based on the

results of the first three quarters of 2025, the General Meeting decided to declare and pay additional dividends amounting to AMD 80,000 thousand.

## 17. Fair Value and Risk Management

### (a) Fair Value of Financial Instruments

This note provides information on the methods used by the Company to determine the fair value of various financial assets and financial liabilities.

#### *The fair value of the Company's financial assets and financial liabilities measured at fair value on a continuous basis*

Certain financial assets of the Company are measured at fair value at the end of each reporting period. The table below outlines the principles used to determine the fair value of the Company's financial assets, including the assessment methods and the inputs used.

Financial Assets	Fair Value as of		Fair Value Hierarchy	Valuation Method(s) and Key Input(s)
	As of December 31, 2025	As of December 31, 2024		
Thousand of AMD				
Financial assets measured at fair value through profit or loss:				
Shares in Funds	276,939	106,487	Level 2	Latest published net asset value per share as of the reporting date

The management relies on its own judgment when classifying financial instruments, using the fair value hierarchy. The significance of the input data is evaluated in comparison with the overall measurement of fair value.

#### *The fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a continuous basis (for which, however, fair value disclosures are required)*

Considering the short-term nature of the financial assets and financial liabilities not measured at fair value on a continuous basis, management believes that their carrying amounts approximate their fair values. If applicable, additional information regarding the assumptions underlying the determination of fair value will be disclosed in the notes to the financial statements for the respective asset or liability. However, given the uncertainties and subjective judgments involved, the fair value should not be considered as realizable at the time of immediate sale of assets or settlement of liabilities.

### (b) Financial Risk Management

When using financial instruments, the Company is exposed to the following risks:

- Credit risk,
- Liquidity risk,
- Market risk.

The Company's overall risk management program takes into account the unpredictability and inefficiency of the financial market in Armenia and aims to minimize the negative impact on the Company's financial performance. The management of the Company oversees the management of these risks, and financial risk activities are managed through appropriate policies and procedures with the goal of ensuring that financial risks are identified, measured, and managed in accordance with the Company's policies.

The Company is exposed to credit, liquidity, and market risks. The management policies for each of these risks are summarized below:

***(i) Principles of Risk Management***

The management is responsible for organizing and overseeing the Company's risk management system.

The objective of the Company's risk management policy is to identify and analyze the risks to which the Company is exposed, set appropriate risk limits and control mechanisms, and monitor the levels of risks and their compliance with the established limits. The risk management policies and procedures are regularly reviewed to reflect changes in market conditions and the Company's operations.

***(ii) Credit Risk***

Credit risk is the risk of financial loss when a customer or the counterparty to a financial instrument fails to fulfill its contractual obligations. Credit risk primarily arises from cash and cash equivalents, trade receivables from management fees, and loans issued.

The carrying amount of financial assets and contractual assets represents the maximum exposure to credit risk.

The following is the exposure to credit risk based on assets as of December 31, 2025, and December 31, 2024:

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
<i>Amortized cost financial assets</i>		
Cash and cash equivalents	15,025	32,671
Trade receivables from management fees	79,842	13,283
Loans issued	-	30,000
<b>Total</b>	<b>94,867</b>	<b>75,954</b>

As of the reporting and the previous date, the financial assets are not past due or impaired.

***(iii) Liquidity Risk***

Liquidity risk refers to the possibility that the Company will encounter difficulties in fulfilling its obligations related to financial liabilities, which will be settled by providing cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as much as possible, that it has sufficient liquidity to meet its obligations in both normal and extraordinary circumstances, within the stipulated timeframes, without incurring unacceptable losses or jeopardizing the Company's reputation.

***Exposure to Liquidity Risk***

Below are the remaining contractual terms to maturity for financial liabilities as of the reporting date. The gross and undiscounted amounts are presented:

As of December 31, 2025 Thousand of AMD	Less than 1 year	1 to 3 years	Over 3 years	Total
Trade Payables	386	-	-	386

Borrowings received	68,000	-	-	68,000
<b>Total</b>	<b>68,386</b>	-	-	<b>68,386</b>

As of December 31, 2024	Less than 1 year	1 to 3 years	Over 3 years	Total
Thousand of AMD				
Trade Payables	386	-	-	386
Borrowings received	-	-	-	-
<b>Total</b>	<b>386</b>	-	-	<b>386</b>

### (iii) Market Risk

Market risk is the risk to the Company's earnings or the value of financial instruments due to fluctuations in market prices, such as exchange rates, interest rates, and stock prices. The goal of market risk management is to control and monitor exposure to market risk and keep it within acceptable limits, while simultaneously optimizing returns relative to the risk taken.

### Currency Risk

As of December 31, 2025	USD	Thousand of AMD
<i>Financial Assets</i>		
Other assets	3,000	1,144
Shares in funds	260,408	99,309
	<b>263,408</b>	<b>100,453</b>
<i>Financial Liabilities</i>		
	-	-
<b>Net Result</b>	<b>263,408</b>	<b>100,453</b>
<hr/>		
As of December 31, 2024	USD	Thousand of AMD
<i>Financial Assets</i>		
Other assets	3,000	1,190
Shares in funds	49,917	19,795
	<b>52,917</b>	<b>20,985</b>
<i>Financial Liabilities</i>		
	-	-
<b>Net Result</b>	<b>52,917</b>	<b>20,985</b>

Below is a table that shows the Company's sensitivity to a 10% (2024: 10%) increase in the exchange rate of the Armenian Dram against the US Dollar. The 10% (2024: 10%) is the change in the exchange rate assumed by the management. The sensitivity analysis only includes the balances expressed in foreign currencies and adjusts their conversion by 10% (2024: 10%) at the end of the period. It is assumed that all other variables, in particular interest rates, remain unchanged, and the impact of anticipated sales and purchases is not taken into account.

The appreciation of the AMD against the US Dollar by 10% (2024: 10%) will have the following impact:

Thousand of AMD	Impact of US Dollar	
	2025	2024
Profit or Loss	10,045	2,098

### Interest Rate Risk

Changes in interest rates only affect the loans issued. However, according to the management's assessment, the Company's exposure to interest rate risk is not significant.

## **Other Price Risks**

The Company is exposed to price risks related to shares in funds. The shares in the funds are held primarily for legislative, strategic, and investment purposes, rather than for trading. The Company does not actively buy or sell these shares. The sensitivity analysis below is based on the exposure to price risks related to shares at the end of the reporting period.

If the value of a single share were to increase/decrease by 5%, the 2025 profit would increase/decrease by 13,847 thousand AMD as a result of changes in the fair value of financial assets measured at fair value through profit or loss (in 2024, profit would increase/decrease by 5,324 thousand AMD).

## **17. Transactions with Related Parties**

For the purposes of the presented financial statements, the Company's related parties are the Founder, the Board of Directors, the Executive Director, and the funds managed by the Company.

### **Control**

The Company's shares are entirely owned by Nerses Sarinyan, who holds ultimate control.

The company engages in transactions with related parties during its operations.

The details of transactions with related parties and outstanding balances are as follows:

**a) Transactions with Key Management Personnel**

Thousand of AMD	Transaction Amount for the Year		Payable Balance as of December		Receivable Balance as of	
	Ended December 31		31		December 31	
	2025	2024	2025	2024	2025	2024
Salary and other equivalent payments	11,433	8,147	2,884	1,431	-	-

**b) Transactions with the Ultimate Controlling Party**

Thousand of AMD	Transaction Amount for the Year		Payable Balance as of December		Receivable Balance as of	
	Ended December 31		31		December 31	
	2025	2024	2025	2024	2025	2024
Loans issued	35,000	30,000	-	-	-	30,000
Borrowings received	68,000	-	68,000	-	-	-
Dividends	160,000	10,300	-	-	-	-

**c) Transactions with Funds Managed by the Company**

Thousand of AMD	Transaction Amount for the Year		Payable Balance as of December		Receivable Balance as of	
	Ended December 31		31		December 31	
	2025	2024	2025	2024	2025	2024
Income from funds management	245,479	110,173	-	-	75,582	12,577

Thousand of AMD	Transaction Amount for the Year		Balance as of December 31	
	Ended December 31		31	
	2025	2024	2025	2024
Shares in funds	105,146	14,414	276,939	106,487

## 19. Capital Risk Management

The Company manages its capital to ensure its ability to continue as a going concern, while aiming to maximize the returns for its stakeholders. The Company's capital includes its equity, which consists of issued capital, issued income, main reserve, and retained earnings as disclosed in the statement of changes in equity. The Company's capital risk management policy has remained unchanged during 2025 and 2024.

The Company's capital adequacy ratio is monitored using, among other measures, the regulatory standards set by the Central Bank of Armenia.

The capital managed by the Company for the reporting year is summarized below:

Thousand of AMD	As of December 31, 2025	As of December 31, 2024
Total equity capital	264,889	176,553
Less: cash and cash equivalents	(15,025)	(32,671)
<b>Capital</b>	<b>249,864</b>	<b>143,882</b>
Total equity capital	264,889	176,553
<b>Total financing</b>	<b>264,889</b>	<b>176,553</b>
<b>Capital and total funding ratio</b>	<b>0.94</b>	<b>0.81</b>

## 20. Contingencies

### 20.1 Taxes

The tax system of the Republic of Armenia is relatively new, with frequently changing legislation that often requires interpretation. Often different tax and jurisdictional authorities have different interpretations. Taxes are subject to review and investigation by tax authorities. Tax authorities are authorized by law to impose fines and penalties.

The aforementioned circumstances may cause greater tax risks in Armenia than in other countries. Management believes that it has made appropriate provisions for tax liabilities based on its interpretation of tax law. However, interpretations by tax authorities may differ and their impact may be significant.

### 20.2 Insurance

The insurance industry in Armenia is relatively new and is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Company does not have full coverage for business interruption, or third-party liability in respect of property or environmental damage arising from accidents on Company's property or relating to Company's operations. As long as the Company does not obtain adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Company's operations and financial position.

### 20.3 Environmental issues

Management believes that the Company meets the Government's environmental requirements and is confident that the Company has no current material environmental liabilities. However, environmental legislation in Armenia is still under development, and potential changes and interpretations of legislation in the future may result in significant liabilities.

### 20.4 Litigations

State bodies and business entities have not filed any lawsuits against the Company that could pose a significant threat to the latter's normal operation.

## **20.5 Contingent obligations**

As of the reporting date, the Company has no guarantees and other conditional obligations provided to other persons.

## **21. Events after the reporting period**

No adjusting events occurred between the reporting date and the validation date.

Subsequent to the reporting date, starting from 28 February 2026, an armed conflict against Iran, triggered by military actions by the United States and Israel, has commenced and has been accompanied by a significant escalation of regional tensions. The Republic of Armenia borders Iran; therefore, the current situation may adversely affect the economic environment and markets, resulting in volatility, restrictions and disruptions in international transportation, supply chains, pricing and financial markets. Management assesses that this event is a non-adjusting event for the financial statements prepared as of 31 December 2025, and that the magnitude of any potential impact cannot be reliably quantified at the date of issuance of the financial statements due to the ongoing nature of the events and the high level of uncertainty.