



INTERIM REPORT OF THE GOVERNING BODIES AND INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

**VIVA ARMENIA CJSC**

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## 1. Introduction

The first six months of 2025 have been marked by substantial progress for Viva Armenia CJSC ("the Company"), reflecting our ability to deliver on strategic objectives amid a dynamic telecommunications landscape. We have maintained market leadership, achieved solid financial performance, and accelerated our investments in next-generation infrastructure, particularly the 5G network rollout. New partners have joined the "RED" convergent platform, which has expanded the geographical reach of fixed and mobile communication services.

This report outlines the Company's operational highlights, financial results, risk management approach, and future outlook for the remainder of 2025. It serves as an important tool for stakeholders to understand our progress towards our long-term vision: to be the leading provider of digital connectivity and services in Armenia.

## 2. Industry & Regulatory Environment

Armenia's telecommunications sector is evolving rapidly, driven by technological advancements, changing consumer behavior, and increasing regulatory oversight:

- Data consumption continues to grow at double-digit rates, fueled by the adoption of smartphones, video streaming, and cloud services.
- Traditional voice and SMS revenues are under pressure from OTT services such as WhatsApp, Viber, and Telegram.
- The regulator has intensified focus on service quality.
- The macroeconomic environment remains stable but faces pressures related to AMD/USD/EUR currency fluctuations, impacting operational costs and CAPEX planning.

## 3. Financial Performance

The Company's financial performance in H1 2025 reflects strong revenue growth, resilient operating cash flows, and a strengthened balance sheet:

- Total Revenue: AMD 29.1 billion (H1 2024: AMD 27.7 billion, +5.1%)
- Mobile Services: AMD 25.6 billion (H1 2024: AMD 24.9 billion, +2.9%).
- Mobile Internet: AMD 14.96 billion (H1 2024: AMD 13.9 billion, +7.4%), comprising 69.4% market share by mobile internet revenues.
- Fixed Line Services: AMD 911 million (H1 2024: AMD 656 million, +38.9%), increase driven by the revenues from convergent products services increase.
- Roaming: AMD 836 million (H1 2024: AMD 675 million, +23.8%), increase driven by VOYAGE packages available in over 70 countries.

- EBITDA: AMD 16.3 billion (H1 2024: AMD 16.6 billion) – reflecting consistent operating performance.
- Net Profit: AMD 6.6 billion (H1 2024: AMD 9.3 billion), impacted by finance costs following the successful issuance of USD 80m bonds and Depreciation expenses related to acquisition of new spectrum for 5G implementation.
- Operating Cash Flow: AMD 13.6 billion (H1 2024: AMD 10.2 billion) – ensuring robust liquidity.
- Total Assets: AMD 118.6 billion (31 Dec 2024: AMD 87.9 billion), driven by increased intangible assets (5G related spectrum) and Deposit balances. The deposit balances represent temporary free cash, which the company is planning to deploy for realization of strategic projects.
- Capex: The investments in H1 2025 amounted to 4.4 billion drams, which is almost three times more than in 1H2024. This growth will ensure the development of the 5G network in Armenia.

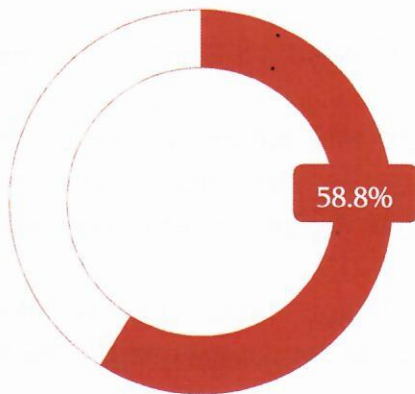
### 3.1. Description of results

Despite the competitive market conditions and constant challenges, the Company's long-term strategy ensures maintaining a leading position in the market. All of the Company's services and products are based on data analysis, which allows it to increase customer loyalty, continuously improve telecommunications services, implement 5G network design and optimize the 4G network. Continuous network development is the Company's strategic priority.

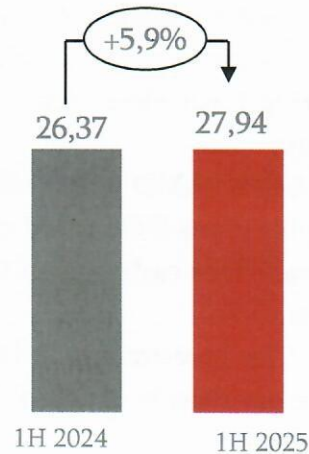
3.1.1. In the first half of 2025, the Company continues to record stable financial growth. Mobile business revenues amounted to 27.94 billion drams, which is 5.9% higher than the revenues of the same period of the previous year. The share of mobile revenues amounted to 58.8%, which is 0.6 percentage points higher than the indicator of the same period of the previous year. The Company predicts that this growth dynamics will be maintained in the following years.

## Mobile Business Revenues

Revenue Share



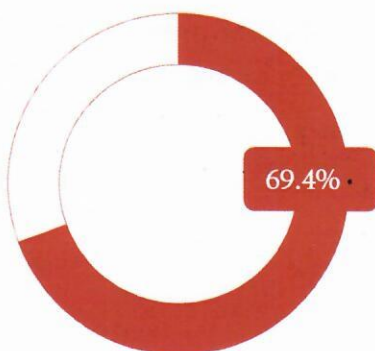
Revenues, bln AMD



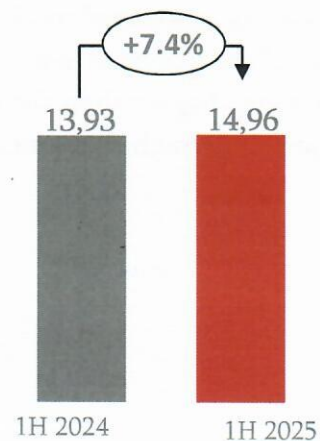
3.1.2. Mobile Internet services in Armenia are experiencing dynamic growth and the Company is the market leader here. In the 1<sup>st</sup> half of 2025, the Company's mobile Internet services revenues increased by 7.4% compared to the same period of the previous year and amounted to 14.96 billion drams, and the share was 69.4%, which is 1.2 percentage points higher than in the 1<sup>st</sup> half of 2024. As of the end of the 1<sup>st</sup> half of 2025, the Company provided mobile Internet to 1,911,417 subscribers.

## Mobile Internet

Revenue share



Revenue, bln AMD

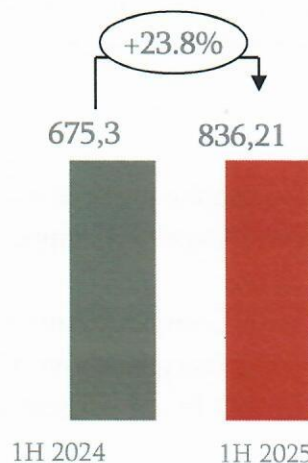


3.1.3. Mobile Internet revenues are closely linked to partnerships with leading digital companies, both domestic and international. This partnership allows us to include innovative digital services

and content in our tariff plans and services. Such an approach is one of several directions for business diversification.

3.1.4. The Company's roaming revenues in the first half of 2025 increased by 23.8% compared to the same period last year, and amounted to 836.21 million AMD.

Revenues generated from roaming services, mln AMD



One of the most popular roaming services are the Company's "VOYAGE" packages, through which subscribers receive competitive rates for Internet roaming. The service is available in more than 70 countries.

3.1.5. The launch of the "RED" convergent platform is a new step towards business diversification. It combines fixed and mobile communication services, creating a more convenient, all-in-one experience for subscribers. This open collaborative platform acts as an alternative to the convergent models available on the market.

The indicators of stable financial growth summarize the results and achievements recorded over the years, emphasizing the Company's commitment to providing high-quality services and ensuring customer satisfaction.

## 4. Principal Risks & Uncertainties

The Company operates in a complex environment with risks that could impact its performance. Key risks include:

### 4.1 Market & Competitive Risks:

The growing influence of OTT applications and eSIM technology threatens traditional roaming revenue streams. Mitigation measures include continuous innovation, service bundling, and strategic partnerships.

#### 4.2 Regulatory & Legal Risks:

Potential changes in spectrum allocation, licensing fees, and data privacy regulations could increase costs. We engage actively with regulators and maintain strict compliance programs.

#### 4.3 Financial & Economic Risks:

Currency volatility, inflation, and interest rate fluctuations pose serious challenges. We employ prudent financial policies, cost controls, and diversified funding sources.

### 5. Outlook

The outlook for H2 2025 is positive despite persistent challenges:

- Sustained mobile data growth expected, supported by rising smartphone penetration and early 5G adoption.
- The 5G rollout is aligned with Company's implementation plans.
- Expected to maintain EBITDA margins above 40% through cost efficiency.
- Continued strategic investments in convergent digital services and partnerships to diversify revenue streams.

### 6. Significant Events

- Successful issuance of USD 80 million Bonds to support strategic investments.

### 7. Statement of responsible persons

The General Director of the Company confirms that, to the best of his knowledge:

- the interim consolidated financial reports of Viva Armenia CJSC for the first half of 2025 accurately and completely reflect the true state of Viva Armenia CJSC's assets and liabilities, financial situation, income and expenses,
- and the information included in the interim report of governing bodies of the Company for 2025 accurately and completely reflects the overall condition of the Company, the business results and developments, and includes a description of the main risks faced or encountered by the Company.

Armen Avetisyan  
General Director

29 August 2025



# **Interim Consolidated Financial Statements for the Period Ended 30 June 2025 (Unaudited)**

**“Viva Armenia” CJSC**

# Consolidated statement of financial position

In thousand drams

	As of 30 June, 2025	As of 31 December, 2024
<b>Assets</b>		
<i>Non-current assets</i>		
Property and equipment	19,929,107	21,158,761
Intangible assets	27,959,956	17,706,329
Right-of-use assets	4,766,255	4,590,340
Investments	198,930	198,930
Loans provided	23,188,150	26,601,078
Deferred income tax assets	2,274,724	2,252,121
Advances for acquisitions of non-current assets	566,469	957,352
	<u>78,883,591</u>	<u>73,464,911</u>
<i>Current assets</i>		
Inventories	635,550	483,485
Trade and other receivables	3,783,511	4,320,413
Bank deposits	23,601,815	3,525,618
Cash balances on restricted accounts	1,112,145	846,404
Cash and bank balances	10,611,413	5,304,157
	<u>39,744,434</u>	<u>14,480,077</u>
<b>Total assets</b>	<u>118,628,025</u>	<u>87,944,988</u>
<b>Equity and liabilities</b>		
<i>Capital and reserves</i>		
Share capital	550,000	550,000
Reserve capital	122,364	122,364
Accumulated profit	42,310,960	45,744,892
	<u>42,983,324</u>	<u>46,417,256</u>
<i>Non-current liabilities</i>		
Lease obligations	3,829,423	3,657,434
Bank loans	6,645,324	14,418,356
Bonds	29,335,744	0
Trade and other payables	17,268,662	9,689,528
Contract liabilities	30,070	33,645
	<u>57,109,223</u>	<u>27,798,963</u>
<i>Current liabilities</i>		
Lease obligations	1,806,407	1,748,032
Bank loans	3,536,078	3,209,124
Bonds	2,061,634	0
Contract liabilities	1,336,089	1,510,038
Trade and other payables	9,137,352	5,538,084
Income tax payable	657,918	1,723,491
	<u>18,535,478</u>	<u>13,728,769</u>
<b>Total equity and liabilities</b>	<u>118,628,025</u>	<u>87,944,988</u>

The consolidated financial statements were approved by:



Armen Avetisyan  
General Director

Aneta Eprikyan  
Fin and Acc Department Head

Lusine Zakaryan  
Chief Accountant

# Consolidated statement of profit or loss and other comprehensive income

In thousand drams	Period ended 30 June 2025	Period ended 30 June 2024
<i>Contract revenue</i>		
Mobile services	25,573,704	24,864,368
Fixed line services	911,365	656,278
Commission revenue	1,987,020	1,332,780
Revenue from sale of goods	361,037	176,624
<i>Other income</i>		
Other operating income	285,283	667,096
	<u>29,118,409</u>	<u>27,697,146</u>
Depreciation and amortization	(7,094,961)	(6,362,195)
Payroll and employee benefits	(5,184,571)	(4,667,586)
Interconnection and roaming costs	(1,958,943)	(1,974,490)
Other network operating costs	(2,711,450)	(1,926,595)
Cost of sold goods	(323,436)	(156,919)
Other operating expenses	(2,669,653)	(2,355,955)
	<u>(19,943,014)</u>	<u>(17,443,740)</u>
Results from operating activities	<u>9,175,395</u>	<u>10,253,406</u>
Finance income	1,240,183	314,418
Finance cost	(2,263,527)	(1,305,386)
Net gain/(loss) from exchange rate differences	(133,434)	1,188,767
Profit before income tax	<u>8,018,617</u>	<u>10,451,205</u>
Income tax expense	(1,452,549)	(1,130,288)
Profit for the period	<u>6,566,068</u>	<u>9,320,917</u>
Other comprehensive income	-	-
Total comprehensive income for the period	<u>6,566,068</u>	<u>9,320,917</u>

# Consolidated statement of changes in equity

In thousand drams	Share capital	Reserve capital	Accumulated profit	Total
as of 1 January, 2024	550,000	82,500	36,852,906	37,485,406
Profit for the period	-	-	9,320,917	9,320,917
Total comprehensive income for the period	-	-	9,320,917	9,320,917
Dividends	-	-	(6,000,000)	(6,000,000)
Transactions with owners	-	-	(6,000,000)	(6,000,000)
Reserve capital replenishment	-	-	-	-
as of 30 June, 2024	550,000	82,500	40,173,823	40,806,323
as of 1 January, 2025	550,000	122,364	45,744,892	46,417,256
Profit for the period	-	-	6,566,068	6,566,068
Total comprehensive income for the period	-	-	6,566,068	6,566,068
Dividends	-	-	(10,000,000)	(10,000,000)
Transactions with owners	-	-	(10,000,000)	(10,000,000)
as of 30 June, 2025	550,000	122,364	42,310,960	42,983,324

# Consolidated statement of cash flows

In thousand drams

	Period ended 30 June 2025	Period ended 30 June 2024
Cash flows from operating activities		
Profit for the period	6,566,068	9,320,917
<i>Adjustments for:</i>		
Depreciation, amortization and impairment	7,094,961	6,362,195
Income tax expense	1,452,549	1,130,288
Finance income	(1,240,183)	(314,418)
Finance cost	2,263,527	1,305,386
Foreign exchange (gain)/loss, net	133,434	(1,188,767)
<i>Operating profit before working capital changes</i>	<u>16,270,356</u>	<u>16,615,601</u>
Change in trade and other receivables	330,371	(1,082,134)
Change in inventories	(152,065)	(116,304)
Change in cash balances on restricted accounts	(265,742)	98,702
Change in contract liabilities	(177,524)	(319,099)
Change in trade and other payables	(337,636)	(3,903,042)
<i>Cash generated from operations</i>	<u>15,667,760</u>	<u>11,293,724</u>
Income tax paid	(2,237,202)	(1,226,138)
Interest income received on bank balances	164,220	96,156
<i>Net cash from operating activities</i>	<u>13,594,778</u>	<u>10,163,742</u>
Cash flows from investing activities		
Acquisition of property, equipment and intangible assets	(4,452,518)	(1,078,396)
Loans provided to/ (repaid by) related parties	(3,938,400)	(17,333,684)
Investments made in joint venture	-	(200,000)
Deposit placement/repayment	(20,060,251)	-
<i>Net cash used in investing activities</i>	<u>(28,451,169)</u>	<u>(18,612,080)</u>
Cash flows from financing activities		
Proceeds from/ (repayment of) bank loans	(7,671,301)	14,434,961
Proceeds from/ (repayment of) bonds issued	31,389,225	-
Lease obligation paid	(1,055,224)	(1,184,625)
Dividends paid	(2,400,000)	(6,000,000)
<i>Net cash from/ (used in) financing activities</i>	<u>20,262,700</u>	<u>7,250,336</u>
Net increase/(decrease) in cash and bank balances	5,406,309	(1,198,002)
Foreign exchange effect on cash	(99,053)	(23,880)
Cash and cash equivalents at the beginning of the period	5,304,157	8,319,869
Cash and cash equivalents at the end of the period	<u>10,611,413</u>	<u>7,097,987</u>