

Armenian Red Cross Society NGO

**Consolidated Financial Statements and
INDEPENDENT AUDITOR'S REPORT**

December 31, 2024

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Independent auditor's report

To the Chairman of Armenian Red Cross Society NGO

Qualified Opinion

We have audited the accompanying consolidated financial statements of “Armenian Red Cross Society” non-governmental organization (the “Parent”) and its subsidiaries (together the “Group”), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the “Basis for Qualified Opinion” paragraph, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- The Group had actually utilized inventories amounting to AMD 279,114 thousand prior to the beginning of the reporting year; however, the related expenses were recognized in 2024 and reflected in the consolidated financial statements for the year ended December 31, 2024. As a result, the cost of write-offs recognized in the consolidated statement of comprehensive income for the year ended December 31, 2024, is overstated by the above-mentioned amount. Nevertheless, in our opinion, the carrying amount of inventories recognized in the consolidated statement of financial position as at December 31, 2024, is fairly stated in all material respects.
- The Group has not recognized the grants received on a systematic basis in the consolidated statement of comprehensive income over the periods in which the Group recognized the related expenditures as expenses. In our opinion, the grant income for the year 2024 is overstated by AMD 2,009,690 thousand; however, after the respective adjustment, the deferred income balances recognized in the consolidated statement of financial position as at December 31, 2024, are fairly stated in all material respects.

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 consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ “Code of Ethics for Professional Accountants (IESBA Code)”, and we have 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.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 have no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 skepticism 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 a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions

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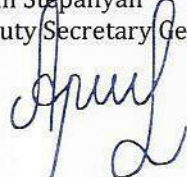
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Consolidated statement of comprehensive income

In KAMD	Note	Year ended December 31, 2024	Year ended December 31, 2023
Contribution income	4	5,329,713	4,882,018
Revenue from medical services		304,807	335,989
Income from other services		579	3,556
Other income		52,869	982
Financial aid to beneficiaries		(3,153,026)	(2,101,402)
Employee benefits		(1,041,529)	(1,185,748)
Property and inventory distributed to beneficiaries		(749,878)	(832,395)
Depreciation and maintenance costs		(167,825)	(144,241)
Training expenses		(156,141)	(196,336)
Business trips and representative expenses		(138,137)	(125,204)
Office and utility expenses		(127,189)	(125,559)
Bank charges		(95,233)	(42,012)
Inventories used		(78,809)	(69,444)
Professional services		(9,477)	(18,823)
Property maintenance costs		(767)	(32,140)
Other expenses		(381,323)	(80,598)
Operating result		(411,366)	268,643
Finance income		15,692	19,586
Finance cost		(2,884)	-
Other non operating items		(18,720)	25,929
Result before income tax		(417,278)	314,158
Income tax expense	5	(9,440)	(8,179)
Result for the year		(426,718)	305,979
<i>Other comprehensive income</i>			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		(426,718)	305,979
Attributable to:			
Controlling interest		(397,654)	338,461
Non-controlling interest		(29,064)	(32,482)
		(426,718)	305,979

The consolidated financial statements were approved by the management of the Group on October 29, 2025 by:

Aram Stepanyan
Deputy Secretary General




Aren Grigoryan
Chief Accountant



The consolidated statement of comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 8 to 34.

Consolidated statement of financial position

In KAMD	Note	As of December 31, 2024	As of December 31, 2023
Assets			
<i>Non-current assets</i>			
Property and equipment	6	1,376,220	1,307,692
Intangible assets	7	30,954	30,874
Investments in associates		16,390	-
Deferred income tax assets		3,824	8,182
		1,427,388	1,346,748
<i>Current assets</i>			
Inventories	8	624,572	799,749
Trade and other receivables	9	49,277	38,385
Borrowings provided		-	2,500
Term deposits	10	118,034	206,045
Cash and cash equivalents	11	725,754	1,623,674
		1,517,637	2,670,353
Total assets		2,945,025	4,017,101
Net assets and liabilities			
<i>Net assets</i>			
Accumulated result		535,435	933,143
Non-controlling interest		85,396	114,407
		620,831	1,047,550
<i>Non-current liabilities</i>			
Deferred income	12	1,371,124	771,383
Loans and borrowings		3,693	-
		1,374,817	771,383
<i>Current liabilities</i>			
Deferred income	12	692,632	2,061,941
Loans and borrowings		2,670	5,880
Trade and other payables	13	231,882	81,266
Provisions	14	18,619	43,401
Current income tax liabilities		3,574	5,680
		949,377	2,198,168
Total liabilities		2,324,194	2,969,551
Total net assets and liabilities		2,945,025	4,017,101

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 8 to 34.

Consolidated statement of changes in net assets

In KAMD	Accumulated result	Non- controlling interest	Total
As of January 1, 2023	594,628	146,942	741,570
Result for the year	338,461	(32,482)	305,979
Total comprehensive income for the year	338,461	(32,482)	305,979
As of December 31, 2023	933,089	114,460	1,047,550
Result for the year	(397,654)	(29,064)	(426,718)
Total comprehensive income for the year	(397,654)	(29,064)	(426,718)
As of December 31, 2024	535,435	85,396	620,831

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 8 to 34.

Consolidated statement of cash flows

In KAMD	Year ended December 31, 2023	Year ended December 31, 2023
Cash flows from operating activities		
Contributions received	4,636,172	6,042,494
Cash received from customers	17,177	82,132
Other cash received	2,635	384
Cash paid to suppliers	(1,070,042)	(1,108,333)
Cash paid to beneficiaries	(2,447,984)	(2,101,293)
Cash paid to employees	(1,219,216)	(1,073,017)
Taxes paid other than income tax	(240,062)	(257,408)
Income tax paid	(7,187)	(10,047)
<i>Net cash from/(used in) operating activities</i>	(328,507)	1,574,912
Cash flows from investing activities		
Acquisition of property and equipment and intangible assets	(244,137)	(246,905)
Term deposits invested	(319,748)	-
Borrowings provided	(2,500)	(2,500)
Interest income received	15,692	20,890
<i>Net cash used in investing activities</i>	(550,693)	(228,515)
Net increase/(decrease) in cash and cash equivalents	(879,200)	1,346,396
Foreign exchange effect on cash	(18,720)	25,929
Cash and cash equivalents at the beginning of the year	1,623,674	251,349
Cash and cash equivalents at the end of the year	725,754	1,623,674

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 8 to 34.

Notes to the consolidated financial statements

1 Nature of operations and general information

Armenian Red Cross Society NGO was established in the State Register of Legal Entities of the Ministry of Justice of the Republic of Armenia on July 31, 2003.

The Armenian Red Cross Society NGO was incorporated and is domiciled in the Republic of Armenia. The Group is a non-governmental organization and was set up in accordance with regulations of the Republic of Armenia.

The Group's principal activity is to prevent and alleviate human suffering, regardless of nationality, race, sex, religious beliefs, class and political opinions within the Republic of Armenia.

The Group has 2 subsidiaries and 2 associates. Information about subsidiaries and associates presented in note 2.6.

These consolidated financial statements are presented in Armenian Drams ("AMD"), unless otherwise stated.

The Group's registered address is 21/1 Paronyan Street, Yerevan 0015, Republic of Armenia.

The average number of employees of the Company in 2024 is 292 people (in 2023: 316 people).

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are stated at present discounted value of future cash flows and equipment that are stated at their fair values.

2.3 Functional and presentation currency

The national currency of Armenia is the Armenian dram ("dram"), which is the Group's functional currency, since this currency best reflects the economic substance of the underlying events and transactions of the Group.

These consolidated financial statements are presented in Armenian AMD (unless otherwise stated), since management believes that this currency is more useful for the users of these consolidated financial statements. All financial information presented in Armenian AMD has been rounded to the nearest thousand.

2.4 Use of estimates and judgment

The preparation of consolidated financial statements in conformity with IFRS requires management to make critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the notes to the consolidated financial statements.

2.5 New and amended IFRS standards that are effective for the current year

At the date of authorisation of these financial statements, the Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

IFRS Foundation Completed Projects	Effective Date	Application
Amendments to IAS 1. "Presentation of Financial Statements": Classification of Liabilities as Current or Non-current	1 January 2024	Retrospectively
Amendments to IAS 1. "Presentation of Financial Statements": Non-current Liabilities with Covenants	1 January 2024	Retrospectively
Amendments to IFRS 16. "Leases": Lease Liability in a Sale and Leaseback	1 January 2024	Retrospectively
Amendments to IAS 7. "Statement of Cash Flows" and IFRS 7. "Financial Instruments": Supplier Finance Arrangements	1 January 2024	Prospectively

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

New and revised IFRS standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS standards that have been issued but are not yet effective.

IFRS Foundation Completed Projects	Effective Date	Application
Amendments to IAS 21. <i>"The Effects of Changes in Foreign Exchange Rates"</i> : Lack of Exchangeability	1 January 2025	Prospectively
Amendments to IFRS 9. <i>"Financial Instruments"</i> and IFRS 7. <i>"Financial Instruments: Disclosures"</i> : Classification and Measurement of Financial Instruments	1 January 2026	Retrospectively
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026	Prospectively
IFRS 18. <i>"Presentation and Disclosure in Financial Statements"</i>	1 January 2027	Retrospectively
IFRS 19. <i>"Subsidiaries without Public Accountability: Disclosures"</i>	1 January 2027	Prospectively
Amendments to IFRS 10. <i>"Consolidated Financial Statements"</i> and IAS 28. <i>"Investments in Associates and Joint Ventures"</i> : Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Available for optional adoption/effective date deferred indefinitely	-

Amendments to IAS 21. "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability

The amendments in Lack of Exchangeability (Amendments to IAS 21) amend IAS 21 to:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The pronouncement also includes a new appendix with application guidance on exchangeability and a new illustrative example.

The amendments also extend to conforming amendments to IFRS 1 which previously referred to, but did not define, exchangeability.

Amendments to IFRS 9. "Financial Instruments" and IFRS 7. "Financial Instruments: Disclosures": Classification and Measurement of Financial Instruments

The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments to the application guidance of IFRS 9 provide guidance on how an entity can assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. To illustrate the changes to the application guidance, the amendments add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amendments enhance the description of the term 'non-recourse'. Under the amendments, a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

The amendments clarify the characteristics of contractually linked instruments that distinguish them from other transactions. The amendments also note that not all transactions with multiple debt instruments meet the criteria of transactions with multiple contractually linked instruments and provide an example. In addition, the amendments clarify that the reference to instruments in the underlying pool can include financial instruments that are not within the scope of the classification requirements.

The requirements in IFRS 7 are amended for disclosures that an entity provides in respect of these investments. In particular, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period.

The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs. The requirements apply to each class of financial asset measured at amortised cost or fair value through other comprehensive income and each class of financial liability measured at amortised cost.

The amendments also include amendments to IFRS 19. "*Subsidiaries without Public Accountability: Disclosures*", which limit the disclosure requirements for qualifying subsidiaries.

Annual Improvements to IFRS Accounting Standards – Volume 11

These amendments address minor clarifications and improvements to existing standards, generally with the aim of ensuring consistency and resolving issues that arise in practice.

IFRS 18. "Presentation and Disclosure in Financial Statements"

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been

moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

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

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Group do not anticipate that the application of these amendments will have a material impact on the Group's financial statements.

2.6 Subsidiaries

The consolidated financial statements include the following subsidiaries:

Subsidiary	Country	Share, %	
		December 31, 2024	December 31, 2023
International Rehabilitation Centre Gratsia LLC	Republic of Armenia	45.04%	45.04%
Fundraising LLC	Republic of Armenia	100%	100%

Associates	Country	Share, %	
		December 31, 2024	December 31, 2023
MEM LLC	Republic of Armenia	45%	45%
MANA LLC	Republic of Armenia	42%	42%

International Rehabilitation Centre Gratsia LLC provides general rehabilitation treatment, rehabilitation treatment for the patients with spinal injuries, sanatorium-and-spa treatment and scientific researches in medicine.

The International Rehabilitation Center Gratsia LLC has only 222 shares, from which 100 shares belong to the Armenian Red Cross Society NGO. However, the Armenian Red Cross Society NGO continues to control the International Rehabilitation Center Gratsia LLC.

According to the Charter, Fundraising LLC can provide information, touristic, transportation and agent services. Fundraising LLC is also engaged in trading of home appliances and foodstuff. However, the company's activities have been temporarily suspended since 2014.

During the reporting period, the Group carried out an impairment test for its investments in associates and concluded that there are grounds to believe that the subsidiary Fundraising LLC may not be able to operate as a going concern. As a result, management estimated that these investments are impaired.

3 Significant accounting policies

3.1 Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of The Armenian Red Cross Society NGO and its subsidiaries as at 31 December 2024. 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.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any

resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are not recognized, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3.2 Foreign currencies

Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the functional currency are recorded at the spot rates of exchange defined by the Central Bank of Armenia prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the spot rates defined by the Central Bank of Armenia prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated. Below are the spot exchange rates published by the Central Bank of Armenia:

	As of December 31, 2024	As of December 31, 2023
US Dollar	396.56	404.79
Euro	413.89	447.90
RUB	3.71	4.50

Exchange differences arising on the settlement and retranslation of monetary items, are included in profit or loss for the period.

The assets and liabilities of the Group are translated from dram into US Dollar, Euro and RUB at the exchange rate at the end of the reporting period. Revenues and expenses are translated into US Dollar, Euro and RUB using average rate for the period, whereas equity accounts are translated using historic rates, ruling at the dates of the transactions. The resulting exchange difference is recorded in other comprehensive income and credited to equity in the foreign currency translation reserve.

3.3 Property and equipment

Property and equipment stated at cost

Property and equipment stated at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including import duties and non-refundable purchase taxes and other directly attributable costs. When an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes directly attributable expenditures, site preparation, installation and assembly costs, professional fees and for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Buildings that are leasehold property are also included in property and equipment if they are held under a finance lease. Such assets are depreciated over their expected useful lives (determined by reference to comparable owned assets) or over the term of the lease, if shorter.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Expenditure to replace a component of an item of property and equipment that is accounted for separately is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized if future economic benefits will arise from the expenditure. All other expenditure, including repair and maintenance, is recognized in the consolidated statement of comprehensive income as incurred.

Depreciation is charged to the consolidated statement of comprehensive income on a straight line basis over the estimated useful lives of the individual assets. Depreciation commences when assets are available for use. The estimated useful lives are as follows:

Buildings and constructions	- 20 years
Machinery and equipment	-1-8 years
Vehicles	-5 years
Fixture and fittings	-1-5 years

3.4 Leased assets

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes present value of lease payments as lease liability and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.5 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of

completion and selling expenses. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.6 Financial instruments

This note provides information about the Group's financial instruments, including:

- An overview of all financial instruments held by the Group
- Accounting policies

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Classification of financial liabilities

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

If debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order 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 principal amount outstanding

Financial assets at fair value through other comprehensive income (FVTOCI)

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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 principal amount outstanding

Financial assets at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial liabilities at amortised cost

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the financial asset to the extent of its continuing involvement in the financial asset. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at "Fair value through other comprehensive income" (FVTOCI), the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings (accumulated profit or loss).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of

the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: the carrying amount of the liability before the modification, and the present value of the cash flows after modification calculated using initial effective interest rate should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Impairment of financial instruments

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of "Expected credit losses" (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The accounting policies and methods applied for each class of financial asset and financial liability, as well as the criteria and bases for the recognition of income and expenses, are presented in note 23.

3.7 Impairment

Impairment of property and equipment and intangible assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of net selling price and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case any reversal of impairment loss is treated as a revaluation increase.

3.8 Net assets

The accumulated result includes the retained earnings of the current and previous years.

3.9 Grants and donations

Grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other grants are recognized as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.10 Income tax

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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit (change in net assets).

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.11 Provisions

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at incremental borrowing rate. The provision balance is regularly reviewed, and any adjustment to the balance is recognized prospectively.

3.12 Revenue

Revenue arises mainly from the medical services provided by International Rehabilitation Centre Gratsia LLC (the "Subsidiary").

Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as advances from customers in the statement of financial position (see note 6). Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4 Contribution income

In KAMD	Year ended December 31, 2024	Year ended December 31, 2023
Income from grants related to assets	240,913	-
Income from grants related to income	5,088,800	4,882,018
	5,329,713	4,882,018

5 Income tax expense

In KAMD	Year ended December 31, 2024	Year ended December 31, 2023
Current tax	5,082	8,179
Deferred tax	4,358	-
	9,440	8,179

Reconciliation of effective tax rate is as follows:

In KAMD	Year ended December 31, 2024	Effective tax rate (%)	Year ended December 31, 2023	Effective tax rate (%)
Profit before taxation (under IFRS)	(417,278)		314,158	
Tax calculated at a tax rate of 18% (2023: 18%)	(75,110)	18%	56,549	18%
(Non-taxable)/non-deductible items, net	84,550	(20%)	(48,370)	(15%)
Income tax expense/ (recovery)	9,440	(2%)	8,179	3%

6 Property and equipment

In KAMD	Land, buildings and constructions	Machinery and equipment	Vehicles	Fixtures, fittings and other	Constructions in progress	Total
<i>Cost</i>						
As of January 1, 2023	1,354,542	256,756	204,249	219,003	938	2,035,488
Additions	-	1,152	-	12,193	141,248	265,617
Capitalization	99,641	-	-	-	-	99,641
Internal movement	-	60,881	28,917	21,225	(111,023)	-
Disposals	(5,238)	(9,969)	(1,427)	(2,024)	(3,904)	(22,562)
As of December 31, 2023	1,448,945	308,821	231,739	250,397	27,259	2,267,161
Additions	40,800	-	-	2,461	91,776	135,037
Capitalization	-	-	-	-	82,204	82,204
Internal movement	-	71,098	-	38,002	(109,100)	-
Disposals	-	(197)	-	(97)	(1,393)	(1,687)
As of December 31, 2024	1,489,745	379,722	231,739	290,763	90,745	2,482,714
<i>Accumulated depreciation and impairment</i>						
As of January 1, 2023	(543,121)	(134,123)	(96,924)	(75,487)	-	(849,655)
Charge for the year	(41,934)	(27,678)	(25,462)	(28,044)	-	(123,118)
Eliminated on disposal	524	9,279	1,427	2,075	-	13,305
As of December 31, 2023	(584,531)	(152,522)	(120,959)	(101,456)	-	(959,468)
Charge for the year	(46,119)	(41,194)	(29,126)	(30,587)	-	(147,026)
As of December 31, 2024	(630,650)	(193,716)	(150,085)	(132,043)	-	(1,106,494)
<i>Carrying amount</i>						
As of January 1, 2023	811,421	122,633	107,325	143,516	938	1,185,833
As of December 31, 2023	864,414	156,299	110,780	148,941	27,259	1,307,693
As of December 31, 2024	859,095	186,006	81,654	158,720	90,745	1,376,220

None of the Group's property and equipment have been pledged as a security as of the reporting dates.

As on December 31, 2024 the equipment at cost of 36,034 KAMD are accounted for zero carrying amount (December 31, 2023: 11,078 KAMD).

7 Intangible assets

In KAMD	Computer programs	Other	Total
<i>Cost</i>			
As of January 1, 2023	7,302	40,084	47,386
Additions	-	5,580	5,580
As of December 31, 2023	7,302	45,664	52,966
Additions	3,545	2,573	6,118
As of December 31, 2024	10,847	48,237	59,084
<i>Accumulated depreciation and impairment</i>			
As of January 1, 2023	(1,082)	(15,144)	(16,226)
Charge for the year	(42)	(5,824)	(5,866)
As of December 31, 2023	(1,124)	(20,969)	(22,092)
Charge for the year	(42)	(5,996)	(6,038)
As of December 31, 2024	(1,166)	(26,965)	(28,130)
<i>Carrying amount</i>			
As of January 1, 2023	6,220	24,940	31,161
As of December 31, 2023	6,178	24,695	30,874
As of December 31, 2024	9,681	21,272	30,954

Other intangible assets include films, video clips, and other programs.

8 Inventories

In KAMD	As of December 31, 2024	As of December 31, 2023
First aid equipment and medical supplies	374,204	409,874
Commercial goods	250,368	389,875
	624,572	799,749

9 Trade and other receivables

In KAMD	As of December 31, 2024	As of December 31, 2023
Trade receivables	9,684	30,451
Advances and prepayments	34,092	2,689
Receivables from the State budget	-	239
Other trade receivables	5,501	5,006
	49,277	38,385

10 Term deposits

Term deposits are invested in Araratbank OJSC with a maturity period from 1.5 to 3 years and have an average annual yield of 9.9%. As of 31 December 2024 the carrying amount of term deposits amounts to drams 117,329 thousand, and the balance accrued interest income amounts to drams 705 thousand (as of 31 December 2023: 204,935 thousand drams and the balance accrued interest income amounts to 1,110 thousand drams).

11 Cash and cash equivalents

In KAMD	As of December 31, 2024	As of December 31, 2023
Bank accounts	724,247	1,616,708
Cash in hand	-	5,636
Cash in transit	1,328	1,151
Other	179	179
	725,754	1,623,674

12 Deferred income

In KAMD	As of December 31, 2024	As of December 31, 2023
<i>Non current</i>		
Deferred income from grants related to assets	1,371,124	771,383
	1,371,124	771,383
<i>Current</i>		
Deferred income from grants related to income	692,632	2,061,941
	692,632	2,061,941
	2,063,756	2,833,324

Movement of Deferred income is presented below

Deferred income from grants related to assets

In KAMD	As of December 31, 2024	As of December 31, 2023
Balance at the beginning of year	771,383	771,383
Grants received during the year	274,148	-
Transfer from grants related to income	566,506	-
Income recognized	(240,913)	-
	1,371,124	771,383

Deferred income from grants related to income

In KAMD	As of December 31, 2024	As of December 31, 2023
Balance at the beginning of year	2,061,941	682,219
Grants received	4,636,172	6,042,494
Non-monetary grants received	7,938	222,564
Transfer to grants related to assets	(566,506)	-
Grants returned	(358,113)	(3,317)
Income recognized (refer to note 4)	(5,088,800)	(4,882,018)
	692,632	2,061,941

Grants are received for particular purpose and are not available for general use of the Group. Donations are not available for the general purpose as set out in Group's governing documents.

Additions received in the reporting year include:

In KAMD	As of December 31, 2024	As of December 31, 2023
Partners of the International Red Cross Movement	1,738,639	3,785,451
RA State authorities	316,408	319,192
International organizations	2,148,582	1,790,716
Embassy of the Republic of Korea	404,785	-
Individual donations	24,782	129,743
Other	2,976	17,391
	4,636,172	6,042,494

13 Trade and other payables

In KAMD	As of December 31, 2024	As of December 31, 2023
Trade payables	54,618	43,179
Advances received	152,747	6,267
Employee benefits	19,225	19,693
Taxes and duties payable	5,292	12,127
	231,882	81,266

14 Provisions

In KAMD	As of December 31, 2024		As of December 31, 2023	
	Current	Non-current	Current	Non-current
Provisions	18,619	-	43,401	-

In KAMD	As of December 31,			As of December 31, 2024
	2023	Addition	Reversal	
Unused vacation reserve	43,401	-	24,782	18,619
	43,401	-	24,782	18,619

In KAMD	As of December 31,			As of December 31, 2023
	2022	Addition	Reversal	
Unused vacation reserve	-	43,401	-	43,401
	-	43,401	-	43,401

15 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

15.1 Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

16 Financial instruments

16.1 Significant accounting policies

This note provides information about the Group's financial instruments, including:

- specific information about each type of financial instrument
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

Significant accounting policies and methods adopted, including the criteria for recognition and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability are disclosed in note 3.9.

Financial assets

In KAMD	As of December 31, 2024	As of December 31, 2023
Financial assets at amortised cost		
- Trade and other receivables	15,185	35,457
- Term deposits	118,034	206,045
- Cash and cash equivalents	725,754	1,623,674
	858,973	1,865,176

Financial liabilities

In KAMD	As of December 31, 2024	As of December 31, 2023
Financial liabilities at amortised cost		
- Trade and other payables	54,618	43,179
	54,618	43,179

16.2 Financial risk management objectives

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

16.3 Financial risk factors

a) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The effect of this risk for the Group arises from different financial instruments, such as accounts receivable, term deposits, held-to-maturity

investments, amounts due from financial institutions, etc. The maximum exposure to credit risk is represented by the carrying amounts of the following financial instruments:

In KAMD	As of December 31, 2024	As of December 31, 2023
Financial assets at carrying amounts		
- Trade and other receivables	15,185	35,457
- Term deposits	118,034	206,045
- Cash and cash equivalents	725,754	1,623,674
	858,973	1,865,176

c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations.

The Group's policy is to run a prudent liquidity management policy by means of holding sufficient cash and bank balances, as well as highly liquid assets for making all operational and debt service related payments when those become due.

16.4 Fair value measurements recognized in the statement of financial position and fair value hierarchy

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In KAMD	Fair value hierarchy measurement			
Description	As of December 31, 2024	Level 1	Level 2	Level 3
<i>Financial assets measured at fair value</i>				
Trade and other receivables	15,185	15,185	-	-
Term deposits	118,034	118,034	-	-
Cash and cash equivalents	725,754	725,754	-	-
	858,973	858,973	-	-

In KAMD	Fair value hierarchy measurement			
Description	As of December 31, 2024	Level 1	Level 2	Level 3
<i>Financial liabilities measured at fair value</i>				
Trade and other payables	54,618	54,618	-	-
Total	54,618	54,618	-	-

In KAMD	Fair value hierarchy measurement			
Description	As of December 31, 2023	Level 1	Level 2	Level 3
<i>Financial assets measured at fair value</i>				
Trade and other receivables	35,457	35,457	-	-
Term deposits	206,045	206,045	-	-
Cash and cash equivalents	1,623,674	1,623,674	-	-
	1,865,176	1,865,176	-	-

In KAMD	Fair value hierarchy measurement			
Description	As of December 31, 2023	Level 1	Level 2	Level 3
<i>Financial liabilities measured at fair value</i>				
Borrowings	5,880	-	5,880	-
Trade and other payables	43,179	43,179	-	-
Total	49,059	43,179	5,880	-

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Financial assets measured at amortized cost

The fair value of floating interest rate instruments is typically their carrying amount. The estimated fair value of fixed-interest rate instruments is based on the estimated future cash flows expected to be received, using current interest rates for similar debt risks and maturities of new instruments. The discount rates used depend on the credit risk of the counterpart.

The carrying amounts of trade and other receivables, as well as cash and cash equivalents, are close to their fair values.

Financial liabilities measured at amortized cost

The fair values of liabilities have been determined using valuation methods. The fair value of fixed-interest rate instruments with specified maturity dates has been estimated based on the expected cash flows, discounted at current interest rates for new instruments with similar debt risk and remaining maturities. For liabilities due on demand or after a notice period, the fair value has been estimated as the amount payable on demand, discounted from the first possible payment date.

The carrying amounts of borrowings, trade payables, and other creditors are close to their fair values.

17. Contingencies

17.1 Business environment

Armenia continues to undergo political and economic changes. As an emerging market, Armenia does not possess a developed business and regulatory infrastructure that generally exists in a more mature free market economy. In addition, economic conditions continue to limit the volume of activity in the financial markets, which may not be reflective of the values for financial instruments. The main obstacle to further economic development is a low level of economic and institutional development, along with a centralized economic base, regional instability and international economic crisis.

The possible effects of these factors on the Group may include the inability to pay creditors when they become due, impaired reputation, difficulties in selling the goods and services, difficulties in obtaining funds, etc. All these problems may lead to the lessened liquidity of the Group and, accordingly, to going concern problems. Also, there are still uncertainties about the economic situation of countries, collaborating with Armenia, due to the forecasted slowdown in the world economy, which may lead to the shortage of money transfers from abroad, as well as to the decline in the prices of mining products, upon which the economy of Armenia is significantly dependant. In times of more severe market stress the situation of Armenian economy and of the Group may be exposed to deterioration. However, as the number of variables and assumptions involved in these uncertainties is big, management cannot make a reliable estimate of the amounts by which the carrying amounts of assets and liabilities of the Group may be affected.

The financial statements of the Group do not include the effects of adjustments, if any, which might have been considered necessary, had the effects of the factors described above become observable and reliably measurable in Armenia.

17.2 Insurance

The Armenian insurance industry is in its development stage and many forms of insurance protection common in other parts of the world are not yet generally available in Armenia. 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 the Group property or relating to the Group operations. Until the Group obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets or environmental damage could have a materially adverse affect on the Group's operations and financial position.

17.3 Taxes

The taxation system in Armenia is relatively new and is characterized by frequently changing legislation, which is often subject to interpretation. Often differing interpretations exist among various taxation authorities and jurisdictions. Taxes are subject to review and investigations by tax authorities, which are enabled by law to impose severe fines and penalties.

These facts may create tax risks in Armenia substantially more than in other developed countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

17.4 Environmental matters

Management is of the opinion that the Group has met the Government's requirements concerning environmental matters and, therefore, believes that the Company does not have any current material environmental liabilities. However, environmental legislation in Armenia is in process of development and potential changes in the legislation and its interpretation may give rise to material liabilities in the future.

18. Related party transactions

The Group's related parties include its parent, subsidiaries (for separate financial statements) associates and entities under common control, key management and others as described below.

18.1 Control relationships

The ultimate parent of the Group is Armenian Red Cross Society NGO, which is incorporated in Armenia and located at 21/1 Paronyan street, Yerevan, 0015, Republic of Armenia.

18.2 Transactions with management and close family members

Key management received the following remuneration during the year, which is included in employee benefit costs.

In KAMD	Year ended December 31, 2024	Year ended December 31, 2023
Salaries and bonuses	36,691	39,903
	36,691	39,903