

GLOBBING

BOND PROGRAM PROSPECTUS

Issuer's Legal Name and Form:

“Global Shipping” Limited Liability Company

Republic of Armenia, 0051, Yerevan, 44/53 Hr. Kochar St.

Tel: (+374 60) 616-616

Email: info@globbing.com

Website: www.globbing.com

Lead Underwriter's Name and Legal Form:

“Converse Bank” Closed Joint-Stock Company

Republic of Armenia, 0010, Yerevan, Republic Square, 26/1 Vazgen Sargsyan St.

Tel: (+374 10) 511-211

Email: post@conversebank.am

Website: www.conversebank.am

The registration of this prospectus by the Central Bank of Armenia does not imply any guarantee of the investment's security, or the accuracy or authenticity of the information presented.

Type of securities	Nominal, coupon bonds
Form of securities	Dematerialized
Nominal value	50,000 (Fifty thousand) AMD 100 (One hundred) USD
Total quantity issued	30,000 (Thirty thousand) bonds in AMD 40,000 (Forty thousand) bonds in USD
Total issue volume	1,500,000,000 (One billion five hundred million) AMD 4,000,000 (Four million) USD
Placement volume per tranche	To be determined by the Company's Board for each tranche
Quantity per tranche	Based on the nominal value and total volume of each tranche

Annual coupon yield	To be determined by the Company's Board for each tranche
Maturity period	To be determined by the Company's Board for each tranche
Coupon payment frequency	To be determined by the Company's Board for each tranche
Placement type	Non-guaranteed

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RESPONSIBLE PERSONS

We, the undersigned, hereby confirm that we have made all reasonable efforts to verify the accuracy and completeness of the information contained herein. Accordingly, we certify that, to the best of our knowledge, the information included in this prospectus is accurate and complete.

Name	Position	Signature	Date
Davit Harutyunyan	Chairman of the Board	_____	_____
Aram Kayfajyan	Member of the Board	_____	_____
Grigor Bekmezian	Member of the Board	_____	_____
Shushanik Harutyunyan	Director	_____	_____
Hayk Kakoyan	Chief Financial Officer	_____	_____
Hamest Gabrielyan	Chief Accountant	_____	_____
Andranik Grigoryan	Chief Executive Officer, Chairman of the Management Board, “Converse Bank” CJSC (Underwriter)	_____	_____

PART 1. SUMMARY

This summary should be regarded as an introductory overview of the Prospectus, and any investment decision regarding the offered securities must be based on the Prospectus as a whole.

If the information contained in this summary (including any part related to its translation) is incomplete or misleading when read together with the other parts of the Prospectus, the persons responsible for preparing this summary shall bear civil liability for such incompleteness or misleading content.

The investor may obtain this document and its attachments in paper form at the Head Office of “Converse Bank” CJSC (hereinafter referred to as the Bank or the Underwriter), or in electronic form on the issuer’s website www.globbing.com and the Bank’s website www.conversebank.am.

1.1. Brief Information about the Issuer and Its Activities

1.1.1. Issuer’s Details and Contact Information

Full legal name of the issuer:

in Armenian: «Գլոբալ Շիփինգ» սահմանափակ պատասխանատվությամբ ընկերություն

in Russian: “Глобал Шиппинг” Общество с ограниченной ответственностью

in English: “Global Shipping” Limited Liability Company

Abbreviated name of the issuer:

in Armenian: «Գլոբալ Շիփինգ» ՍՊԸ

in Russian: ООО “Глобал Шиппинг”

in English: “Global Shipping” LLC

Place of state registration:

Republic of Armenia, 0051, Yerevan, Hr. Kochar 44/53

State registration number:

264.110.863832

Registered address:

Republic of Armenia, 0051, Yerevan, Hr. Kochar 44/53

Contact information:

Phone: (+374 60) 616-616

E-mail: info@globbing.com

Website: www.globbing.com

Country of incorporation:

Republic of Armenia

Legal form of the company:

Limited Liability Company

The issuer's trade name is protected under the normative legal acts of the Republic of Armenia and is registered with the Intellectual Property Office of the Republic of Armenia.

The Issuer's Trademark:

GLOBBING

For inquiries related to investments in the bonds, investors may contact the relevant staff of the Investment Department of Corporate Investment Banking Services at Converse Bank CJSC at the following phone numbers: (+374 10) 511-211 (internal) 2449 or 2454, Email: Elen.Karimyan@conversebank.am, Emilia.Yeghiazaryan@conversebank.am, corpinvest@conversebank.am :

1.1.2. Establishment and Brief History of the Issuer

"Global Shipping" LLC (hereinafter – the Issuer, the Company, or Globbing) was established in 2015 and has been providing services in the Armenian market for 10 years. The Company began as a small startup with the aim of transforming and developing the online shopping culture in Armenia and international markets.

Subsequently, Globbing actively expanded by adding new delivery destinations, opening innovative service centers, establishing a wide network of lockers, and launching franchise programs. Through Globbing's initiatives, thousands of users for the first time were able to access global discounts and order products from their preferred brands without limitations. The Company is also involved in educational and charitable initiatives, reinforcing its social role.

Milestones in the Company's development:

- **2015:** Brand creation and official launch of Globbing.
- **2016:** Expansion to China and Germany, allowing customers to broaden their online shopping geography and increasing the Company's revenue.
- **2017:** Launch of the first automated service center operating with a robotic system, where parcel collection takes an average of 20 seconds, significantly improving

service quality and increasing daily customer capacity by eliminating queues and congestion.

- **2018:** Launch of Armenia’s first innovative locker network, providing customers with an option to receive their purchases without visiting a service center.
- **2019:** Entry into the Kazakh market, implementing the full infrastructure of service centers and lockers; Globbing Kazakhstan became a profitable investment. Operations in Kazakhstan are conducted through the locally registered subsidiary "Globbing" LLC.
- **2020:** Expansion of the innovative locker network across Armenia.
- **2021:** Opening of the new “Nairi” innovative service center.
- **2022:** Further expansion in Kazakhstan with new service centers.
- **2024:** Achieved a local market record with over 1 million registered users and 10,000,000+ parcels delivered.
- **2023:** Establishment of a state-of-the-art warehouse in the USA, equipped with the German Vitronic system, automating parcel reception, sorting, and delivery timing, significantly minimizing the risk of defects.
- **2024:** Launch of the Company’s customs cargo terminal in Arabkir, Yerevan, with automated parcel reception and sorting flow.
- **2025:** Global expansion with new delivery methods to China via land and a new delivery route to Spain.

1.1.3. Issuer’s Strategy

Globbing’s strategic vision focuses on conquering new markets, ensuring technological advancement, and achieving sustainable growth.

Key strategic directions:

- **Global Expansion:** Continuously broadening geographic presence, entering new markets, and increasing delivery routes, ensuring customer access to international brands and online stores. New routes aim to reduce delivery times and enhance overall customer experience.
- **Innovative Technologies:** Implementation of advanced technological solutions to improve logistics and service processes. Robotic service centers and smart locker networks enable faster, self-service delivery without queues. Proprietary automated systems are also developed for monitoring orders, distribution, and customer support management.
- **Community Engagement:** Social responsibility through charitable, educational, and community programs. Support for local initiatives, educational institutions, and youth development programs to promote social progress and digital inclusion.

- **Growing Scale:** Stable growth in operations, with increases in registered users and delivered parcels, reflecting trust in Globbing's services, customer loyalty and company's success in expanding into new markets.
- **Brand Recognition:** Building a strong and trusted brand on international platforms, participating in sector conferences and startup events, presenting as a leading regional e-commerce and logistics model, creating opportunities for new partnerships and investments.

1.1.4. Issuer's Charter Capital

As of the date of registration of this Program Prospectus, the Company's charter capital amounts to AMD 132,442,400 (one hundred thirty-two million four hundred forty-two thousand four hundred), fully paid, consisting of one share with a nominal value of AMD 132,442,400 (one hundred thirty-two million four hundred forty-two thousand four hundred).

1.1.5. Business Description

Globbing is an international online shopping platform eliminating borders between buyers and the global market. It allows users to acquire products from major online stores worldwide using addresses in nine countries and receive parcels in Armenia quickly, safely, and conveniently.

Services and solutions include:

- Online shopping from global stores (Amazon, eBay, Zara, Shein, Apple, iHerb, etc.) using addresses in the USA, UK, Germany, Italy, Spain, China, Dubai, Greece, and Russia. This allows users to purchase products that are either unavailable or expensive in the local market.
- Automated service centers enabling parcel receipt in an average of 20 seconds without human intervention. The system improves both the efficiency and comfort of the service experience.
- Smart Locker network for convenient self-service parcel collection - customers can choose lockers located in convenient areas and receive their parcels at a preferred time, without the need to visit a service center.
- International franchising program allowing franchisees in various countries to operate services with consistent quality and customer experience.
- Modern warehouses and customs cargo facilities, including automated systems for fast and reliable parcel processing.

- Community and social initiatives supporting youth development, digital education, and social welfare.

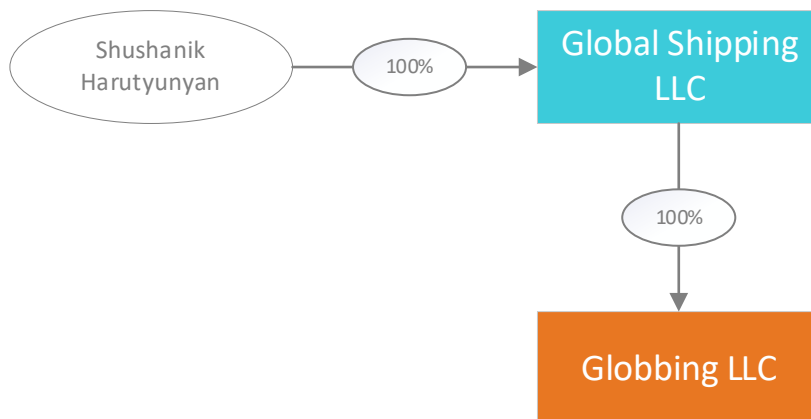
This innovative approach has made Globbing a leading regional e-commerce platform with technological, logistical, and social impact.

A more detailed description of the issuer’s business is presented in Section 3.4 of this Program Prospectus.

1.1.6. Organizational Structure

The Company’s governing bodies are the General Assembly of Participants, the Board, and the Executive Body (Director). The highest governing body is the General Assembly of Participants. The current management and administration of the Company are carried out by the Chief Executive Officer (CEO). The sole participant is Shushanik Harutyunyan.

Together with Globbing Kazakhstan (a subsidiary under her control), the Company forms a Group. The ultimate beneficiary is Davit Harutyunyan.



1.1.7. Asset Quality

As of June 30, 2025, total assets amounted to **AMD 5.9 billion**, with a capital adequacy ratio of **46%**.

1.2. Summary of Risks

1.2.1. Issuer-Related Risks

- **Legal and Regulatory Risks:** Licensing requirements for courier and postal services in Armenia- potential legislative changes could restrict the provision of certain services or result in non-compliance with regulatory acts, which may lead to licensing or reporting violations.

- **Financial or Macroeconomic Risks:** Sensitivity to economic instability, currency depreciation, and market downturns, impacting operational costs and payment delays.
- **Competitive Risks:** Increased number of competitors in the sector.
- **Technological Risks:** Inefficient software, server failures, network outages, data breaches, and cyberattacks.
- **Logistics Risks:** Transportation issues, vehicle breakdowns, package loss and delivery errors due to incorrect address information.
- **Human Risks:** Inadequately trained staff leading to incorrect packaging, misdeliveries, and delays; labor shortages, poor customer service, and complaints.
- **Liquidity Risk:** Market changes or deteriorating financial position may affect the ability to liquidate assets. Given the issuer's sphere of activity, liquidity risks may result from fluctuations in the number of the Company's customers. Nevertheless, such fluctuations do not tend to be seasonal.
- **Default Risk:** Investors bear the risk of potential worsening of the Issuer's financial condition, inability to repay principal or interest, and potential bankruptcy.
- **Geopolitical Risk:** Adverse changes in global, regional, or domestic political situations impacting macroeconomic stability and financial condition.

Detailed descriptions are in Section 3.2 of the Program Prospectus.

1.2.2. Bond-Related Risks

Detailed descriptions are in Section 2.1 of the Program Prospectus. Key risks include:

Market Risk: Fluctuations in interest rates, exchange rates affecting future cash flows and valuation. It may occur due to changes in economic factors influencing bond prices.

Interest Rate Risk: Variability in Armenia's financial market rates affecting bond yield and liquidity indicators.

Currency Risk: Exchange rate fluctuations impacting income when converted to local currency.

Liquidity Risk: Sudden market changes or deteriorating financial position may limit bond tradability. To ensure the liquidity of the bonds, the Issuer has developed an action plan; however, it cannot guarantee that the bonds can be sold or purchased on the secondary market at any given time or at a preferred price.

Inflation Risk: Loss of value due to currency devaluation or rapid inflation.

Reinvestment Risk: Risk of not being able to reinvest interest income at equivalent yield. Investors who purchase the bonds with the intention of holding them until maturity should take into account that they assume the reinvestment risk, which arises from the potential

inability to reinvest the periodic coupon income received from the Issuer's bonds at a yield at least equivalent to that of the bonds.

Credit/Default Risk: Risk of Issuer's inability to meet future obligations or repay bonds. By purchasing corporate bonds, investors assume the Issuer's credit risk, which is associated with the potential deterioration of the Issuer's financial condition in the future, the possible inability to pay coupons or redeem the bonds, and the risk of potential insolvency.

1.3. Trends in Business Development and Financial Position

Since inception, the Company has been in a growth phase due to new service centers, delivery methods, expansion, new services, loyalty programs, and higher average check per customer.

EBITDA growth has moderately slowed, profitability stabilized; new sources include new service centers, services, and approaches.

The Company is focused on increasing investment efficiency by utilizing incoming capital not only for infrastructure expansion but also for operational optimization — introducing digital solutions, AI, and quality improvement measures. Improvements implemented in the Company's main cost areas are expected to help maintain a high profit margin.

The strategy includes new measures for revenue diversification, increasing the variety of income sources. This policy involves the introduction of innovative services that can generate additional revenue.

Furthermore, operational costs are expected to reduce through technology and automation. In the mid-term, the launch of new service centers will contribute to strengthening of supply chain efficiency and drive further cost optimization.

Flexible planning of investment decisions will ensure the efficient allocation of financial resources in line with market demands, enabling the Company to maintain investment stability and financial soundness even in periods of slower income growth.

Within the framework of the current management programs, it is projected that over the next 2–3 years, the Company will repay its existing loan obligations, thereby easing its financial burden and increasing available cash resources. The repayment of loans will reduce financial expenses, allowing the Company to redirect funds toward achieving its strategic goals.

The Company will be able to stimulate profitability even amid the stabilization or relative slowdown of revenue growth. This will significantly enhance the Company's financial

flexibility, enabling it to respond quickly to market changes and plan new investments more effectively.

1.4. Auditors

Financial statements for 2023–2024 were audited by **Grant Thornton CJSC**, website: <https://www.grantthornton.am/>

1.5. Shareholders, Governance, and Staff

The Company's governing bodies are the General Assembly of Participants, the Board, and the Executive Body (Director). The highest governing body is the General Assembly of Participants. The sole participant of the Company is Shushanik Harutyunyan, who owns 100% of the Company's shares. The current management and administration of the Company are carried out by the Chief Executive Officer (CEO).

- Sole participant: **Shushanik Harutyunyan** (100% ownership).
- Executive body: **Director** – Shushanik Harutyunyan, 10 years of experience.
- Board: 3 members – **Davit Harutyunyan** (Chairman, 11 years), **Aram Kayfajyan** (Member, 4 years), **Grigor Bekmezian** (Member, 9 years).
- Total staff: 289 (as of registration date of the Program Prospectus).

1.6. Key Statistics of Proposed Bonds

The bonds issued by the Company are nominal, dematerialized, coupon, medium-term bonds and shall be placed in one or more tranches. The placement of the final tranche shall be completed no later than 12 months after the publication of the bond prospectus.

The issued bonds shall be placed and redeemed in the same currency in which they were issued. Coupon payments on the bonds shall also be made in the currency of issuance.

- **Type, Form:** Nominal, medium-term coupon bonds.
- **Currency:** AMD, USD
- **Nominal Value:** AMD 50,000; USD 100.
- **Total Issue:** AMD 30,000 bonds; USD 40,000 bonds.
- **Total Volume:** AMD 1,500,000,000; USD 4,000,000.
- **Distribution per tranche:** Determined by Board.
- **Interest Rate, Term, Payment Frequency:** Determined by Board.
- **Form of Distribution:** Unsecured.

Proceeds will fund new services, digital solutions, acquisition of a stake in “Online Shopping Network” LLC in Armenia, partial refinancing of current loans, and expansion of service centers and locker networks in Kazakhstan.

1.7. Comprehensive Description of Bond Offering

The final terms of the issuance, placement, circulation, and redemption of the bonds shall be determined by the Issuer at least 5 business days prior to the date of bond placement. Final terms are submitted to the Central Bank of Armenia and published at least 2 working days prior to the announcement of the public offer

The Underwriter/Placement Agent/ is obliged to publish the final terms of each securities issuance at least on its official website: <https://www.conversebank.am/>.

1.8. Summary Financial Data

The formulas for calculating the Issuer's summary financial ratios are presented in Appendix 2.

Summary Overview of Financial Results

Amounts in thousand AMD

Indicator	31/12/25 (unaudited)	31/12/24 (audited)	30/06/23 (audited)
Revenue from sale of products, goods, works, and services	5,106,271	10,505,443	10,641,552
Cost of goods sold (products, goods, works, services)	(2,862,357)	(6,146,152)	(6,006,394)
Gross profit (loss)	2,243,914	4,359,291	4,635,158
Selling expenses	(823,380)	(1,616,486)	(1,339,557)
Administrative expenses	(723,382)	(1,531,272)	(1,089,680)
Profit (loss) from sales of products, goods, works, services	697,152	1,211,533	2,205,921
Other operating income	12,505	4,738	11,080
Other operating expenses	(46,847)	(91,867)	(238,969)
Operating profit (loss)	662,810	1,124,404	1,978,032
Financial expenses	(34,629)	(178,827)	(72,766)
Share of profit (loss) of investments accounted for using the equity method	–	–	–
Profit (loss) from disposal of assets and settlement of liabilities of discontinued operations	–	–	–
Other non-operating income (loss)	1,293	–	–

Profit (loss) from ordinary activities	629,473	945,577	1,905,266
Extraordinary items, net	–	–	–
Profit (loss) before income tax	629,473	945,577	1,905,266
Income tax expense (benefit)	–	(218,991)	(360,998)
Net profit (loss) after income tax	629,473	726,586	1,544,268

Summary Balance Sheet

Amounts in thousand AMD

Indicator	30/06/25 (unaudited)	31/12/24 (audited)	31/12/23 (audited)
Non-current Assets			
Property, plant and equipment	497,852	526,023	373,737
Construction in progress (non-current)	–	–	–
Intangible assets	211,929	226,636	190,298
Investments accounted for using the equity method	–	–	–
Other non-current financial assets	143,966	81,206	195,447
Other non-current assets	723,129	859,006	851,630
Total non-current assets	1,576,876	1,692,871	1,611,112
Current Assets			
Inventories	49,564	28,319	10,220
Prepayments (current)	1,517,308	1,290,940	776,647
Trade receivables	2,403,565	1,920,376	1,521,336
Other receivables	–	–	–
Current financial investments	–	–	–
Cash and cash equivalents	50,324	77,102	273,841
Other current assets	377,013	–	–
Total current assets	4,397,774	3,316,737	2,582,044
Total Assets	5,974,650	5,009,608	4,193,156
Equity			
Authorized (share) capital	132,443	40,443	40,443
Share premium	–	–	–
Retained earnings	2,688,356	2,359,417	1,566,601
Reserve capital	–	–	–
Other components of equity	(77,201)	(77,201)	(10,971)
Total Equity	2,743,598	2,322,659	1,596,073
Non-current Liabilities			

Long-term bank loans and borrowings	711,312	316,638	552,612
Other non-current liabilities	799,842	799,842	813,696
Total non-current liabilities	1,511,154	1,116,480	1,366,308
Current Liabilities			
Short-term bank loans and borrowings	222,665	347,946	221,003
Trade payables	1,392,637	1,063,786	504,315
Advances received (current)	–	–	–
Other payables	30,273	10,088	393,497
Other current liabilities	74,323	148,649	111,960
Total current liabilities	1,719,898	1,570,469	1,230,775
Total Liabilities	3,231,052	2,686,949	2,597,083
Total Equity and Liabilities	5,974,650	5,009,608	4,193,156

Summary Cash Flows

Amounts in thousand AMD

Indicator	30/06/25 (unaudited)	31/12/24 (audited)	31/12/23 (audited)
Cash at the beginning of the period	77,102	273,841	85,701
Net cash flows from operating activities	(63,361)	962,022	1,298,027
Net cash flows from investing activities	(121,079)	(769,010)	(557,971)
Net cash flows from financing activities	157,662	(389,751)	(551,916)
Cash at the end of the period	50,324	77,102	273,841

Summary Financial Ratios

Indicator	30/06/25 (unaudited)	31/12/24 (audited)	31/12/23 (audited)
Earnings per share (EPS)	N/A	N/A	N/A
Return on equity (ROE)	23%	31%	97%
Return on assets (ROA)	11%	15%	37%
Net profit margin (NPM)	12%	7%	15%
Equity adequacy ratio	0.46	0.46	0.38

Financial leverage ratio	1.18	1.16	1.63
Absolute liquidity ratio	0.03	0.05	0.22
Current ratio	2.31	2.09	2.09
Quick ratio	2.56	2.11	2.10
Receivables turnover ratio	2.12	5.47	6.99
Days sales outstanding (DSO)	172	67	52
Inventory turnover ratio	57.75	217.03	587.71
Inventory turnover days	6	2	0.6
Payables turnover ratio	95	609	15
Payables turnover days	4	1	24

Investor Notice:

This summary must be considered a concise description of the Program Prospectus. Investment decisions should be based on the full Program Prospectus. The person responsible for the preparation of the Summary shall bear civil liability for any misleading or incomplete information contained in the Summary (including with respect to its translation), if such information is misleading or incomplete when considered together with the other parts of the Program Prospectus.

PART 2. INFORMATION ON THE PROPOSED BONDS

2.1. Risk Factors

Investment in the bonds proposed under this Program Prospectus involves certain risks. Potential investors, before deciding to invest in the bonds, should act prudently and consider the risks listed below, as well as other information contained in this Program Prospectus, and take into account their experience, objectives, financial resources, risk appetite, and expected returns. Each of the risks presented, or a combination of several of them, may negatively affect market conditions and lead to a decline in the price or liquidity of the bonds. As a result, the investor may lose all or part of the invested amount.

Assuming risk is an integral part and consequence of financial activity. Investors should be aware that investments in bonds are subject to certain risks not only related to the Issuer's financial condition and operational results but also to market conditions (market risk). Potential investors should understand that the risks described below do not cover all possible risks that may arise. The Issuer has disclosed only those risks that were known at the time of drafting this Prospectus and considered material. Additional risks may exist that the Issuer currently does not consider material or that are currently unknown; any such risk may produce the above-described effects and consequences.

Investors should carefully study the risks and other information presented in this document before making an investment decision. Investors are also advised to consult with their legal advisors to determine whether investment in the bonds is legally permissible and how the bonds may be used as collateral for various loans.

Market Risk arises from fluctuations in market variables (interest rates, exchange rates, or other financial conditions) affecting the future cash flows or fair value of financial instruments, potentially resulting in losses. This risk may affect the price of bonds in the economy due to changes in market factors. On the secondary market, the price and demand for the Issuer's bonds may change depending on domestic and international economic indicators, which may lead to investor losses. Market risk includes interest rate risk, price risk, foreign exchange risk, and capital instrument price risk. The main types of market risk are interest rate risk and foreign exchange risk.

Interest Rate Risk. Fluctuations in interest rates in the Armenian financial market may negatively affect the yield and liquidity of bonds. Rising market interest rates may lead to a revision (an increase) in the yield offered on the Issuer's bonds, which in turn may reduce their price. In such cases, selling the bonds before maturity may result in losses or lower-than-expected returns for the investor.

Foreign Exchange Risk. Arises from fluctuations in the national currency's exchange rate and may negatively impact the investor's return from the bonds when measured in the local currency. This risk may occur due to sharp exchange rate changes or improper

management of foreign currency-denominated assets and liabilities, resulting in losses. Specifically, in the event of appreciation of the national currency, the local currency-equivalent of bond redemption amounts may be lower than expected.

Liquidity Risk. May arise from sharp changes in market conditions or deterioration of the Issuer's financial position. The Issuer plans measures to ensure liquidity of the bonds (periodic coupon payments, competitive yield, listing and trading permission on a regulated market, market maker agreements with appropriate companies), but it cannot guarantee that bonds can always be sold or purchased on the secondary market at desired prices. Bondholders may be unable to sell the desired amount at the preferred time or may have to sell at a lower price, incurring losses.

Concentration Risk. If more than 50% of the bonds issued under this Prospectus are acquired by a single investor or a group of affiliated investors, a risk may arise that such investor or group of investors could exercise significant influence over the Issuer's decisions, particularly by providing consent in the event of a breach of the covenants set out in Section 2.7 of this Prospectus.

Inflation Risk. The risk of loss caused by a decrease in the value of assets or income due to local currency depreciation or a sudden increase in inflation. In other words, future inflation will reduce the purchasing power of cash flows. Investors should consider that the real return they receive may be lower (by the inflation rate) than the nominal return offered by the Issuer.

Reinvestment Risk. Investors who acquire bonds to hold until maturity bear reinvestment risk, which arises from the potential inability to reinvest the periodic coupon or redemption amounts from the Issuer's bonds at equivalent returns. That is, they assume the risk of not being able to reinvest the periodically received coupon payments or the amount received upon redemption at an equivalent or higher returns. This risk is less significant for investors with short-term investment horizons.

Credit/Default Risk. Investors in corporate bonds assume the Issuer's credit risk, associated with possible deterioration of the Issuer's financial condition, inability to pay coupons or principal, and potential insolvency.

2.2 Key Information

Use of Funds. Proceeds from the bond placement will be allocated approximately as follows:

- Around USD 1,000,000 to refinance the Company's existing dollar-denominated loan,

- Approximately USD 2,700,000 (or equivalent in other currency) to invest in Kazakhstan to build 13 new service centers and a new locker chain consisting of 222 lockers,
- Approximately USD 4,300,000 (or equivalent in other currency) to acquire 100% of “Online Shopping Network” LLC, a company providing locker services.

2.3 Bond Information

2.3.1. Type and Class.

The bonds to be issued are nominal, uncertificated/dematerialized, coupon, medium-term, and non-convertible.

2.3.2. Country.

The bonds will be issued in the Republic of Armenia (RA) under RA legislation and relevant regulatory acts. Any disputes will be governed by RA law, except in cases where the Issuer enters into a separate agreement with individual investors.

Applicable Legislation – all applicable laws of the Republic of Armenia, legal acts having the force of law, subordinate legislation, rules, regulations, as well as international treaties ratified by the Republic of Armenia and in force, judicial acts, customary or common law, and any governmental restrictions, general instructions, or directives issued by any competent authority of the Republic of Armenia, in each case as amended, restated, replaced, or revised from time to time.

2.3.3. Form of Securities.

The bonds will be uncertificated, and the bond register will be maintained by “Central Depository of Armenia” LLC. The account operator is “Converse Bank” CJSC.

2.3.4. Nominal Value and Quantity.

Each bond will have a nominal value of AMD 50,000 (for AMD-denominated bonds) and USD 100 (for USD-denominated bonds). The total issuance is AMD 1,500,000,000 and USD 4,000,000. The total number of bonds is 30,000 AMD-denominated and 40,000 USD-denominated. The volume per tranche will be determined by the Company’s Board of Directors. The number of bonds per tranche will be determined in accordance with the volume and nominal value of the respective placement.

2.3.5. Issuance Currency.

Bonds will be issued in AMD and USD.

2.3.6. Information on the classification of bonds

According to the Civil Code of the Republic of Armenia, in the event of the Issuer's liquidation, the claims of its creditors are satisfied in the following order:

1. First, claims of creditors secured by the property of the legal entity being liquidated are satisfied.
2. Second, claims of individuals against whom the liquidating legal entity bears liability for harm caused to their life or health are satisfied, calculated through capitalization of periodic payments as applicable.
3. Third, severance payments, salaries, and remuneration under author contracts owed to employees under employment agreements are paid.
4. Fourth, mandatory payments due to the state budget and the environmental protection fund are settled.
5. Fifth, settlements are made with other creditors, excluding subordinated lenders.
6. Sixth, settlements are made with subordinated lenders.

Creditors/holders within the same priority level have equal rights to satisfaction of their claims.

Holders of the bonds offered by the Issuer are satisfied at the fifth priority level.

Claims of creditors/holders within the same priority level are satisfied only after the claims of the preceding priority level have been fully satisfied.

If the liquidation is due to the Issuer's insolvency, in accordance with the Law of the Republic of Armenia "On Insolvency," creditors' claims are satisfied in the following order:

1. First, claims of creditors secured by the property of the legal entity being liquidated are satisfied.
2. Second, remuneration of the administrator and administrative expenses are paid.
3. Third, claims of individuals related to life or health damages are satisfied.
4. Fourth, claims arising from employment contracts and payments under author contracts are satisfied.
5. Fifth, court costs are paid.
6. Sixth, tax obligations arising from the disposal of the debtor's property following the finalization of the court decision declaring the debtor insolvent are settled.
7. Seventh, unsecured claims arising from obligations undertaken by the debtor, as permitted by the court, are satisfied prior to the final list of creditor claims being approved.
8. Eighth, unsecured claims arising as a result of actions taken following the effective date of the insolvency declaration, in accordance with the Law on Insolvency, are satisfied.

9. Ninth, unsecured creditors' claims, including mandatory social contributions, tax obligations, and court costs, are satisfied, excluding subordinated unsecured creditors.
10. Tenth, claims of subordinated unsecured creditors are satisfied, including unsecured claims arising from loans, borrowings, or other contributions provided by the debtor's founders (participants, shareholders, members, or partners), claims represented by bonds issued with a term of ten years or more, claims represented by privileged securities, and claims arising from subordinated borrowings.
11. Subsequently, other claims provided for under the Law on Insolvency are satisfied.

Claims of creditors within each priority level are satisfied only after all claims of the preceding priority level have been fully settled. Holders of the bonds offered by the Issuer are satisfied at the ninth priority level under insolvency.

2.3.7. Key Rights, Obligations, and Restrictions Arising from Securities

By acquiring the Bonds, Bondholders obtain the following rights:

- To receive interest and the principal amount of the Bonds in accordance with the procedures set forth in this Program Prospectus.
- In the event of a delay in payment of interest and/or principal beyond the deadlines established in this Program Prospectus, to exercise the rights of a creditor provided by law.
- To transfer the Bonds at their discretion on a stock exchange (if listed and permitted for trading) or off-exchange, in accordance with the procedure prescribed by law. Investors should note that under the legislation of the Republic of Armenia, it is not permitted to sell corporate securities allowed for trading on a regulated market (stock exchange) outside the regulated market. Exceptions include:
 - Transactions concluded with the Central Bank of the Republic of Armenia (CBA), i.e., possible transactions between the CBA and specialized financial market companies;
 - Buyback or acquisition transactions of securities issued by the Issuer;
- To pledge the Bonds in accordance with the procedure prescribed by law.
- Other rights provided by law.

By acquiring the Bonds, Bondholders undertake to transfer to the relevant bank account the funds necessary for the acquisition of the Bonds within the deadlines specified in the terms of issuance and to fulfill any monetary or non-monetary obligations arising from the acquisition, disposal, or other actions related to the Bonds.

2.3.8. Interest Rate and Payment Terms

The annual interest rate payable on each tranche of Bonds is determined by the Board of the Company.

The right to receive interest accrues to persons registered in the register of Bondholders/registered holders as of the close of business on the day preceding the interest calculation date.

The register of Bondholders/registered holders will be closed at 18:00 on the day preceding the relevant interest calculation date. Bondholders/registered holders recorded after this time are not entitled to receive interest for the preceding interest period.

The Issuer obtains an extract from the register from the Registrar as of 18:00 on the day preceding the interest calculation date and pays the relevant amounts to the Bondholders' bank accounts via cashless transfer.

On the interest calculation (payment) date, the Issuer prepares a statement based on the register of Bondholders/registered holders showing the persons entitled to receive interest (Bondholders or registered holders), including the data necessary for transferring the interest amounts.

Interest payments on Bonds denominated in AMD and USD will be calculated and paid in AMD and USD, respectively. Amounts for USD-denominated Bonds are calculated to two decimal places; amounts for AMD-denominated Bonds are calculated to one decimal place. Rounding is performed according to standard arithmetic rounding rules: the whole number remains unchanged if the decimal to be rounded is 0-4, and is increased by one if the decimal is 5-9.

If the bank account specified in the register or in the Bond acquisition application/instruction for receiving interest is absent or incorrect, the Settlement Bank will transfer or hold /freeze/ the amount in a dedicated account and make all reasonable efforts to locate/identify the investor and transfer the funds.

Interest is payable to Bondholders on the interest calculation (maturity) date. If the interest calculation date is a non-business day, the payment date is the next business day.

There are no special rules for payments to non-residents.

Interest on the Bonds is calculated for each placement period as determined by the Company's Board, on the relevant day of every n-th periodic month following the placement start date.

The accrued interest on Bonds is calculated using the following formula:

$$AI = FV * \frac{C}{k} * \frac{DCS}{DCC}$$

Where:

AI – accrued interest;

FV – nominal value of one Bond;

C – annual nominal interest rate (percentage);

k – number of interest payments per year;

The day count convention applied to the Issuer's bonds is Actual/Actual, whereby...

DCS – number of days from the previous interest payment/accrual start date to the transaction date, calculated according to the specified day count convention [D2M2Y2 – D1M1Y1];

DCC – number of days in the interest period according to the specified day count convention [D3M3Y3 – D1M1Y1];

D1M1Y1 – previous interest payment/accrual start date;

D2M2Y2 – transaction date;

D3M3Y3 – next interest or principal payment date.

The day count convention for interest calculation is Actual/Actual.

2.3.9. Maturity Date and Redemption Value of the Securities

The maturity date of the Bonds to be issued shall be determined by the Company's Board of Directors for each tranche.

The redemption value of one AMD-denominated Bond is AMD 50,000 (fifty thousand), and the redemption value of one USD-denominated Bond is USD 100 (one hundred).

The register of Bondholders/registered holders will be closed at 18:00 on the day preceding the redemption date. Only persons registered in the register at the time of closure are entitled to receive the redemption amount.

Redemption amounts shall be paid to Bondholders/registered holders on the redemption date, i.e., on the first business day following the register closing date. If the redemption date is a non-business day, the payment date shall be the next business day.

The Issuer is obliged to ensure and accumulate the necessary funds for Bond redemption on the account opened with the Underwriter (hereinafter also the Settlement Bank) before the redemption date.

On the redemption date, the Issuer shall submit to the Settlement Bank a statement from the register of Bondholders/registered holders indicating persons entitled to receive

redemption amounts, including all data necessary for fund transfer. The Issuer may also authorize or instruct the Settlement Bank to request and obtain such information from the Registrar on its behalf.

The register extract shall reflect data as of 18:00 on the day preceding the interest calculation date.

Simultaneously, the Issuer (or the Settlement Bank, if authorized) instructs the Registrar to redeem the number of Bonds specified in the register extract.

The Settlement Bank shall pay the redemption amounts via cashless transfer to the bank accounts specified in the register of Bondholders/registered holders. If the bank account is missing or incorrect, the Settlement Bank shall hold/freeze the funds in a dedicated account and make all reasonable efforts to identify the investor and transfer the funds.

Early redemption of the Bonds is not provided for.

No collateral is required to secure obligations under the Bonds, as they are unsecured.

Payments for AMD-denominated Bonds shall be made in AMD, and payments for USD-denominated Bonds shall be made in USD.

Investors should note that, due to the currency of the Bonds and possible interbank transfers required for USD-denominated Bonds (if the investor's USD account is not held with the Underwriter), fees related to interbank transfers shall be borne by the investor. Consequently, such investors may receive redemption amounts net of fees applied by the Settlement Bank and any intermediary banks involved.

2.3.10. Annual Yield of the Securities

The annual yield of the Bonds shall be calculated in accordance with the formula provided in clause 2.4.3 of this Program Prospectus, where the annual yield is denoted as y (*yield to maturity*). During the primary placement, the annual yield shall be equal to the declared interest yield. After the completion of the primary placement, the annual yield shall be determined in the secondary market according to prevailing market rates.

2.3.11. Information on the New Issue

The medium-term bond issuance program of Global Shipping LLC has been approved by the Company's Sole Member on 09/10/2025 (Decision No. 02), which sets out the issuance and placement of medium-term bonds under the following conditions:

- Total issuance volume: AMD 1,500,000,000 and USD 4,000,000
- Nominal value per Bond: AMD 50,000 and USD 100
- Total number of Bonds to be placed: 30,000 (AMD-denominated), 40,000 (USD-denominated)
- Placement in one or more tranches
- Underwriter: Convers Bank CJSC
- Placement type: unsecured

For each tranche, the “Global Shipping” LLC Board shall determine the placement procedure and conditions, start and end dates of each tranche, annual interest yield, placement volume, interest payment frequency, Bond circulation period, and minimum purchase amount per investor.

2.3.12. Restrictions Related to Free Transferability of the Securities

No restrictions on free transferability of the Bonds are imposed under the issuance decision, except for possible minimum purchase limits per investor during placement, if determined by the Company’s Board. After obtaining trading permission on a regulated market, transactions outside the regulated market are prohibited, except in cases specified by the Central Bank of Armenia Board Resolution No. 331N dated 27.11.2012.

2.3.13. Taxation of Income from Bonds

Income derived from the Bonds is subject to profit tax (for legal entities) and personal income tax (for individuals).

In the Republic of Armenia (RA), both resident and non-resident entities are subject to profit tax, with the exception of the RA itself (through state authorities), communities of the RA (through municipal administrative bodies), the RA Central Bank, and diplomatic and consular missions accredited in RA, as well as equivalent international organizations.

For resident entities, taxable profit includes income derived from sources in the RA and/or outside the RA. For non-resident entities, taxable profit includes income derived from sources within the RA.

Taxable profit is calculated as the positive difference between the taxpayer’s total income and deductions allowed under the RA Tax Code.

For resident profit taxpayers and non-resident profit taxpayers operating in RA through a permanent establishment, profit tax on income from Bonds is calculated at a rate of 18% on taxable profit.

For non-resident profit taxpayers not operating in RA through a permanent establishment, profit tax on interest income from Bonds is 10%, while income derived from the increase in the Bond's principal (i.e., the positive difference between the purchase and sale price before maturity) is not subject to taxation.

Global Shipping LLC shall act as the tax agent for non-resident legal entities.

According to Article 126(5.1.6) of the RA Tax Code, non-resident taxpayers are exempt from profit tax on interest income or discount income from Bonds listed on the RA stock exchange (regulated market) from January 1, 2025, to December 31, 2027. This exemption also applies to income from the exchange or disposal of such Bonds during the same period.

Since the Bonds issued under this Prospectus are intended to be listed on the RA stock exchange, income derived from them shall not be subject to taxation for non-resident legal entities.

Personal Income Taxation of Bond Income

Both resident and non-resident individuals are subject to personal income tax in RA. A resident individual is someone who has been physically present in RA for a total of 183 days or more during any period within the tax year, or whose vital interests are centered in RA. Taxable income is the positive difference between the individual's total income and deductions allowed under the RA Tax Code.

For residents, taxable income includes income derived both in RA and abroad.

For non-residents, taxable income includes income derived from sources within RA.

Personal income tax on interest income from Bonds, for both residents and non-residents, is 10%.

Global Shipping LLC shall act as the tax agent for resident and non-resident individuals.

According to Article 149(1.6) of the RA Tax Code, for individuals, interest income received from Bonds listed on the RA stock exchange (regulated market) from January 1, 2025, to December 31, 2027, is excluded from the taxable base.

Since the Bonds issued under this Prospectus are intended to be listed on the RA stock exchange, income derived from them shall not be subject to personal income tax for resident and non-resident individuals until December 31, 2027.

Notice:

Although the Issuer has made every reasonable effort and applied available knowledge to describe the tax treatment of income from the Bonds in RA, investors should not consider this as tax advice and should not rely solely on this information when making investment decisions. The Issuer does not guarantee that the tax legislation applicable at the time of receiving and reviewing the Prospectus will match the descriptions provided, or that it will be applied consistently by RA tax authorities. Investors are strongly advised to seek professional tax advisory services.

The Issuer hereby disclaims any liability for any financial claims arising from changes in tax legislation or the application of tax rules affecting investors.

2.4. Terms and Conditions of the Offer

2.4.1. Offer Conditions and Statistics

Total Volume of the Offer

The total nominal volume of the Bonds to be issued is AMD 1,500,000,000 and USD 4,000,000. The total number of Bonds to be issued and distributed is 30,000 units denominated in AMD and 40,000 units denominated in USD.

Start and End of Distribution

- The start date of the distribution for each tranche of Bonds shall be determined by the Board of the Issuer.
- The final terms of the issue for each tranche shall be submitted to the Central Bank of Armenia (CBA) and published on the Underwriter's website at www.conversebank.am at least two (2) days prior to the announcement of the public offer.
- The end date of distribution for each tranche shall be determined by the Board of the Issuer.
- The distribution of the last tranche shall be completed no later than one year after the publication of the Prospectus by the Issuer and/or Underwriter.

No changes to the determined dates are currently planned by the Issuer.

Postponement or Cancellation of Distribution: Distribution may be postponed or canceled in accordance with Articles 20 and 21 of the RA Law on Securities Market, including if:

1. The Issuer publishes an amendment to the Prospectus due to a material change, new material fact, or circumstance, whereby the investor may request cancellation of their application and a refund of funds, including accrued interest calculated per the formula in Section 2.3.8, within five (5) business days after the amendment publication, moreover the buyback claim shall be submitted in written form.
2. The distribution is suspended by the CBA if:
 - There are violations of the Law on Securities Market or other applicable regulations;
 - Terms of the public offer are not met;
 - The Prospectus contains material errors, misleading information, or omissions. In this case, the placement may be continued with the permission of the Central Bank of the Republic of Armenia, provided that the identified errors and omissions are corrected/eliminated.
3. The suspension initiated by the Underwriter may last up to ten (10) business days with CBA consent. If the distribution does not resume within one business day after the suspension period, the Underwriter shall refund investors within ten (10) business days.
4. Distribution will also be canceled if the actual distributed volume of Bonds is less than the volume specified in the final terms. In such case, investors shall be refunded within three (3) business days (amounts received during the placement, together with any accrued interest) via bank transfer to the accounts specified in their subscription applications.

In the absence of a bank account or if the provided account details are incorrect, the Underwriter shall make all reasonable efforts to identify the investor and ensure the return of the funds.

The Underwriter shall be obliged to publish information on the suspension or continuation of the placement, its termination, and the refund of funds received during the placement on its official website: www.conversebank.am:

Subscription Procedure

Bonds will be distributed through a public offer via direct sale. Investors (individuals or legal entities) wishing to subscribe must complete the subscription application (Appendix 3 for individuals and Appendix 4 for legal entities) and duly submit it to the Bank with payment, thereby accepting the terms of the issue.

Submission Methods:

- Electronically: bonds@conversebank.am or CBANet: Investments Converse Bank/Converse/CBANet@CBANet
- In person: at the Bank's headquarters or branches (list and hours here: www.conversebank.am/hy/branches)
- Via mobile app: Converse Mobile, following app instructions

Payment Terms:

- Payments are made by cash deposit or transfer to the dedicated transit accounts: 19300637882578 (USD) and 19300927663876 (AMD)
- The Bond price is calculated per formula in Section 2.4.3 and multiplied by the number of Bonds subscribed. The total amount payable for the acquired bonds shall be calculated with an accuracy of two decimal places for USD denominated bonds and one decimal place for AMD denominated bonds, with rounding performed in accordance with standard arithmetic rounding rules.
- Payments made after 16:30 local time are credited at the next business day's Bond price.

The Underwriter shall be obliged to publish on its official website (www.conversebank.am) the price of the bonds for each tranche as of the relevant date throughout the entire placement period.

Individuals and/or legal entities wishing to participate in the bond acquisition may submit more than one application-order.

Funds received in the transit accounts opened for the purpose of placement :19300927663876 (for bonds denominated in AMD) and 19300637882578 (for bonds denominated in USD) after the placement deadline shall be subject to refund, and the respective subscription applications shall not be satisfied, regardless of the time of their submission or receipt by the Underwriter.

A reduction in the total offer volume is not envisaged.

Partial satisfaction of subscription requests is possible if requested volume exceeds available Bonds and the subscription applications shall be met only to the extent of the unplaced volume. Refunds for partially fulfilled requests are made within three (3) business days. If the Investor fails to provide a valid bank account or if the account details are incorrect, the Underwriter shall use all reasonable efforts to identify the investor and ensure the refund.

Minimum and Maximum Subscription Amounts

May be set by the Issuer at least five (5) business days prior to distribution start.

Withdrawal of Subscription

Once payment is made, applications cannot be withdrawn. Applications not accompanied by payment by 16:30 on the subscription day are considered invalid and do not participate in the placement.

Ownership Confirmation and Payment Method

Payments are made to the accounts opened at “Converse Bank” CJSC for the purpose of placement: account No. 19300927663876 (for bonds denominated in AMD) and account No. 19300637882578 (for bonds denominated in USD). The payment shall be deemed duly made upon the receipt of funds in the specified accounts.

The bonds shall be credited to the Investor’s account within one (1) business day following the satisfaction of the investor’s bond purchase application.

Investors may obtain an extract confirming ownership of the securities from the custodian or account operator.

Ownership is recorded on investors’ accounts at the Central Depository of Armenia (CDA) or its sub-custodians within one business day after acceptance of the application.

Publication of Offer Results

Results will be published within one business day on the Underwriter’s or Issuer’s website: <https://conversebank.am/>

Priority Rights

There are no preferential rights; subscription is processed on a first-come, first-served basis.

2.4.2. Distribution Plan

Target Investors

The offer is aimed at RA resident and non-resident individuals and legal entities, qualified and institutional investors, and individual entrepreneurs. The bond offering shall be carried out on the basis of free sale through the Underwriter’s mobile application, head office, and branches.

Notification of Partial Satisfaction or Rejection

The Issuer shall notify the Investors of the partial satisfaction or rejection of subscription orders no later than the end of the business day following the date of submission of the order. Notification of the partial satisfaction or rejection of the application shall be provided to the investor through the same communication channel by which the investor submitted the bond purchase application to the Underwriter. Lack of notification is considered acceptance.

2.4.3. Pricing Formula Bond price per 100 units of nominal value:

$$DP = \frac{C}{f} \sum_{t=1}^N \frac{1}{\left(1 + \frac{y}{100 * f}\right)^{t-1+\tau}} + \frac{100}{\left(1 + \frac{y}{100 * f}\right)^{N-1+\tau}}$$

Where:

$$\tau = \frac{DSN}{DCC}$$

DP – the price of the bond,

DSN – the number of days from the transaction execution date until the next coupon payment date under the relevant convention,

DCC – the number of days from the previous coupon payment date to the next coupon payment date under the relevant convention,

f – the frequency of coupon payments,

N – the number of remaining coupon payments at the calculation date,

C – the annual coupon per 100 units of nominal value,

y – yield to maturity.

The price of each bond tranche will be published by the Underwriter on its website for the entire placement period: <https://conversebank.am/>.

Considering the currency of the issued bonds, investors are responsible for covering any bank fees associated with transferring funds required for purchasing bonds and/or proceeds from coupon payments to or from other banks.

Investors are also required to hold a securities account with the Central Depository of Armenia or another licensed sub-custodian and bear any related costs.

2.4.4. Underwriting

Guaranteed Underwriting

There are no guaranteed underwriting arrangers. No guaranteed underwriting agreement has been concluded.

Non-Guaranteed Placement Arrangers

The Issuer has entered into a “Service Agreement” with Converse Bank CJSC, under which Converse Bank CJSC will conduct a non-guaranteed underwriting of the Issuer’s bonds.

Underwriting Terms

Under the “Service Agreement” with the Issuer, the Issuer is obliged to pay the Underwriter a commission of 0.25% of the issue volume, and a further 0.25% of the distributed volume for placement and listing services.

Banks and Custodians for Payments

Payments for the bonds must be made to the following escrow accounts opened at Converse Bank CJSC for the purpose of the placement:

- Account **19300927663876** for bonds issued in AMD,
- Account **19300637882578** for bonds issued in USD.

If the investor purchases bonds through their brokerage company, they must clarify the payment procedure with their broker.

Bonds will be recorded through the securities accounts maintained by the Central Depository of Armenia (CDA) or its sub-custodians. The CDA’s address is: 26/1 Vazgen Sargsyan Street, 5th floor, Yerevan, RA (Tel.: +374 60 615555).

Prior to purchasing bonds, investors are required to hold a securities account with the CDA or its licensed sub-custodian.

2.5. Authorization for Trading and Organization of Trading

2.5.1. Authorization for Trading

After this Prospectus is registered by the Central Bank of Armenia (CBA) and the bonds are placed, the Issuer is obliged to apply to the Armenian Stock Exchange (AMX) CJSC to list the placed bonds on the regulated market and obtain trading authorization.

The application for trading authorization may be denied. If trading authorization is not granted, the placement of the bonds shall be considered void. Within 10 business days following the decision to reject the application, the Issuer will return the corresponding amounts to the investors, including accrued interest up to the effective date of the cancellation.

2.5.2. Markets

At present, the bonds registered under this Prospectus are not permitted for public trading on any market.

2.5.3. Market Makers

The Issuer has not yet entered into an agreement with specialized persons to provide market-making services in the secondary market.

If the placed bonds are listed on the regulated market of the Armenian Stock Exchange (AMX) and trading is authorized, the Issuer is obliged to conclude an agreement with specialized persons to act as market makers in the secondary market.

Investors can find information about the market makers for the Issuer's bonds on the Armenian Stock Exchange website: www.amx.am.

2.6. Additional Information

2.6.1. Advisors

During the preparation of this Prospectus, the Issuer used the services of MB Consulting LLC (State registration number: 264.120.1161751, registration date: 05.02.2021, TIN: 00182311). Within the scope of these services, the consulting company performed a business valuation of Online Shopping Network LLC.

2.6.2. Audit Opinion

Apart from the historical financial statements of the Issuer presented in this Prospectus, which have been audited by independent audit firms, no other information in this Prospectus has been subject to independent audit. The audit reports and opinions provided by independent audit organizations are presented in Appendix 5.

2.7. Issuer Covenants

2.7.1. Financial Covenants

The Issuer undertakes to maintain the following financial ratios throughout the entire term of the Bonds:

- Net Debt/EBITDA and Total Liabilities/Shareholders' Equity ratios shall not exceed the maximum thresholds set for the applicable calculation periods:

Ratio	Maximum Allowable Level	Calculation Period
Net Debt / EBITDA	≤ 4.0x	Dec 31, 2025;

Total Liabilities / Shareholders' Equity	≤ 5.0x	Jun 30, 2026; Dec 31, 2026; Jun 30, 2027; Dec 31, 2027; Jun 30, 2028; Dec 31, 2028
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Basis of Calculations

For the purposes of these financial covenants, the ratios are calculated as follows:

- As of December 31 – based on the Issuer Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and audited by independent auditors, which are subject to mandatory disclosure by the Issuer.
- As of June 30 – based on the Issuer Group's consolidated financial statements prepared in accordance with IFRS but without an audit opinion, which are subject to mandatory disclosure by the Issuer.

Calculation Methodology

- **Net Debt:** Net Debt represents the total financial liabilities of the Issuer and its subsidiaries, including short-term and long-term borrowings, loans, and lease obligations. Cash and cash equivalents, including bank deposits, are deducted from Net Debt.
- **EBITDA:** EBITDA is defined as the Issuer's net profit for the reporting period, adjusted as follows:
 - **Deductions:**
 - Non-recurring gains,
 - Non-cash income,
 - Gains or losses from the sale of assets (excluding inventories sold in the normal course of business).
 - **Additions:**
 - Interest expenses incurred during the period,
 - All tax expenses paid,
 - Depreciation and amortization expenses, excluding double-counted items.
- **Total Liabilities:** Includes all liabilities of the Issuer Group, both short-term and long-term, as recorded in the consolidated balance sheet in accordance with applicable accounting standards.
- **Shareholders' Equity:** Formed as the sum of all equity presented in the Issuer Group's consolidated balance sheet, including share capital and additional paid-in capital, reserves, retained earnings or accumulated losses, other components of comprehensive income.

2.7.2. Negative Covenants

As long as the Issuer has not obtained the consent of the shareholders representing at least 50% of the total issuance amount of the Bonds as provided in Section 2.7.3 of this Program Prospectus, the Issuer shall not:

1. **Profit Distribution:** Distribute more than 50% of the annual profits of the companies within the Group as dividends.
2. **Change of Control:** Make a material change to the existing ownership structure, whereby 50% or more of the share capital or control of any Group company may be transferred to a party other than the current main beneficiary.
3. **Arm's Length Transactions/Arm's Length Basis Covenant/:** Enter into any transaction that violates the principle of arm's length, or any transaction that may harm the interests of the Bondholders or lead to a conflict of interest.

2.7.3. Procedure for Obtaining Bondholders' Consent

The Issuer's process for obtaining Bondholders' consent is as follows:

1. **Notice.** The Issuer undertakes to notify the bondholders (or their representative) in writing (using the email addresses recorded in the register of bondholders/nominal holders) of any intended action, amendment, or intention to breach a covenant.
2. **Provision of Information.** The notice shall be accompanied by appropriate justification and supporting documentary information enabling the bondholders to assess the impact of the proposed action, amendment, or breach of a covenant.
3. **Voting / Consent Approval.** The consent of the bondholders shall be deemed granted if, within 10 business days following receipt of the notice referred to in sub-clause 1 of this clause, at least 50% (fifty percent) of the bondholders have provided their written consent.
4. **Record Keeping / Retention of Evidence.** The Issuer undertakes to retain copies of the consents received and, if required, to make them available to the relevant stakeholders until the maturity of the bonds issued under this Prospectus.

Any action taken without following this process and obtaining the required majority consent shall be considered a covenant breach.

2.7.4. Breach of Covenants and Consequences

Breach of Covenants

The Issuer undertakes to comply with all covenants (both negative and financial) set forth in this Program Prospectus. A breach occurs if any action or omission results in a violation of any covenant established herein.

Consequences of Breach

1. **Publication:** The Issuer shall disclose information regarding the covenant breach on its website within 3 business days of the breach occurrence.
2. **Cure Period:** The Issuer has up to 20 (twenty) business days to remedy the breach or provide an explanation.
3. **Early Redemption.** Within 20 (twenty) business days following the Issuer's publication of a breach, the bondholders may request full or partial early redemption of the bonds held by them by submitting a written request to the Issuer.

Upon expiry of the period stipulated in this clause, the Issuer shall, within 1 (one) business day, publish on its website information on the proportion of bondholders who have submitted a request for full or partial early redemption of the outstanding bonds issued under this Prospectus.

If requests for partial or early redemption have been submitted by bondholders holding less than 10% of the total nominal value of the outstanding bonds issued under this Prospectus (whether jointly or individually), no partial or early redemption shall take place.

The Issuer shall be obliged to repurchase the bonds in respect of which a request for partial or early redemption has been submitted, by paying the nominal value together with accrued interest up to the repurchase date, provided that such requests have been submitted by bondholders holding 10% or more of the total nominal value of the outstanding bonds issued under this Prospectus (whether jointly or individually), and the Issuer has not published a notice of remedy of the covenant breach within the cure period.

4. **Repurchase Timeline.** The repurchase of the bonds shall take place after the expiry of the 20-day period set out in sub-clause 3 of this clause, within a maximum of 10 (ten) business days.
5. **Suspension of Interest and Payments.** The Issuer shall not make any profit distributions or other non-mandatory payments until the causes of the breach have been fully remedied.

PART 3. INFORMATION ABOUT THE ISSUER

3.1. Independent Auditors

The financial statements of the Issuer for 2023–2024 were audited by Grant Thornton LLC.

- Address: Yerevan Plaza Business Center, 9 Lusavorich St., Yerevan, RA
- Phone: +374 (10) 500964/61
- Website: <https://www.grantthornton.am>

The purpose of the audit is to obtain reasonable assurance that the financial statements are free from material misstatements.

3.2. Risk Factors

Investing in the Bonds offered under this Program Prospectus involves certain risks. A potential investor should exercise caution and take into account the risks described below before making any decision to invest in the bonds.

Potential investors should understand that the risks described below do not cover all possible risks that may arise. The Issuer has disclosed only those risks that were known at the time of drafting this Prospectus and considered material. It is possible that there are additional risks which the Issuer currently does not consider material or which are not known at present.

Investors should carefully study the risks and other information presented in this document before making an investment decision.

Legal and Regulatory Risks: Postal and courier communication services in Armenia are licensed activities subject to regulatory requirements. The risks in this category relate to potential legislative changes that may suspend or restrict the provision of certain services, as well as to possible non-compliance with regulatory acts that could result in violations of licensing or reporting requirements. The Issuer confidently manages this risks through specialized personnel, the adoption of advanced digital technologies and regulatory best practices, and continuous monitoring of the legal environment.

Financial and Macroeconomic Risks: The Issuer's operations are closely linked to the macroeconomic situation of the country. Economic instability, currency depreciation, and market downturns may increase operating costs and create liquidity challenges arising from delayed payments or the accumulation of receivables.

Competitive Risks: These risks arise from the growing number of other competing companies operating in the sector. The Issuer mitigates this risk by continuous invests in digital and operational technologies, and has implemented mobile application, online

tracking, online payments, and effective marketing strategies to maintain customer trust and market share.

Technological Risks: These risks relate to slow, unstable, or inefficient software performance, server failures, network outages, data leaks, and cyberattacks on systems. To mitigate these risks, the Issuer carries out periodic IT upgrades, has implemented information security measures, conducts regular cybersecurity training for employees, and performs regular data backups.

Logistics Risks: These risks concern transportation-related issues caused by unforeseen logistics problems or vehicle malfunctions. Delivery errors, such as incorrect addresses or lost packages, also fall within this risk category.

To manage these risks, the Issuer has automated its logistics systems through GPS and warehouse management software, implemented coding and tracking mechanisms, and conducts regular technical maintenance of its transportation fleet.

Human Resources Risks: These risks are related to insufficient employee training, which may result in incorrect packaging, delivery errors, or unnecessary delays. Other risks include workforce shortages and poor customer service, which may lead to dissatisfaction and an increase in complaints. Includes errors due to insufficient staff training, workforce shortages, or poor customer service. The Issuer mitigates these risks through regular staff training, continuous operational supervision, standardized procedures, and quality control. A complaint management systems (call center, chatbot, feedback system), as well as incentive programs for top-performing employees.

3.3. Information About the Issuer

3.3.1. History and Development

Foundation and Early Development (2015–2016): Globbing was founded in 2015 as a startup to transform the culture of online shopping in Armenia and to build a bridge between Armenian consumers and the global marketplace. The first service center and Armenia’s first “Black Friday” event were launched the same year and thousands of users gained the opportunity to benefit from international discounts and order products from global brands without intermediaries.

First Expansion and Addition of International Destinations (2017–2019): Globbing experienced rapid growth, expanding both its range of services and its geographic coverage. During this period, new delivery destinations were added; including the United States, the United Kingdom, Germany, and China, as well as new service centers were opened in Yerevan and regional cities increasing accessibility. During these years, the Company also developed its own automated system that allowed for end-to-end tracking of parcels- from order placement to final delivery.

Technological Breakthrough and Infrastructure Development (2020–2022): Globbing became the first company in the region to introduce a network of robotized service centers and smart lockers. This innovation reshaped the parcel collection experience by offering a self-service model through which customers could receive their packages in an average of 20 seconds.

The locker network was deployed across Armenia’s key locations — including shopping malls, business districts, and residential complexes — where the Company holds exclusive representation rights.

In 2022, Globbing entered the Kazakhstani market through its subsidiary, Globbing LLC Kazakhstan, thereby strengthening its regional presence.

International Partnerships and U.S. Warehousing Platform (2022–2023): The Company established a partnership cooperation in the United States, launching a dedicated warehouse where all parcels undergo automated sorting and quality control procedures.

This development significantly improved delivery speed and reduced the impact of human factor.

Cargo Terminal Launch and Competitive Advantage (2025): Globbing implemented its largest infrastructure investment by commissioning its own customs cargo terminal, designed to process thousands of parcels daily with exceptional capacity.

This move eliminated dependence on external operators and became one of the Company’s key competitive advantages- ensuring faster delivery times, lower operating costs, and high quality.

Current Stage: International Expansion and Innovative Growth (From 2024 onwards): In 2024, Globbing reached a major milestone by delivering more than 10 million parcels. Today, Globbing operates in Armenia and Kazakhstan and is preparing to enter new markets in Europe and the Middle East. The Company is developing its international franchising program aimed at the export of services and entry into new markets through local partners.

Alongside its technological and logistical progress, the Company continues to emphasize its social mission by implementing charitable, educational, and community programs, promoting innovation, and supporting young entrepreneurs.

Full Legal Name:

Armenian: «Գլոբալ Շիփինգ» ՍՊԸ

Russian: ООО “Глобал Шиппинг”

English: “Global Shipping” LLC

Short Legal Name:

Armenian: «Գլոբալ Շիփինգ» ՍՊԸ

Russian: ООО “Глобал Шиппинг”

English: “Global Shipping” LLC

Registration:

Address: 44/53 Нг. Kochar St., Yerevan, RA, 0051

Registration Number: 264.110.863832

Contact:

Phone: (+374 60) 616-616

Email: info@globbing.com

Website: www.globbing.com

Country of Incorporation of the Issuer: Republic of Armenia

Organizational–legal form of the Company: Limited Liability Company

Investors may contact **Converse Bank LLC, Investment Department, Corporate Investment Banking Division** at:

- Phone: (+374 10) 511-211 ext. 2449 or 2454
- Emails: Elen.Karimyan@conversebank.am,
Emilia.Yeghiazaryan@conversebank.am, corpinvest@conversebank.am

The Issuer’s trade name is protected under the normative legal acts of the Republic of Armenia and is registered with the Intellectual Property Agency of the Republic of Armenia.

The Issuer’s trademark is:

GLOBBING

Founder and Sole Shareholder of the Company is RA citizen Shushanik Harutyunyan.

3.3.2. Investments

Between 2022 and 2025, the Issuer opened 8 service centers in Armenia, including 6 in Yerevan and one each in Gyumri and Vanadzor. In 2025, the Company launched its own customs cargo terminal, equipped with a modern sorting conveyor system.

The largest network of innovative lockers in Armenia has been established and expanded, comprising 157 lockers located in Yerevan and other regions. During this period, the Company also upgraded its software, technical infrastructure, and transportation assets.

Overall, approximately USD 3.3 million of the Company's own funds has been invested in these initiatives.

Currently, the Company has initiated the construction of new service centers in Yerevan and in Shymkent, Kazakhstan. The premises have been leased and are currently in the design and cost-estimation documentation and construction permit phase. The planned investment is approximately USD 200 thousand, which will be financed from the Company's own funds.

In addition, the Company has approved a project aimed at stimulating the growth of its Subsidiary, under which 13 new service centers and 222 lockers will be installed in Kazakhstan. This project is expected to approximately double the Subsidiary's revenue. The total cost of the project is estimated at approximately USD 2.7 million and will be financed from the proceeds of this bond issuance. The project is expected to commence in the first half of 2026 and to be completed by the end of the same year.

These initiatives are aimed at long-term development and strengthening the Company's market position, ensuring financial stability and creating opportunities for further growth.

3.4. Business Description

3.4.1. Core Activities

Description of Core Business Activities

Globber is an international online shopping platform offering the following services and products:

- **Online shopping from global retailers** using free addresses in 9 countries, allowing customers to order products from anywhere in the world and receive their parcels in Armenia.
- **Innovative service centers** for fast and efficient parcel collection (on average 20 seconds).
- **Locker network** providing convenient options for parcel pickup.
- **Franchising program** to expand services through international partners.

- **Proprietary warehouses and customs cargo complex** to ensure modern and efficient logistics.
- **Charitable and educational programs**, community support initiatives, and promotion of innovation.

Additional Services

- **Delivery (domestic and international):** The Company provides both domestic and international delivery services, ensuring fast and secure parcel transportation. It collaborates with leading international carriers and utilizes its own logistics solutions to reduce delivery times and maintain full tracking of parcels until they reach the final destination.
- **Door-to-Door Delivery:** Customers can receive their orders without visiting service centers. Globbing’s door-to-door service delivers parcels directly to the customer’s home, workplace, or other specified addresses. This service is available throughout Armenia, offering users a time-saving and convenient experience.
- **“Buy For Me” Service:** Designed for customers who cannot make online purchases due to payment restrictions or technical difficulties. Globbing’s team purchases on behalf of the customer, handling payment, order registration, and delivery. This allows every user to access offers from global retailers regardless of location or card limitations.

3.4.2. Main Markets

The Company provides delivery services from 9 countries worldwide, enabling the shipment of items purchased from online stores to Armenia and Kazakhstan. Deliveries to Kazakhstan are carried out through the Issuer’s subsidiary, Globbing Kazakhstan.

The platform allows customers to access international delivery and online shopping services without restrictions.

In its very first year of operation, Globbing became a market leader in both Armenia and Kazakhstan, establishing a trusted brand and securing significant competitive advantages. The Company distinguishes itself through innovative solutions, integrating technologically advanced logistics systems, innovative service centers, a network of lockers, and U.S.-based warehousing capabilities.

The Armenian market is highly competitive, with dozens of service providers attempting to establish a presence in international deliveries. Globbing’s main competitors include:

- Onex
- Shipex
- RobBot
- Ber-Ber

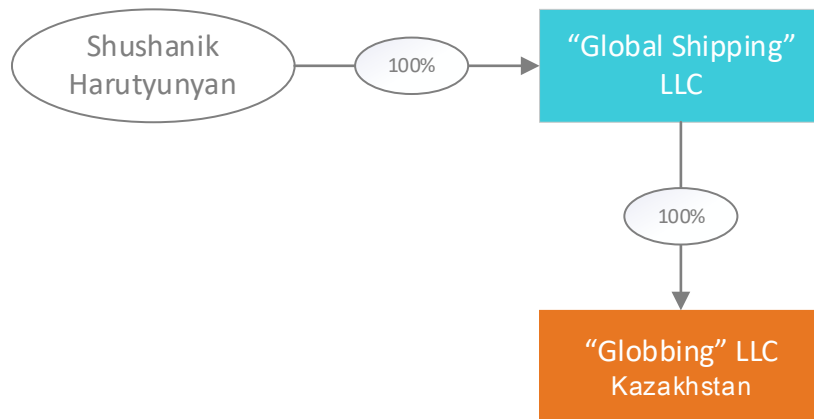
- Shipme.am
- One Way Logistic

Despite the large number of competitors, Globbing has continued to strengthen its leading market position, thanks to the following strategic advantages:

- Continuous investment in advanced technological solutions,
- Efficient supply chain management,
- Ongoing expansion of international routes and services,
- Customer-oriented approach and continuous improvement of service quality.

3.5. Group Structure

Globbing LLC (Kazakhstan) is 100% owned by Global Shipping LLC (Armenia). Both belong to the same corporate group. The structure of the group is presented below:



3.6. Fixed Assets

The balance of the Issuer’s property, plant and equipment as of June 30, 2025, is presented in the table below:

Property, Plant and Equipment (as of 30/06/2025)	Book Value (thousand AMD)
Right-of-use assets	775,392
Vehicles	117,929
Machinery & Equipment	75,402
Production & Economic Assets	49,489
Other	59,348

Total	1,077,560
--------------	-----------

The Issuer's right-of-use assets are held under lease agreements. In other words, all premises of the Company's service centers are leased indefinitely, and the renovation works on these buildings are capitalized.

Among the Issuer's property, plant and equipment, only vehicles represent more than 10% of the total carrying value. These vehicles are owned by the Issuer under full ownership rights.

At present, the Company's management does not foresee any changes that may restrict the use of its fixed assets.

3.7. Recent Development Trends

Globber periodically expands its range of services by introducing new delivery destinations (such as China, Spain, etc) and implementing advanced technological solutions. The Company plans to further broaden its service portfolio through the application of modern logistics systems, innovative tools, and digital solutions for customers, as well as to establish new partnerships with international online stores.

The Issuer's mission is to enable borderless shopping by ensuring access to global products, regardless of geographic location. The Company provides its customers convenient, reliable, and innovative logistics solutions that save both time and money.

3.8. Governance

3.8.1. Organizational Structure

The governing bodies of the Company are the General Meeting of the Company's participants (hereinafter referred to as the "General Meeting"), the Company's Board, and the Company's executive body- the Director. The organizational structure of the Issuer is presented in Appendix 1.

The exclusive powers of the General Meeting are as follows:

1. Determining the main directions of the Company's activities, as well as issues related to establishing or participating in organizations in the Republic of Armenia and other countries.
2. Amending the Company's Charter and changing the size of the Company's charter capital.

3. Forming the Company's Board, appointing the Company's Director and terminating their powers before the expiry date, as well as deciding on passing the powers of the Company's executive body to a commercial organization or a private entrepreneur (hereinafter referred to as the "manager").
4. Electing the auditor and terminating their powers before the expiry date.
5. Approving the annual reports and annual balance sheet.
6. Making decisions on the distribution of the Company's profit among the participants of the Company.
7. Adopting (approving) documents regulating the internal activities of the Company (the Company's internal documents).
8. Making decisions on the issuance of securities by the Company.
9. Making decisions on conducting an audit of the Company.
10. Making decisions on the reorganization and dissolution/liquidation/ of the Company; appointing the liquidation commission and approving the liquidation balance sheet.
11. Resolving other issues provided by law and/or by the Company's Charter.

The Board exercises the following powers:

1. Evaluation of the activities of the executive body;
2. Making decisions regarding the placement of the Company's bonds and other securities;
3. Preliminary approval of the Company's annual reports;
4. Determining the procedure and conditions for payment of remuneration and reimbursement of expenses to the internal auditor (reviser) and the external auditor;
5. Preparing proposals for the General Meeting.

The Director of the Company (CEO)

The current activities of the Company are managed by the Director, who is elected by the General Meeting. The Director of the Company shall:

1. Manage the Company's property, including financial resources; conclude contracts and perform relevant transactions on behalf of the Company;
2. Represent the Company in the Republic of Armenia and in foreign countries; sign, on behalf of the Company, decisions on the establishment of the Company's subsidiaries in Armenia and other countries;
3. Act without a power of attorney and issue powers of attorney;
4. Open bank accounts for the Company in Armenian and foreign banks, both in national and foreign currencies;
5. Hire and fire employees of the Company, and apply incentives and disciplinary measures in accordance with the legislation of the Republic of Armenia;

6. Within the scope of his/her authority, make decisions, issue orders and directives, give binding instructions and monitor their execution;
7. Submit to the competent management body of the Company for discussion and approval the Company's structure, annual payroll fund, necessary regulations for current operations, annual budgets, and other documents and measures as provided by the legislation of the Republic of Armenia and this Charter;
8. Develop and submit to the General Meeting of the Participants proposals on the management and use of the Company's property, measures for increasing the efficiency of its further activities, and the Company's short-term and long-term socio-economic development programs.

3.8.2. Board and Executive Members

A table presenting the individuals involved in the Issuer's management is provided below.

Name	Position	External Activities
Davit Harutyunyan	Chairman	Sole owner & director of GLOBBING LLC (USA)
Aram Kayfajyan	Board Member	CEO & shareholder of Armbrok OJSC
Grigor Bekmezian	Board Member	Founder & managing partner at Bekmezian Law Firms; Lecturer at YSU

Executive Director:

Name	Position	External Activities
Shushanik Harutyunyan	Board Chair	Sole owner & director of GLOBBING LLC (USA)

3.8.3. Conflicts of Interest

No conflicts exist between the Issuer and its management at the time of registration of Program Prospectus.

3.9. Management Activities

No audit committee exists.

The Company’s management policy is aimed at adhering to the principles of corporate governance accepted in the Republic of Armenia.

3.10. Controllers

The controllers of the Issuer are as follows:

By shareholding in the statutory capital	By other actual means of control over the Issuer
Shushanik Mushegh Harutyunyan	Davit Harutyunyan

3.11. Assets, Liabilities, Financial Position, Income and Expenditure of the Issuer

3.11.1. Historical Financial Information

The financial statements of the Issuer presented in this Prospectus have been prepared in accordance with IFRS standards.

The Issuer’s annual financial statements for 2023-2024, certified by the Issuer’s auditors, as well as independent audit opinions and the financial statements for the first half of 2025, are presented in Appendix 5 of this Program Prospectus.

3.11.2. Tax Benefits

Currently, the Issuer does not benefit from any tax privileges.

In the event that the application for listing the bonds on a regulated market and allowing trading is approved, the Issuer intends to apply to the “State Support Program for Issuance and Rating”, approved by the RA Government Resolution N 1125-L dated 6 July 2023, for assistance in listing, placement, and trading of bonds on the stock exchange. If the conditions for receiving such support are met, the Issuer will receive a one-time subsidy equal to 2% of the first tranche of the bonds issued and allocated under this Program Prospectus, and a three-year annual subsidy of 3% of the circulating bonds.

3.11.3. Legal Proceedings

During the 12 months preceding the submission of this Prospectus for registration, the Issuer has not been involved in any court, arbitration, or administrative proceedings that could have or recently have had a material impact on the Issuer’s financial position or profitability.

3.12. Additional Information

3.12.1. Charter Capital

As of the date of submission of this Program Prospectus for registration, the statutory capital of the Company amounts to AMD 132,442,400 (one hundred thirty-two million four hundred forty-two thousand four hundred), consisting of 132,442,400 AMD, represented by a single share, fully paid.

3.12.2. Charter

According to Article 1.1 of the Issuer's Charter, the Company is established as a commercial organization for profit.

3.13. Material Contracts

During 2023-2024, the Issuer did not enter into any contracts outside the ordinary course of business whose value would exceed 5% of the Issuer's shareholders' equity as reported in the most recent financial statements.

3.14. Professional Opinions and Third-Party Information

During the preparation of this Program Prospectus, the Issuer used the services of "MB Consulting" CJSC (state registration No. 264.120.1161751, registered on 05.02.2021, TIN No. 00182311). Within the scope of this engagement, the consulting company evaluated the business value of "Online Shopping Network" LLC.

3.15. Other Information

Apart from the Issuer's historical financial statements included in this Program Prospectus, which have been audited by independent audit firms, other information presented in this Program Prospectus has not been audited by independent audit firms.

Copies of financial statements and the corresponding independent audit opinions are provided in Appendix 5.

The Issuer's Charter, annual financial statements, and audit opinions are always publicly available in electronic form. Electronic versions of these documents are published on the Issuer's website: www.globbing.com.

The electronic version of this Program Prospectus will be available throughout its validity period on the websites of the Issuer and the Underwriter: www.globbing.com, www.conversebank.am :

Investors may obtain this Program Prospectus and related documents in paper form free of charge at the Underwriter's head office: Republic of Armenia, 0010, Yerevan, Republic Square, 26/1 Vazgen Sargsyan Street.

INVESTORS, BY REVIEWING THIS PROSPECTUS, MUST ASSESS THE RISK OF THEIR INVESTMENT AND MAKE AN INDEPENDENT DECISION REGARDING THE PURCHASE OF THE SECURITIES.

Appendix 2. Formulas for Calculating Financial Ratios

Earnings per Share (EPS) = Net profit after deducting income tax expense / Weighted average number of shares

Return on Equity (ROE) = Net profit after deducting income tax expense / Average equity

Return on Assets (ROA) = Net profit after deducting income tax expense / Average total assets

Net Profit Margin (NPM) = Net profit after deducting income tax expense / Revenue from sales of products, goods, works, and services

Equity-to-Asset Ratio = Equity / Total assets

Financial Leverage Ratio = Total liabilities / Equity

Absolute Liquidity Ratio = (Cash and cash equivalents + Current financial investments) / Current liabilities

Current Liquidity Ratio = (Cash and cash equivalents + Current financial investments + Current receivables and prepayments) / Current liabilities

General Liquidity Ratio = Current assets / Current liabilities

Receivables Turnover Ratio = Revenue from sales of products, goods, works, and services / Average accounts receivable from sales

Days Sales Outstanding (DSO) = 365 / (Revenue from sales of products, goods, works, and services / Average accounts receivable from sales)

Inventory Turnover Ratio = Cost of goods sold / Average inventory

Days Inventory Outstanding (DIO) = 365 / (Cost of goods sold / Average inventory)

Payables Turnover Ratio = Cost of goods sold / Average accounts payable

Days Payable Outstanding (DPO) = 365 / (Cost of goods sold / Average accounts payable)

Appendix 3. Application/Instruction for Acquisition of “Global Shipping” LLC Digital Bonds – Individuals and Individual Entrepreneurs

To be completed by the Investor

Date and time of submission to the Underwriter (day, month, year, time)	
Applicant’s full name (name, surname)	
Identification document details (passport number)	
Date of issue of identification document	
Place of registration (address of registration)	
Residency (resident/non-resident)	

By submitting this application/instruction, I accept the offer of “Global Shipping” LLC and express my wish to acquire the issued digital bonds under the following conditions:

Bond ISIN	
Currency of bond issuance	
Price per bond (figures/words)	
Number of bonds: quantity (figures/words)	
Total amount payable for the bonds (figures/words)	
Bank account for payment of the bonds	
Name of the account holder for securities	
Securities account number	

I certify that, prior to submitting this application/instruction, I have familiarized myself with the Program Prospectus forming an integral part of the public offer of the bonds of “Global Shipping” LLC, accept and agree to its terms, and assume the obligations and potential risks associated with investing in these bonds.

I also certify that the funds transferred to the Underwriter have been obtained legally and are in no way connected to financing terrorism, drug trafficking, human trafficking, tax evasion, or other illegal activities.

I agree that any disputes or disagreements arising between the Parties shall first be resolved through mutual negotiation, and in the absence of an agreement, in accordance with the legislation of the Republic of Armenia.

This application/instruction shall, upon confirmation and execution, constitute a binding contract between the Parties.

Investor's signature: _____

To be completed by the Underwriter

Date and time of acceptance (day, month, year, time)	
Signature and stamp of accepting employee	
Total number of bonds sold (figures/words)	
Total amount collected for the sold bonds (figures/words)	
Date of cash transfer/receipt (day, month, year)	

Note: If funds for acquiring bonds are transferred to the special bank accounts **19300927663876** (for AMD-denominated bonds) or **19300637882578** (for USD-denominated bonds) before 16:30 on a working day, such funds are considered received on the same day; if transferred after 16:30, they are considered received on the next working day.

Appendix 4. Application/Instruction for Acquisition of “Global Shipping” LLC Digital Bonds – Legal Entities

To be completed by the Investor

Date and time of submission to the Underwriter (day, month, year, time)	
Name of the legal entity (company name, legal form)	
State registration details (certificate number, date)	
Place of registration and location (addresses place of registration and location)	
TIN number	
Residency (resident/non-resident)	

By submitting this application/instruction, I accept the offer of “Global Shipping” LLC and express my wish to acquire the issued digital bonds under the following conditions:

Bond ISIN	
Currency of bond issuance	
Price per bond (figures/words)	
Number of bonds: quantity (figures/words)	
Total amount payable for the bonds (figures/words)	
Bank account for payment of the bonds	
Name of the account holder for securities	
Securities account number	

I certify that, prior to submitting this application/instruction, I have familiarized myself with the Program Prospectus forming an integral part of the public offer of the bonds of “Global Shipping” LLC, accept and agree to its terms, and assume the obligations and potential risks associated with investing in these bonds.

I also certify that the funds transferred to the Underwriter have been obtained legally and are in no way connected to financing terrorism, drug trafficking, human trafficking, tax evasion, or other illegal activities.

I confirm that, upon confirmation of this application/instruction, it shall constitute a binding contract between the Parties.

Investor's signature: _____

To be completed by the Underwriter

Date and time of acceptance (day, month, year, time)	
Signature and stamp of accepting employee	
Total number of bonds sold (figures/words)	
Total amount collected for the sold bonds (figures/words)	
Date/time of cash transfer/receipt	

Note: If funds for acquiring bonds are transferred to the special bank accounts **19300927663876** (for AMD-denominated bonds) or **19300637882578** (for USD-denominated bonds) before 16:30 on a working day, such funds are considered received on the same day; if transferred after 16:30, they are considered received on the next working day.

Appendix 5. Financial Statements

Consolidated Financial Statements and Independent Auditor's Report

Global Shipping LLC

31 December 2024 and 31 December 2023

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Consolidated statement of financial position	6
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Notes to the consolidated financial statements	11

Independent Auditor's Report

Grant Thornton CJSC
Yerevan Plaza Business Center
9 Grigor Lusavorich Street
Yerevan 0015
Republic of Armenia

T +374 10 50 09 64/61

Գրանթ Թորնթոն ՓԲԸ
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կենտրոն
ՀՀ, ք. Երևան 0015
Գրիգոր Լուսավորչի 9

Հեռ.՝ +374 10 50 09 64/61

To the participant of Global Shipping LLC

Opinion

We have audited the consolidated financial statements of Global Shipping LLC (the “Company”) and its subsidiary (together the “Group”), which comprise the consolidated statement of financial position as at 31 December 2024 and 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the years 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 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 (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with these ethical 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.

Other Matter

The Group’s consolidated financial statements for the year ended 31 December 2022 were not audited.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 has 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 may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Armen Hovhannisyan
Chief Executive Officer of
"Grant Thornton" CJSC

Narine Achemyan, FCCA
Engagement Partner



31 July 2025

Consolidated statement of profit or loss and other comprehensive income

In thousand AMD

	Notes	2024	2023
Revenue	5	10,505,443	10,641,552
Cost of sales	6	(6,146,152)	(6,006,394)
Gross profit		4,359,291	4,635,158
Other income		4,738	11,080
Selling expenses	7	(1,616,486)	(1,339,557)
Administrative expenses	8	(1,531,272)	(1,089,680)
Other expenses		(91,867)	(238,969)
Profit from operating activities		1,124,404	1,978,032
Finance income	9	13,576	11,269
Finance costs	9	(174,382)	(91,502)
Gain (loss) from foreign exchange rate differences	10	48,209	(7,291)
Profit before income tax		1,011,807	1,890,508
Income tax expense	11	(218,991)	(360,998)
Profit for the year		792,816	1,529,510
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(66,230)	14,758
		(66,230)	14,758
Total comprehensive income for the year		726,585	1,544,268

The consolidated statement of profit or loss and other comprehensive is to be read in conjunction with the notes to and forming part of the consolidated financial statements set out on pages 11 to 35.

Consolidated statement of financial position

In thousand AMD		31 December 2024	31 December 2023	31 December 2022
	Notes			
Assets				
Non-current assets				
Property and equipment	12	526,023	373,737	158,972
Intangible assets	13	226,636	190,298	14,849
Right-of-use assets	14.1	859,006	851,630	416,804
Deferred income tax assets	15	81,206	81,094	48,809
Borrowings provided	16	-	114,353	470,379
Total non-current assets		1,692,871	1,611,112	1,109,813
Current assets				
Inventories		28,319	10,220	23,983
Trade and other receivables	17	1,920,376	1,521,336	797,335
Borrowings provided	16	1,290,940	776,647	338,628
Cash and cash equivalents	18	77,102	273,841	85,701
Total current assets		3,316,737	2,582,044	1,245,647
Total assets		5,009,608	4,193,156	2,355,460

Consolidated statement of financial position (continued)

In thousand AMD	Notes	31 December 2024	31 December 2023	1 January 2023
Equity and liabilities				
Equity				
	19			
Charter capital		40,443	40,443	50
Foreign currency translation reserve		(77,201)	(10,971)	(25,729)
Accumulated profit		2,359,417	1,566,601	844,939
Total equity		2,322,659	1,596,073	819,260
Liabilities				
Non-current				
Loans and borrowings	20	316,638	552,612	167,993
Lease liabilities	14.2	799,842	813,696	420,302
Total non-current liabilities		1,116,480	1,366,308	588,295
Current				
Loans and borrowings	20	347,946	221,003	253,842
Lease liabilities	14.2	148,649	111,960	54,237
Trade and other payables	21	1,063,786	504,315	396,703
Current income tax liabilities		10,088	393,497	243,123
Total current liabilities		1,570,469	1,230,775	947,905
Total equity and liabilities		5,009,608	4,193,156	2,355,460

The consolidated financial statements were approved on 31 July 2025 by:

Shushanik Harutyunyan
Director



Hamest Gabrielyan
Chief Accountant

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 11 to 35.

Consolidated statement of changes in equity

In thousand AMD

	Charter capital	Foreign currency translation reserve	Accumulated profit	Total
Balance at 1 January 2023	50	(25,729)	844,939	819,260
Profit for the year	-	-	1,529,510	1,529,510
Other comprehensive income for the year	-	14,758	-	14,758
Total comprehensive income for the year	-	14,758	1,529,510	1,544,268
Transactions with owners				
Issue of share capital	40,393	-	-	40,393
Dividends	-	-	(807,848)	(807,848)
Total transactions with owners	40,393	-	(807,848)	(767,455)
Balance at 31 December 2023	40,443	(10,971)	1,566,601	1,596,073
Profit for the year	-	-	792,816	792,816
Other comprehensive income for the year	-	(66,230)	-	(66,230)
Total comprehensive income for the year	-	(66,230)	792,816	726,586
Balance at 31 December 2024	40,443	(77,201)	2,359,417	2,322,659

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 11 to 35.

Consolidated statement of cash flows

In thousand AMD

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year		792,816	1,529,510
<i>Adjustments for:</i>			
Depreciation and amortization		297,598	192,889
Finance cost		174,382	91,502
Income tax expense		218,991	360,998
Finance income		(13,576)	(11,269)
Foreign exchange (gain) loss		(48,209)	7,291
Operating profit before working capital changes		1,422,002	2,170,921
Change in trade and other receivables		(324,167)	(686,569)
Change in inventories		(18,099)	13,763
Change in trade and other payables		538,673	72,927
Cash from operations		1,618,409	1,571,042
Interest paid		(55,394)	(30,496)
Interest income received		1,519	390
Income tax paid		(602,512)	(242,909)
Net cash from operating activities		962,022	1,298,027

Consolidated statement of cash flows (continued)

In thousand AMD

	Notes	2024	2023
Cash flows from investing activities			
Borrowings provided		(426,938)	(1,357,979)
Repayment of borrowings provided		27,230	1,296,442
Acquisition of property and equipment and intangible assets		(369,302)	(496,434)
Net cash used in investing activities		(769,010)	(557,971)
Cash flows from financing activities			
Proceeds from issue of share capital		-	40,393
Proceeds from loans and borrowings	22	181,348	655,985
Repayment of loans and borrowings	22	(315,135)	(310,467)
Repayment of leases		(267,655)	(120,841)
Dividends paid	19.2	-	(807,848)
Net cash used in financing activities		(401,442)	(542,778)
Net increase (decrease) in Cash and cash equivalents		(208,430)	197,278
Foreign exchange effect on cash		11,691	(9,138)
Cash and cash equivalents, beginning of the year		273,841	85,701
Cash and cash equivalents, end of year		77,102	273,841

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 11 to 35.

Notes to the consolidated financial statements

Global Shipping LLC

For the year ended 31 December 2024 and the year ended 31 December 2023 (expressed in thousands of Armenian drams (AMD))

1 Nature of operations

Global Shipping limited liability company (the "Company" or "Globbing", together with subsidiary – "Group") is a leading international logistics provider specializing in freight forwarding and last-mile delivery services across Armenia, Kazakhstan, and Uzbekistan.

2 General information, statement of compliance with IFRS and going concern assumption

Globbing was founded on 3 July 2015 and has grown into an international logistics company based in Armenia, with operations in Kazakhstan.

The Company is an international online shopping platform that allows customers to make shopping and purchases from 9 countries: the USA, England, Germany, China, UAE, Italy, Greece, Spain, and Russia. The Company has a network of over 150 service centers and lockers in Armenia.

Globbing is positioning itself as the go-to e-commerce solution in emerging markets, unlocking full access to top online stores such as Amazon, Inditex, AliExpress, and many others.

The Company's registered address is Republic of Armenia, 0051, Yerevan, 44 H. Kochar Street, office 53.

These consolidated financial statements include the financial statements of Globbing LLC ("Subsidiary"). The Company's share in the subsidiary is 100%. The Subsidiary's activities also include the provision of freight forwarding and last-mile delivery services. The Subsidiary was registered as a legal entity at the Ministry of Justice of the Republic of Kazakhstan on 19 November 2018.

Legal address and place of business of the Subsidiary is Republic of Kazakhstan, Almaty, Medeu district, 368 Nurlan Kapparov street.

The number of employees of the Group as at 31 December 2024 was 363 employees (2023: 301 employees).

Statement of compliance and going concern

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as developed and published by the International Accounting Standards Board (IASB), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements are prepared on a going concern basis, as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, management has considered a wide range of information including projection of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Group.

Business environment

Armenia's business environment faces challenges due to geopolitical tensions, particularly ongoing aggression from Azerbaijan, and regional instability. The war in Ukraine has further complicated the situation, causing disruptions in trade, sanctions on Russia, and global inflation. Armenia's reliance on Russia has strained, affecting trade, remittances, and security guarantees, urging Armenia to diversify its economic relationships, though this comes with its own risks.

The Central Bank of Armenia, together with the Armenian government, managed to control inflation, however this created difficulties for exporters and businesses with foreign-currency liabilities. Global inflation and rising energy costs pressure Armenia's economy, especially due to reliance on imports.

Despite these challenges, businesses are diversifying supply chains and exploring new markets, while the government's reform efforts provide a path for long-term stability. However, Armenia's success will depend on ability to navigate these risks effectively.

The economy of the Republic of Kazakhstan continues to exhibit emerging market characteristics. It remains particularly sensitive to fluctuations in the prices of oil, gas and other mineral products, which constitute a large part of the country's exports. In addition, high inflation, the internal unrest of January 2022, ongoing regional political tensions and exchange rate volatility have negatively affected and may continue to negatively affect the economy of Kazakhstan, reducing liquidity and limiting access to international financing. Kazakhstan's financial markets remain volatile, characterized by significant price fluctuations. This macroeconomic environment continues to have a significant impact on the Subsidiary's operations and financial position.

These consolidated financial statements reflect management's assessment of the impact of Armenia's and Kazakhstan's business environment on the operations of the Group. The Group's management constantly analyzes the economic situation in the current environment. The future economic and political situation and its impact on the Group's operations may differ from the management's current expectations.

3 New or revised standards or interpretations

3.1 New standards adopted as at 1 January 2024

In the current year the Group has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (the "IASB") and International Financial Reporting Interpretations Committee (the "IFRIC") of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2024.

New standards and amendments described below and applied for the first time in 2024 did not have a material impact on the consolidated financial statements of the Group:

- "Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants" (Amendments to IAS 1)
- "Lease Liability in a Sale and Leaseback" (Amendments to IFRS 16)
- "Supplier Finance Arrangements" (Amendments to IAS 7 and IFRS 7)

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

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning on or after the effective date of the pronouncement.

Management does not anticipate a material impact on the Group's consolidated financial statements from these Standards and Amendments. They are presented below:

- "Lack of Exchangeability" (Amendments to IAS 21)
- "Classification and Measurement of Financial Instruments" (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 "Presentation and Disclosures in Financial Statements"

4 Material accounting policies

4.1 Basis of preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention with the exception of certain financial instruments that are stated at present discounted value of future cash flows.

4.2 Basis of consolidation

The Group's financial statements consolidate those of the parent company and its subsidiary as at 31 December 2024. The Company and the Subsidiary have a reporting date of 31 December.

All transactions and balances between companies are eliminated on consolidation, including unrealized gains and losses on transactions between the Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

4.3 Climate-related matters

The Group and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks.

Physical risks arise as the result of acute weather events such as floods, droughts and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves and droughts.

Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains.

The Group acknowledges the need for further efforts to fully integrate climate in the Group's risk assessments and management protocols.

4.4 Foreign currency

Functional and presentation currency

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

The functional currency of Global Shipping LLC is the Armenian dram. The functional currency of the Subsidiary is the Kazakhstani tenge.

These consolidated financial statements are presented in 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 AMD has been rounded to the nearest thousand.

Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the functional currency are recorded at the 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 rates defined by the Central Bank of Armenia prevailing on the reporting date, which are as follows:

	31 December 2024	31 December 2023
AMD/1 USD	396.56	404.79
AMD /1 EUR	413.89	447.90
AMD/10 tenge	7.57	8.86

Non-monetary items are not retranslated and are measured at historic cost (translated using the exchange rates at the transaction date).

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

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group Subsidiary with a functional currency other than the AMD (the Group's presentation currency) are translated into AMD upon consolidation. The functional currency of the Group's Subsidiary has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AMD at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

The rates used are as follows:

	31 December 2024	31 December 2023
As at the reporting date	0.757	0.886
Annual average rate	0.838	0.860

4.5 Revenue

Revenue arises mainly from freight forwarding and delivery services.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation are satisfied.

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 consolidated statement of financial position. 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 consolidated statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.6 Intangible assets

Intangible assets, which are acquired by the Group and which have finite useful lives, are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to profit or loss or is added to the cost of other asset on a straight-line basis over the estimated useful lives of the intangible assets, which is estimated at 5 years for computer software.

4.7 Property and equipment

Property and equipment are 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.

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 profit or loss as incurred.

Depreciation is charged to profit or loss or is added to the cost of other asset 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:

Capitalized expenditures	- 9 - 40 years
Equipment and vehicles	- 3-15 years
Computer equipment	- 2-8 years
Fittings	- 2-8 years
Other	- 2-10 years.

4.8 Leased assets

The Group as a lessee

The Group makes use of leasing arrangements principally for the warehouse, office space, and vault. The Group does not enter into sale and leaseback arrangements.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Impairment of depreciable 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 in profit or loss.

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.

4.9 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a part to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or gain (loss) from foreign exchange rate, except for impairment of trade receivables which is presented within other expenses.

In the periods presented the Group does not have any financial assets categorized as FVTPL or FVOCI.

A summary of the Group's financial assets by category is given in Note 25.

Subsequent measurement of financial assets

The Group's financial assets include trade and other receivables, provided borrowings and cash and cash equivalents, which fall into amortized cost category of financial instruments.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the "expected credit loss (ECL) model". Instruments within the scope of IFRS 9 requirements included loans and other debt-type financial assets measured at amortized cost, trade receivables recognized and measured under IFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the reporting date.

“12-month expected credit losses” are recognized for the first category while “lifetime expected credit losses” are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

See Note 26.2 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and measurement of financial liabilities

The Group’s financial liabilities include bank loans, trade and other payables and finance lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges are reported in profit or loss are included within finance costs or finance income.

In the periods presented the Group does not have any financial liability at FVTPL.

A summary of the Group’s financial liabilities by category is given in Note 25.

4.10 Provisions

A provision is recognized in the consolidated 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 a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

4.11 Income taxes

Current 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

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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.

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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset 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.

4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank accounts and cash in transit.

For the purpose of the consolidated statement of cash flows, cash equivalents are on-demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Group classifies investments as a cash equivalent if it is readily convertible to a known amount of cash and is subject to an insignificant risk of changes in value.

4.13 Equity, reserves and dividend payments

Equity instruments issued by the Group are recorded at the proceeds received.

Charter capital represents the nominal value of shares that have been issued.

Translation reserve comprises foreign currency translation differences arising from the translation of the financial statements of the Group's foreign entities.

Retained earnings include all current and prior period retained profits.

All transactions with owners are recorded separately within equity.

Dividends are recognized as a liability in the period in which they are declared.

4.14 Employee benefits

Short-term employee benefits are benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services and include:

- (a) wages, salaries and bonuses;
- (b) paid annual leaves and paid disability leaves;
- (c) social security contributions and other social payments;
- (d) non-monetary benefits.

When employees render services to the Group during the accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Group shall recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

- (b) as an expense, unless the amount is included in the cost of an asset.

Paid absences

The expected cost of short-term employee benefits in the form of paid absences is recognized as follows:

- (a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences.
- (b) in the case of non-accumulating paid absences, when the absences occur.

Bonuses

The expected cost of bonus payments is recognized when and only when the Group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, the Group has no realistic alternative but to make the payments.

4.15 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRSs 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.

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may be different from 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.

Right-of-use assets and lease liabilities

The value of right-of-use assets and lease liabilities is based on management estimates of lease terms as well as an incremental borrowing rate used to discount lease payments. When assessing the lease term, management considers all facts and circumstances that create the economic incentive for the Group to exercise the option to extend the lease, such as useful life of an asset located at a leased site, site replacement statistics, as well as the costs to terminate or enter into new lease contracts.

Changes in these factors could affect the estimated lease term and the reported value of right-of-use assets and lease liabilities.

Expected credit loss of financial assets

To calculate the provision for expected credit losses of financial assets, the Group uses the provision matrix. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The impact of forecast economic conditions in the determination of ECL was not significant. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic

conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 26.2.

Useful lives of property and equipment

Management has estimated useful lives of the property and equipment. Management believes that estimated useful lives of the property and equipment are not materially different from economical lives of those assets. If actual useful lives of property and equipment are different from estimations, consolidated financial statements may be materially different.

4.22.1 Critical judgments in applying accounting policies

The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in tax environment.

5 Revenue

	2024	2023
Revenue from delivery and freight forwarding	10,347,293	10,636,365
Other	158,150	5,187
	10,505,443	10,641,552

The Group's revenue by pattern of recognition is as follows:

	2024	2023
Services transferred over time	10,505,109	10,639,746
Goods transferred at a point in time	334	1,806

6 Cost of sales

Cost of sales mainly include the cost of acquired delivery and freight forwarding services.

7 Selling expenses

	2024	2023
Employee compensations	820,417	682,633
Delivery and maintenance expenses	292,643	230,123
Depreciation and amortization	249,370	163,897
Marketing and advertisement expenses	174,118	128,217
Other	79,938	134,687
	1,616,486	1,339,557

8 Administrative expenses

	2024	2023
Employee compensations	601,025	398,447
Professional services	204,995	76,635
Bank charges	135,752	146,463
Depreciation and amortization	74,565	50,352
Office expenses	77,347	48,719
Business trips	65,821	99,386
Other	371,767	269,678
	1,531,272	1,089,680

9 Finance income and costs

	2024	2023
Interest expenses on bank borrowings	55,396	29,669
Interest expenses for leasing arrangements	118,986	61,834
Total finance costs	174,382	91,503
Interest income on bank balances	1,519	391
Interest income on loans to related parties	12,057	10,879
Total finance income	13,576	11,270
Net finance costs	160,806	80,233

10 Gain (loss) from foreign exchange rate differences, net

	2024	2023
Financial assets at amortized cost	39,219	36,641
Financial liabilities measured at amortized cost	8,990	(43,932)
Gain (loss) from foreign exchange rate differences, net	48,209	(7,291)

11 Income tax expense

	2024	2023
Current tax	228,443	391,303
Deferred tax (Note 15)	(9,452)	(30,305)
Total income tax expense	218,991	360,998

Reconciliation of the effective tax rate is as follows:

	2024	Effective tax rate (%)	2023	Effective tax rate (%)
Profit before taxation (under IFRSs)	1,011,807		1,890,508	
Tax calculated at a tax rate of 18% (2023: 18%)	182,125	0.18	340,291	0.18
(Non-taxable) non-deductible items, net	33,412	0.03	16,053	0.01
Effect of different tax rates	3,454	-	4,654	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024 and the year ended 31 December 2023 (expressed in thousands of Armenian drams (AMD))

	2024	Effective tax rate (%)	2023	Effective tax rate (%)
Income tax expense	218,991	0.22	360,998	0.19

12 Property and equipment

	Buildings and constructions	Vehicles and fittings	Leasehold improvements	Computer equipment	Other	Total
Cost						
Balance at 1 January 2023	19,130	304,045	15,265	11,090	6,487	356,017
Additions	116,538	117,682	553	18,367	8,717	261,857
Foreign currency translation difference	4,291	888	-	1,008	529	6,716
Balance at 31 December 2023	139,959	422,615	15,818	30,465	15,733	624,590
Additions	31,759	180,740	-	18,790	48,191	279,480
Internal movement	-	2,740	-	-	(2,740)	-
Foreign currency translation difference	(23,441)	(4,312)	-	(6,248)	(2,523)	(36,524)
Balance at 31 December 2024	148,277	601,783	15,818	43,007	58,661	867,546
Accumulated depreciation and impairment						
Balance at 1 January 2023	1,306	179,566	9,730	4,509	1,934	197,045
Charge for the year	5,973	39,038	2,129	3,661	2,066	52,867
Foreign currency translation difference	233	270	-	296	142	941
Balance at 31 December 2023	7,512	218,874	11,859	8,466	4,142	250,853
Charge for the year	21,310	64,877	1,290	8,901	2,489	98,867
Foreign currency translation difference	(3,149)	(2,114)	-	(2,091)	(843)	(8,197)
Balance at 31 December 2024	25,673	281,637	13,149	15,276	5,788	341,523
Carrying amount						
Balance at 31 December 2023	132,447	203,741	3,959	21,999	11,591	373,737
Balance at 31 December 2024	122,604	320,146	2,669	27,731	52,873	526,023

Depreciation expense has been charged to selling expenses at the amount of AMD 30,077 thousand and administrative expenses at the amount of AMD 68,790 thousand (2023: selling expenses – AMD 13,296 thousand, administrative expenses – AMD 39,571 thousand).

13 Intangible assets

	Computer software	Mobile app	Total
Cost			
Balance at 1 January 2023	95,953	7,957	103,910
Additions	216,126	18,451	234,577
Balance at 31 December 2023	312,079	26,408	338,487
Additions	89,282	540	89,822
Balance at 31 December 2024	401,361	26,948	428,309
Accumulated amortization			
Balance at 1 January 2023	84,352	4,709	89,061
Charge for the year	56,005	3,123	59,128
Balance at 31 December 2023	140,357	7,832	148,189
Charge for the year	34,907	18,577	53,484
Balance at 31 December 2024	175,264	26,409	201,673
Carrying amount			
Balance at 31 December 2023	171,722	18,576	190,298
Balance at 31 December 2024	226,097	539	226,636

Amortization expense has been charged to selling expenses.

14 Leases

14.1 Right-of-use assets

	Office space
Cost	
Balance at 1 January 2023	562,830
Additions	497,503
Foreign currency translation difference	21,070
Balance at 31 December 2023	1,081,403
Additions	249,595
Foreign currency translation difference	(115,447)
Balance at 31 December 2024	1,215,551
Accumulated depreciation and impairment	
Balance at 1 January 2023	146,026
Charge for the year	80,894
Foreign currency translation difference	2,853
Balance at 31 December 2023	229,773

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For the year ended 31 December 2024 and the year ended 31 December 2023 (expressed in thousands of Armenian drams (AMD))

	Office space
Charge for the year	145,247
Foreign currency translation difference	(18,475)
Balance at 31 December 2024	356,545
Carrying amount	
Balance at 31 December 2023	851,630
Balance at 31 December 2024	859,006

14.2 Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	31 December 2024	31 December 2023
Non-current	799,842	813,696
Current	148,649	111,960
Total lease liabilities	948,491	925,656

The Group has leases mainly for the office spaces. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability.

Future minimum lease payments at 31 December 2024 were as follows:

	Minimum lease payments	
	31 December 2024	31 December 2023
Within one year		
Lease payments	258,257	221,528
Finance charges	(109,608)	(109,568)
	148,649	111,960
In second to fifth years inclusive		
Lease payments	702,183	738,817
Finance charges	(286,908)	(290,878)
	415,275	447,939
After five years		
Lease payments	492,791	483,064
Finance charges	(108,224)	(117,307)
	384,567	365,757
Net present value	948,491	925,656

15 Deferred income taxes

The movement of deferred income taxes is disclosed below:

	2024	2023
Balance at the beginning of year	81,094	48,809
Credited to profit or loss (Note 11)	9,452	30,305
Foreign currency translation difference	(9,340)	1,980
Balance at the end of year	81,206	81,094

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024 and the year ended 31 December 2023 (expressed in thousands of Armenian drams (AMD))

Deferred income taxes for the year ended 31 December 2024 can be summarized as follows:

	1 January 2024	Recognized in profit or loss	Foreign currency translation difference	31 December 2024
Deferred income tax assets				
Borrowings provided	4,563	(2,170)	-	2,393
Lease liabilities	178,508	26,206	(20,675)	184,039
Trade and other receivables	52,286	12,336	(7,414)	57,208
Trade and other payables	10,307	(5,052)	(645)	4,610
	245,664	31,320	(28,734)	248,250
Deferred income tax liabilities				
Right-of-use assets	164,570	21,868	(19,394)	167,044
	164,570	21,868	(19,394)	167,044
Net position – deferred income tax assets	81,094	9,452	(9,340)	81,206

Deferred income taxes for the year ended 31 December 2023 can be summarized as follows:

	1 January 2023	Recognized in profit or loss	Foreign currency translation difference	31 December 2023
Deferred income tax assets				
Borrowings provided	6,521	(1,958)	-	4,563
Lease liabilities	89,212	85,418	3,878	178,508
Trade and other receivables	24,554	26,260	1,472	52,286
Trade and other payables	6,824	3,210	273	10,307
	127,111	112,930	5,623	245,664
Deferred income tax liabilities				
Right-of-use assets	78,302	82,625	3,643	164,570
	78,302	82,625	3,643	164,570
Net position – deferred income tax assets (liabilities)	48,809	30,305	1,980	81,094

16 Borrowings provided

	31 December 2024	31 December 2023
Borrowings to shareholder	1,164,530	768,673
Entity under common control	126,410	114,353
Other	-	7,974
	1,290,940	891,000

Borrowings to the Group's shareholder Shushanik Harutyunyan are on demand and interest free.

Provided borrowings also include an interest free borrowing provided to Online Shopping Network LLC (entity under common control), which is to be repaid in 2025. Fair value of the borrowing was determined by discounting cash flows at a market interest rate of 10.5%.

Note 26.2 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

See Note 26.1 for the currencies in which provided borrowings are denominated.

17 Trade and other receivables

	31 December 2024	31 December 2023
Financial assets		
Trade receivables	409,142	364,651
Receivables from intermediaries for collected cash	143,616	178,284
Other receivables	11,929	35,303
Allowances for expected credit losses	(177,268)	(101,358)
Total financial assets	387,419	476,880
Non-financial assets		
Advances and prepayments	1,441,911	1,031,306
Prepaid taxes	205,112	178,518
Allowances for expected credit losses	(114,066)	(165,368)
Total non-financial assets	1,532,957	1,044,456
Total trade and other receivables	1,920,376	1,521,336

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

The average credit period on sales of goods and rendering of services is 9 days (2023: 11 days). No interest is charged on trade receivables.

All of the Group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment.

The closing balance of the trade receivables loss allowance as at 31 December 2024 reconciles with the trade receivables loss allowance opening balance as follows:

	2024	2023
Balance at the beginning of the year	266,726	124,813
Loss allowance recognized during the year	24,608	141,913
Balance at the end of the year	291,334	266,726

Note 26.2 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

See Note 26.1 for the currencies in which the trade and other receivables are denominated.

18 Cash and cash equivalents

	31 December 2024	31 December 2023
Bank accounts	66,239	264,085
Other	10,863	9,756
Total cash and cash equivalents	77,102	273,841

See Note 26.1 for the currencies in which the cash and cash equivalents are denominated.

19 Equity

19.1 Charter capital

As at 31 December 2024 the Company is controlled by Shushanik Harutyunyan, an Armenian citizen, who owns 100% of the Company's shares.

In 2023 the Company's participant made a capital contribution of AMD 40,393 thousand.

The Company's sole participant pledged her share in the Company as a security for bank loans.

19.2 Dividends

In 2024 no dividends were declared or paid. In 2023 dividends at AMD 807,848 thousand were paid to the Company's sole participant.

20 Loans and borrowings

	Non-current		Current	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Bank borrowings	264,668	508,107	347,946	221,003
Bank leasing	51,970	-	-	-
Other	-	44,505	-	-
Total loans and borrowings	316,638	552,612	347,946	221,003

Bank loans in foreign currency are due for repayment in 2028 and bear an average annual interest rate of 9% (2023: 9%), while bank loans in AMD are due for repayment in 2027 and bear an average annual interest rate of 13% (2023: 13%).

The sole shareholder of the Company has pledged her shares in the Company as a security for bank loans. In addition, the bank loans are secured by personal guarantees and property of related parties.

The fair values of loans and borrowings equal their carrying amount, as the impact of discounting is not significant.

See Note 26.1 for the currencies in which the loans and borrowings are denominated.

21 Trade and other payables

	31 December 2024	31 December 2023
Trade payables	849,534	244,438
Payables to employees	94,039	120,335
Taxes and duties payable	41,662	56,407
Deferred income	23,757	41,291
Accrued expenses	14,063	14,063
Other	40,731	27,781
Total trade and other payables	1,063,786	504,315

The average credit period on purchase of certain goods is 2 months (2023: 1 month). No interest is charged on the trade payables. The Group has financial risk management policies to ensure that all payables are paid within the credit timeframe.

See Note 26.1 for more information about the Group's exposure to foreign currency risk.

22 Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2023	421,835	474,539	896,374
Cash-flows			
Proceeds	655,985	-	655,985
Repayments	(310,467)	(120,841)	(431,308)
Interest paid	(30,496)	-	(30,496)
Non-cash			
Initial recognition	-	497,503	497,503
Interest accrual	29,669	61,834	91,503
Foreign exchange gain (loss)	7,089	12,621	19,710
Balance at 31 December 2023	773,615	925,656	1,699,271
Cash-flows			
Proceeds	181,348	-	181,348
Repayments	(315,135)	(267,655)	(582,790)
Interest paid	(55,394)	-	(55,394)
Non-cash			
Fair value	-	249,595	249,595
Interest accrual	55,396	118,986	174,382
Foreign exchange gain (loss)	24,754	(78,091)	(53,337)
Balance at 31 December 2024	664,584	948,491	1,613,075

23 Related parties

The Group's related parties include its shareholder, entities under common control, key management and others as described below.

The Group is controlled by Shushanik Harutyunyan, an Armenian citizen, who owns 100% of the Group's shares.

Transactions with related parties

During the reporting year the Group had the following transactions with the related parties and as at the reporting date had the following outstanding balances.

Transactions	2024	2023
Participant		
Provision of borrowings	434,911	1,615,010
Repayment of borrowings	27,230	820,714
Acquisition of services	-	3,796

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Transactions	2024	2023
Entities under common control		
Sale of goods and provision of services	103,546	51,984
Acquisition of services	2,164,998	2,316,765
Repayment of borrowings	-	25,828
Accrual of interest income	12,057	10,879
Outstanding balances		
Participant		
Trade and other payables	1,192	-
Trade and other receivables	-	596
Borrowings provided	1,164,530	768,674
Entities under common control		
Trade and other receivables	1,133,483	838,769
Trade and other payables	435,415	-
Borrowings provided	126,410	114,353

Transactions with management and close family members

The director of the Group is Shushanik Harutyunyan, who is also the Group's sole participant.

Key management and their close family members received the following remuneration during the year.

	2024	2023
Salaries and bonuses	40,447	31,250

24 Contingent liabilities

24.1 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 effect on the Group's operations and financial position.

24.2 Taxes

The taxation system in Armenia is characterized by frequently changing legislation, which sometimes needs interpretations. 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 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.

24.3 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.

25 Financial assets and liabilities

25.1 Categories of financial instruments

Details of the 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 and financial liability are disclosed in Note 4.10. The carrying amounts of financial assets and financial liabilities in each category are as follows:

Financial assets

	31 December 2024	31 December 2023
Amortized cost		
Borrowings provided	1,290,940	891,000
Trade and other receivables ¹	387,419	476,880
Cash and cash equivalents	77,102	273,841
Total financial assets	1,755,461	1,641,721

¹ These amounts only represent trade and other receivables that are financial assets

Financial liabilities

	31 December 2024	31 December 2023
Amortized cost		
Loans and borrowings	664,584	552,612
Lease liabilities	948,491	925,656
Trade and other payables	1,063,786	504,315
Total financial liabilities	2,676,861	1,982,583

Each financial instrument is detailed in corresponding Note.

The risk analysis of financial instruments is presented in Note 26.

The fair value measurements of the instruments are disclosed in Note 27.

26 Financial instruments risk

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.

33.1 Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, which results from both its operating and investing activities.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024 and the year ended 31 December 2023 (expressed in thousands of Armenian drams (AMD))

Most of the Group's transactions are carried out in Armenian drams. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in USD and Euro.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into Armenian drams at the closing rate:

Item

31 December 2024	USD	Euro	Tenge
Financial assets			
Borrowings provided	515,810	-	-
Trade and other receivables	165,841	-	118,014
Cash and cash equivalents	23,094	-	17,857
Total financial assets	704,745	-	135,871
Financial liabilities			
Loans and borrowings	489,780	-	-
Lease liabilities	-	-	665,524
Trade and other payables	773,222	19,527	43,126
Total financial liabilities	1,263,002	19,527	43,126
Net position	(558,257)	(19,527)	92,745

Item

31 December 2023	USD	Euro	Tenge
Financial assets			
Borrowings provided	554,850	-	7,794
Trade and other receivables	693,780	-	71,830
Cash and cash equivalents	73,026	39	10,482
Total financial assets	1,321,656	39	90,106
Financial liabilities			
Loans and borrowings	716,631	-	-
Lease liabilities	-	-	594,495
Trade and other payables	124,877	48,493	28,788
Total financial liabilities	124,877	48,493	28,788
Net position	1,196,779	(48,454)	61,318

The following table details the Group's sensitivity to a 5% (2023: 5%) increase and decrease in dram against USD, Euro and tenge. 5% represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2023: 5%) change in foreign currency rates.

If Armenian dram had strengthened against relevant currency by 5% (2023: 5%) then this would have had the following impact on the Group's profit or loss:

	2024	2023
USD impact	27,913	(59,839)
Euro impact	976	2,423
Tenge impact	(4,637)	(3,066)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

33.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from financial assets, including cash and cash equivalents held at banks, trade and other receivables.

The Group is exposed to credit risk from the following financial assets:

	31 December 2024	31 December 2023
Amortized cost		
Borrowings provided	1,290,940	891,000
Trade and other receivables	387,419	476,880
Cash and cash equivalents	77,102	273,841
Total financial assets	1,755,461	1,641,721

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks are managed via diversification, and are only with major reputable financial institutions.

The Group continuously monitors the credit quality of customers. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties.

Trade receivables consist of a large number of customers in various industries and geographical areas.

Trade receivables

The Group applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due, historical credit losses and macroeconomic factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognized) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at 31 December 2024 and 31 December 2023 was determined as AMD 177,268 thousand and 101,358 thousand respectively.

33.3 Liquidity risk analysis

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024 and the year ended 31 December 2023 (expressed in thousands of Armenian drams (AMD))

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2024	Trade and other payables	Finance lease liability	Loans and borrowing	Total
Weighted average effective interest rate	<i>Interest free</i>	13.2%	8% - 13%	
Less than 6 months	957,636	74,325	64,845	1,096,806
6 months to 1 year	-	74,325	169,127	243,452
1-5 years	-	415,275	430,610	845,885
More than 5 years	-	384,567	-	384,567
	957,636	948,491	664,582	2,570,709

2023	Trade and other payables	Finance lease liability	Loans and borrowing	Total
Weighted average effective interest rate	<i>Interest free</i>	13.2%	9% - 13%	
Less than 6 months	378,836	55,980	119,833	554,649
6 months to 1 year	-	55,980	101,170	157,150
1-5 years	-	447,939	552,612	1,000,551
More than 5 years	-	365,757	-	365,757
	378,836	925,656	773,615	2,078,107

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, particularly its cash resources, provided borrowings and trade receivables. The Group's current financial assets exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within 2 months and the main part of provided borrowings is on demand.

27 Fair value measurement

The Group provides an analysis of its assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. These Levels are described below:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement of financial instruments

Financial instruments measured at amortized cost for which the fair value is disclosed

The carrying amount of the Group's financial instruments are considered to be a reasonable approximation of the fair value.

Trade receivables and payables, contractual assets, provided borrowings, term deposits, cash and cash equivalents are either liquid or short-term, thus, it is assumed that the carrying amount is close to their fair value.

Fair value of lease liabilities is estimated by the discounted cash flows method, using the market interest rates that the Group would have to pay at the reporting date to obtain a loan with a similar term and security for the purpose of acquiring a right-of-use asset at a similar value in a similar economic environment. The most significant variable is the discount rate.

The Group's financial instruments at amortized cost are categorized within Level 2 of the fair value hierarchy.

28 Capital management policies and procedures

The Group manages its capital to ensure that it will be able to continue as a going concern and provide adequate return to stakeholders.

The capital structure of the Group consists of equity comprising issued shares and accumulated profits and debt, which includes borrowings disclosed in Note 20.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital using a ratio of "net debt" to "adjusted equity".

	31 December 2024	31 December 2023
Net debt		
Borrowings	664,584	773,615
Less: cash and cash equivalents	77,102	273,841
	587,482	499,774
Adjusted equity		
Total equity	2,322,659	1,596,073
	2,322,659	1,596,073
Net debt to adjusted equity ratio	0.25	0.31