ZINAPAH®

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

UNITED FOR OUR SOLDIERS...

2026 Q2 Report

DONATE

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IT Project Manager

Mari Boyadjyan
Procurement/
Stamp Return Coordinator

Rimma Harutyunyan
Admin Assistant

ZINAPAH Brief History Mission, Vision and Values

About ZINAPAH

ZINAPAH National Foundation for Servicemen Insurance was established in 2017 to provide stable compensation aimed at ensuring the well-being of the families of fallen and missing in action servicemen, as well as servicemen with severe and profound functional limitations (1st and 2nd group disabilities), who defended the homeland and its borders for the peace and security of future generations.

In **April 2023**, the Foundation—previously known as the **Insurance Foundation for Servicemen (IFS)**—was renamed the ZINAPAH National Foundation for Servicemen Insurance. ZINAPAH is an apolitical organization, governed by an independent **Board of Trustees**, and operates in accordance with the **Law of the Republic of Armenia**.

ZINAPAH is a unique foundation in the region, built on a model of collective national responsibility, whereby **every working citizen in Armenia contributes** mandatory payments from their salary. As such, ZINAPAH represents a truly **pan-Armenian effort** to ensure the long-term financial well-being of those who have sacrificed their lives and health for the security of Armenia.

Sources of Funding

ZINAPAH funds are generated from

- **Mandatory monthly payments of** 1,000 or 15,000 AMD per **month** (based on the amount of income) by taxpayers in Armenia
- **Donations** received from Armenia and across the world
- **Asset management appreciation**

Governance and Transparency

ZINAPAH is governed by an independent **Board of Trustees**, composed of highly respected professionals with extensive expertise in **Finance and Banking, Business, Crisis Management, Fundraising, and Asset Management.** The Foundation's operations are carried out by a highly motivated and experienced **Executive Team**.

The **ZINAPAH** Website enables public monitoring of total funds received from mandatory contributions and donations, as well as compensation payments made to beneficiaries.

In addition, **Quarterly and Annual CEO Reports,** as well as **Annual Audit Reports** **conducted by one of the world's top 10 audit firms**, are regularly published on the website, ensuring full transparency and accountability.

MISSION

To unite the nation in standing by servicemen and their families, ensuring **financial stability and a dignified life** for those who have served and sacrificed.

VISION

To be a **socially responsible foundation** for servicemen that integrates both mandatory and voluntary insurance components, ensuring sustainability and national solidarity.

VALUES

- TRANSPARENCY
- ACCOUNTABILITY
- INTEGRITY

Today, it is our shared duty to stand by the fallen, missing, and disabled servicemen - and by the families who carry their legacy forward...

ZINAPAH Development Path to Financial Independence

At its founding in **2017**, ZINAPAH was managed by the **Central Bank of Armenia (CBA)** on a **pro bono basis**, ensuring strong institutional oversight during the Foundation's initial phase. Beginning in **2021**, ZINAPAH initiated a structured transition from CBA management toward becoming a **fully independent legal entity,** supported by the development of its own operational, financial, and technological infrastructure. This transition marks a significant milestone in strengthening ZINAPAH's institutional autonomy, governance capacity, and long-term sustainability.

Team

ZINAPAH is governed by an independent **Governing Body comprising seven Board Members,** providing strategic oversight and institutional guidance. Day-to-day operations are carried out by a highly committed **Executive Team of 14 professionals.**

During the reporting period, organizational restructuring continued with the objective of strengthening ZINAPAH's **core competencies as a financial institution,** while expanding its role in the implementation of social programs in close cooperation with the Government of the Republic of Armenia. In parallel, a **performance development and evaluation system** was introduced using the **Teamflect digital platform,** supporting structured goal-setting, performance monitoring, and professional growth for the team.

Operations and Outsourcing

In 2025, ZINAPAH relaunched its **public awareness and communication campaign,** aimed at increasing transparency, public engagement, and beneficiary outreach. The **2025 Financial Audit** is completed and published in line with ZINAPHA's comittment to accountability and good governance.

To ensure operational efficiency and cost effectiveness, **ZINAPAH** continued to utilize outsourced services in key functional areas, including:

- **Human Resources management**
- **Accounting services**
- **Call center operations**
- **IT security services**
- **Legal counsel services**

This approach allows the Foundation to maintain a lean internal structure while striving to receive high-quality service delivery.

Migration and Infrastructure Development

ZINAPAH continued its transition toward full operational independence. The **launch of its ZINAPAH.AM website** was completed, with ongoing efforts focused on resolving technical issues and optimizing user experience. At the same time, work commenced on the **development of financial infrastructure for the compensation system**, with the technical assignment currently in progress. This initiative is a key step toward further automation, accuracy, and scalability of compensation-related processes.

Legislative Amendments

In cooperation with the **Ministry of Labor and Social Affairs**, ZINAPAH continued work on a **legislative initiative** aimed at strengthening support mechanisms for disabled servicemen. Relevant legislative amendments are currently under development to improve operational processes and are expected to enhance the long-term protection and social inclusion of beneficiaries.

Karine Sarkissian
CEO ZINAPAH

Dear ZINAPAH Community,

As we conclude **Q2 2026**, I am pleased to present an update on the activities of the ZINAPAH National Foundation for Servicemen Insurance. The first half of the year has demonstrated the Foundation's continued ability to fulfil its mission with stability, transparency, and responsibility while adapting to the evolving financial environment.

Since its establishment in 2017, ZINAPAH has become a unique national institution built on solidarity, accountability, and collective responsibility. Over the period **2017–2026 Q2**, the Foundation has provided compensation to **5,512 beneficiaries**, ensuring long-term financial support to the families of fallen and missing servicemen, as well as servicemen with severe and profound functional limitations (1st and 2nd group disabilities). During the second quarter, **one additional beneficiary** joined the Foundation, reaffirming our unwavering commitment to supporting those who have sacrificed in defense of our homeland.

The second quarter continued to reflect the impact of the legislative changes introduced at the end of 2025. Total income amounted to **AMD 12.9 billion**, representing a **14% decrease** compared to the same period of the previous year, primarily due to the reduction in mandatory stamp duty revenues. Nevertheless, the Foundation's financial position remains strong, and I would like to once again reassure our beneficiaries that compensation payments continue to be made **in full, on time, and in accordance with the law,** without interruption.

One of the most encouraging developments this quarter has been the continued growth of **asset management income,** which increased by **30% year-on-year** to **AMD 3.9 billion** and accounted for approximately **30% of total income**, compared to **20%** in the same period of 2025. This reflects the successful implementation of ZINAPAH's long-term investment strategy and the increasing importance of investment returns in strengthening the Foundation's financial sustainability. At the same time, donation activity showed encouraging signs of stabilization. Total donations increased by **5%** compared to Q2 2025, while the number of donations grew by **7%**, demonstrating the continued trust and support of our donors despite a challenging environment.

Financial discipline remained a defining feature of the Foundation's operations. Total expenses amounted to **AMD 4.9 billion**, increasing by only **1%** year-on-year. Compensation payments continued to represent **92%** of total expenditures, reflecting our unwavering focus on fulfilling the Foundation's core statutory obligations while maintaining prudent and efficient management of administrative and operational costs.

I am also pleased to share that **ZINAPAH's 2025 financial statements have been successfully audited in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)**. The independent audit confirmed that the Foundation's financial statements were prepared on a going-concern basis, further reinforcing our commitment to transparency, sound governance, and financial accountability.

The second quarter was also marked by significant progress beyond financial compensation. In partnership with the **Ministry of Labor and Social Affairs,** ZINAPAH launched an important program supporting beneficiaries with severe disabilities through the financing and renovation of assistive devices. During the reporting period, **32 beneficiaries received 42 functional limitation support means** amounting to more than **AMD 38.6 million**. Alongside this initiative, ZINAPAH continued to strengthen its beneficiary support ecosystem through beneficiary meetings, children's and family-focused initiatives, rehabilitation and economic empowerment programs.

As we move forward, ZINAPAH remains committed to preserving the principles that have guided us since our establishment—**transparency, accountability, and integrity**. The Foundation continues to strengthen its institutional capacity while ensuring that every contribution entrusted to us is managed responsibly and directed toward its intended purpose.

I would like to express my sincere gratitude to the working citizens of Armenia, whose mandatory contributions remain the cornerstone of this unique national model of solidarity; to our donors, partners, and supporters for their continued confidence; and to the members of the Board of Trustees and the ZINAPAH Executive Team for their professionalism, dedication, and unwavering commitment to our mission.

Together, we continue to honor sacrifice by building a stronger, more sustainable future for Armenia's defenders and their families.

With respect and gratitude,

Karine Sarkissian
Chief Executive Officer
ZINAPAH

ZINAPAH Operations for 2017 – 2026 Q2 Rolling Estimate (RE)

ZINAPAH
NATIONAL FOUNDATION FOR SERVICEMEN INSURANCE

Overall, the **Q2 2026 Rolling Estimate** reflects ZINAPAH's continued transition toward a more diversified and sustainable financial framework. While total income is projected to decline due to the **43% reduction in mandatory stamp payment revenues following the legislative changes**, the growing contribution of asset management income, together with the continued prioritization of compensation payments, is expected to support the Foundation's long-term financial stability and its ability to fulfil its core obligations.

In Q2 2026 RE, ZINAPAH's financial performance is projected to reflect a contraction in total income alongside a moderate increase in total expenses compared to the previous year. **Total income is expected to decline by 30%, primarily driven by the 43% decrease in mandatory payments**, which remain the Foundation's principal source of funding. Donation inflows are also projected to decline, with regular donations decreasing by **22%** and Kamurj donations by **5%**.

At the same time, asset management income is projected to maintain strong momentum, increasing by **22%** compared to the previous year and reaching **AMD 15.3 billion**. Its contribution to total income is projected to increase to approximately **35%**, compared to **20%** in 2025, further strengthening its role within the Foundation's overall funding structure. Although mandatory payments remain the principal source of income, their share is projected to decline from **79%** to **64%**, demonstrating the Foundation's continued transition toward a more diversified and capital-driven funding model.

On the expenditure side, total expenses are projected to increase by **8%**. Compensation payments, which remain the Foundation's primary expenditure and account for approximately **92%** of total expenses, are projected to increase slightly by **1%**. Administrative expenses are projected to rise by 12% while remaining stable at approximately 2% of the overall expenditure structure. Operating expenses are projected to increase to **AMD 1.3 billion**, representing approximately **6%** of total expenses.

This version leads with the key message, clearly links the **30% decline in total income** to the **43% reduction in mandatory stamp payment revenues**, and avoids leaving readers to infer that relationship themselves. It also reads more naturally as an executive summary.

MLN, AMD	2017-2020***	2021	2022	2023	2024	2025	2026 RE	2017-2026 RE	2026 vs. PY	Contr. to Mix 2025	Contr. to Mix 2026
Mandatory Payments	30,914	29,072	35,274	43,199	45,393	49,171	27,881	260,905	-43%	79%	64%
Donations	7,280	1,290	508	273	171	106	83	9,721	-22%	0.17%	0.19%
Kamurj Donations*	1,000	1,510	239	237	86	77	73	3,221	-5%	0.12%	0.17%
CBA**	-	301	-	-	-	-	-	301	NA	0%	0%
Asset Management	4,970	1,841	3,256	5,944	9,339	12,570	15,280	53,201	22%	20%	35%
Other Income	-	0.24	0.19	0.26	0.29	0.58	0.35	2	-41%	0.0009%	0.0008%
Total Income	**44,164**	**34,015**	**39,278**	**49,654**	**54,990**	**61,925**	**43,317**	**327,342**	**-30%**	**100%**	**100%**
Compensations	9,664	44,484	16,878	14,747	21,489	19,181	19,409	145,852	1%	98%	92%
Admin Expenses	-	-	246	267	316	332	370	1,531	12%	2%	2%
OpEx	0	149	21	25	34	44	1,331	1,605	2915%	0.23%	6%
Total Expenses	**9,665**	**44,633**	**17,146**	**15,039**	**21,838**	**19,557**	**21,110**	**148,988**	8%	100%	100%

* **Kamurj –** A program financed by the RA Government to give compensation to servicemen who are severely injured or are missing in action before becoming ZINAPAH beneficiaries. For these servicemen, compensation is provided in the amount of 300,000 AMD monthly payments to eligible beneficiaries and is reported in the compensation expenses since 2020 December.

** **Central Bank of Armenia Contribution (CBA) –** All the expenses made during 2021 were financed by the Central Bank of Armenia. The funding is regulated by law and has been previously approved by the CBA Board.

***** includes 2008-2016 cases compensations.**

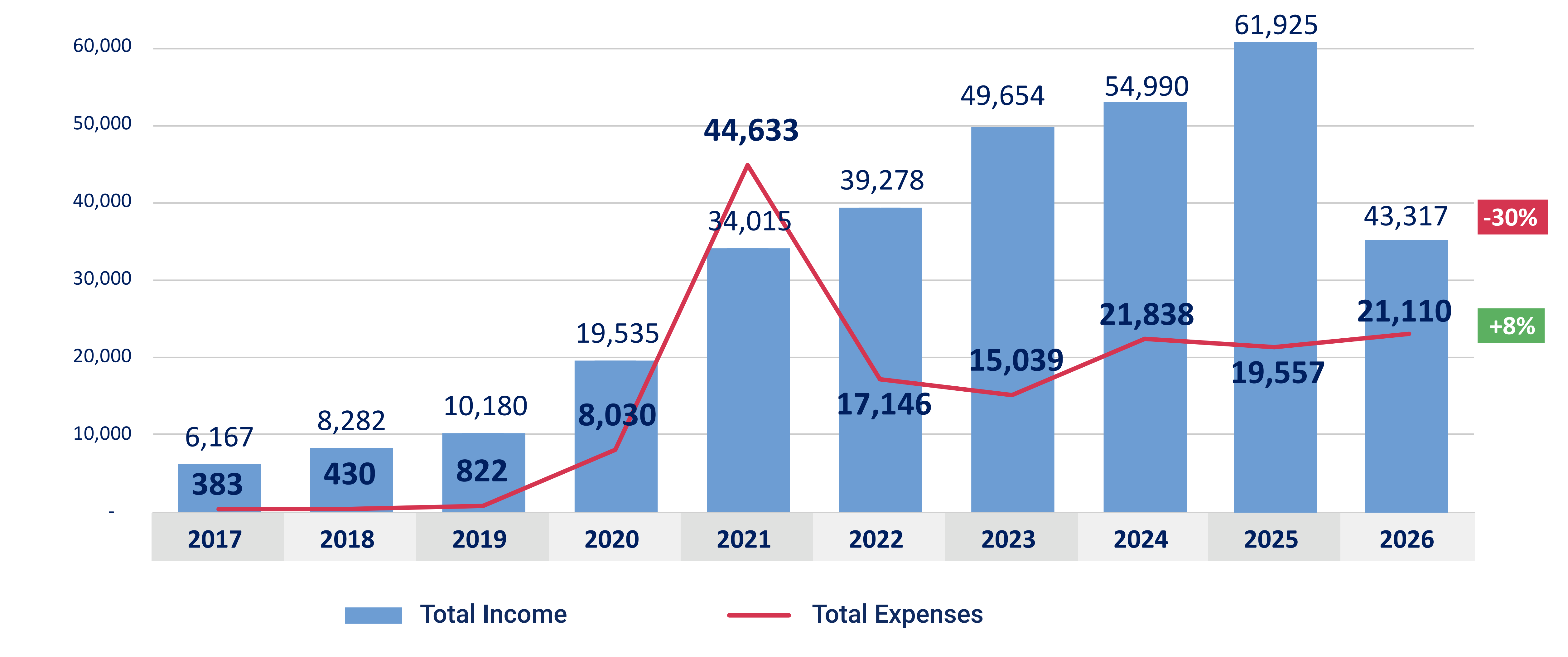
ZINAPAH Operations for 2017 – 2026 Q2 RE

The chart illustrates the evolution of ZINAPAH's financial model over the period **2017–2026 Q2 Rolling Estimate (RE)**, highlighting both extraordinary years and the Foundation's ongoing structural transformation. Following the exceptional surge in 2020–2021—driven by unprecedented national circumstances—ZINAPAH has entered a phase of normalization, characterized by a more balanced income trajectory and disciplined expense management, despite the projected decline in mandatory payment inflows.

From 2022 onward, total income has consistently exceeded total expenses, reflecting strengthened financial discipline, improved predictability, and the continued accumulation of financial resources to support the Foundation's long-term obligations. While **2025 recorded the highest level of total income, reaching AMD 61.9 billion against AMD 19.6 billion in total expenses, the 2026 Q2 Rolling Estimate projects total income of AMD 43.3 billion and total expenses of AMD 21.1 billion.** The projected narrowing of the gap is primarily attributable to the expected **reduction in mandatory stamp duty revenues following legislative changes.**

Despite this short-term adjustment, the overall trend continues to demonstrate ZINAPAH's transition toward a more resilient and diversified financial framework. The sustained surplus of income over expenses, together with the growing contribution of investment income, reinforces the Foundation's long-term financial sustainability and its capacity to continue fulfilling its obligations with stability, discipline, and transparency.

ZINAPAH 2017-2026 Q2 RE Income vs. Expenses, mln AMD



ZINAPAH Q2 2026 vs. Q2 2025
Financial Performance

In **Q2 2026**, ZINAPAH's financial performance reflects a **period of revenue normalization** alongside stable expenditure levels compared to **Q2 2025**. Total income declined by **14%** year-on-year, primarily driven by a 26% decrease in mandatory payments, **reflecting the legislative changes affecting their structure and volume.** Despite this decline, donation inflows showed modest growth, with regular donations increasing by **5%** and Kamurj donations by **36%**, while continuing to represent a relatively small share of the Foundation's overall funding.

At the same time, **asset management income increased by 30%**, further strengthening its role as a key pillar of the Foundation's financial sustainability. Its contribution to total income increased to **30%**, compared to **20%** in Q2 2025, while the share of mandatory payments declined from **80% to 69%**. These developments highlight the Foundation's continued transition toward a more diversified and capital-driven funding structure.

On the expenditure side, **total expenses increased marginally by 1%** year-on-year. Compensation payments, which continue to account for **98%** of total expenses, remained broadly stable compared to the same period of the previous year. Administrative expenses increased by **8%**, while operating expenses rose as the Foundation continued investing in operational capacity and strategic initiatives. Nevertheless, overall expenditure remained well controlled and proportionate to operational requirements.

Overall, **Q2 2026** demonstrates ZINAPAH's continued progress toward a more resilient, diversified, and sustainable financial framework. Despite the structural decline in mandatory payment revenues, the growing contribution of asset management income, together with prudent financial management and disciplined cost control, continues to strengthen the Foundation's long-term financial stability and its capacity to fulfil its commitments.

MLN, AMD	Q2 2025	Q2 2026	Q2'26 vs Q2'25	Contr. to Mix Q2'25	Contr. to Mix Q2'26
Mandatory Payments	12,081	8,982	-26%	80%	69%
Donations	39	41	5%	0.3%	0.3%
Kamurj donations*	13	18	36%	0.1%	0.1%
CBA**	-	-	NA	0%	0%
Asset Management	2,986	3,891	30%	20%	30%
Other Income	0.25	0.26	4%	0.002%	0.002%
Total Income	**15,120**	**12,932**	**-14%**	**100%**	**100%**
Compensations	4,764	4,767	0%	98%	97%
Admin Expenses	84	91	8%	2%	2%
OpEx	16	66	310%	0.33%	1.33%
Total Expenses	**4,864**	**4,924**	**1%**	**100%**	**100%**

* **Kamurj –** A program financed by the RA Government to give compensation to servicemen who are severely injured or are missing in action before becoming ZINAPAH beneficiaries. For these servicemen, compensation is provided in the amount of 300,000 AMD monthly payments to eligible beneficiaries and is reported in the compensation expenses since 2020 December.

** **Central Bank of Armenia Contribution (CBA) –** All the expenses made during 2021 were financed by the Central Bank of Armenia. The funding is regulated by law and has been previously approved by the CBA Board.

***** includes 2008-2016 cases compensations.**

Donations to ZINAPAH, 2017-2026 Q2

ZINAPAH received donations totaling approximately **AMD 9.7 billion** (excluding Kamurj donations) over the period **2017–2026 Q2 RE**. The cumulative number of donations is projected to exceed **97,000**, with an average donation amount of approximately **AMD 100,000**. While donation activity remains significantly below the exceptional levels observed in 2020, the data suggest that donations have stabilized at a structurally lower level. Total donations are projected to amount to **AMD 83 million** in the 2026 Rolling Estimate, compared to **AMD 106 million** in 2025.

In **Q2 2026**, total donations increased by **5%** compared to the same period of the previous year, reaching **AMD 40.7 million**. The number of donations also increased by **7%**, from **629** to **674**, indicating a modest improvement in donor participation. At the same time, the average donation amount declined slightly by **2%**, from **AMD 62,000** to **AMD 60,000**, suggesting that the increase in donation volume was primarily driven by a higher number of individual contributions rather than larger average donations.

Donations continue to be received primarily in **Armenian drams**, with foreign currency contributions representing only a small share of total inflows. Donations are made both through bank transfers and via the ZINAPAH website **(www.zinapah.am)**, ensuring convenient, transparent, and accessible giving opportunities for supporters.

2017-2026 Donations by Currency, Q2 RE

Currency' 000	2017-2020	2021	2022	2023	2024	2025	2026 RE	2017-2026 RE Q2	2026 Q2 RE vs 2025
AMD	4,676,538	739,093	301,333	173,750	87,650	68,982	54,676	6,101,936	-21%
USD	4,833	879	492	233	191	89	73	6,790	-19%
RR	115,069	6,517	455	1	2	NA	NA	NA	NA
EUR	798	122	34	20	31	6	3	1,015	-52%

2017-2026 Donations Converted to AMD, Q2 RE

	2017-2020	2021	2022	2023	2024	2025	2026 RE	2017-2026 RE Q2	2026 Q2 RE vs 2025
AMD	7,280,467	1,290,065	508,062	273,307	171,279	106,146	82,990	9,712,315	-22%
# of Donations	44,576	25,976	12,665	5,209	4,167	2,401	2,406	97,400	0%
Average donation amount	163	50	40	52	41	44	34	100	-22%

2017-2026 Q2 Donations by Currency

Currency' 000	2025 Q2	2026 Q2	2025 Q2 vs 2024 Q2
AMD	15,394	19,539	-27%
USD	58	56	-4%
RR	NA	NA	NA
EUR	1	1	-48%

2017-2026 Donations Converted to AMD, Q2 RE

	2025 Q2	2026 Q2	2025 Q2 vs 2024 Q2
AMD	38,730	40,682	5%
# of Donations	629	674	7%
Average donation amount	62	60	-2%

2026 contribution to 2017-2026 Q2 RE in summary

ZINAPAH
NATIONAL FOUNDATION FOR SERVICEMEN INSURANCE

From 2017 to 2026 Q2 RE:

- **Mandatory payments** are projected to account for **11%** of cumulative income.
- **Donations** represent a marginal component, contributing around **1%** of cumulative income.
- **Asset Management income** is projected to contribute 29% of cumulative income.
- **Total compensation** are projected to represent approximately **13%** of cumulative income generated over the same period.

mln AMD	2025	2026	2017-2026 RE	% Contr. 2026 RE
Mandatory Payments	49,171	27,881	260,905	11%
Donations	106	83	9,712	1%
Asset Management	12,570	15,280	53,201	29%
Compensations	19,181	19,409	145,852	13%

ZINAPAH Beneficiaries and Compensations, 2026 Q2

- From **2017-2026 Q2** ZINAPAH provided compensation to **5,512** beneficiaries.
- In **2026 Q2, only 1 new case was compensated vs 6 cases in 2025 Q2.**

The 2026 Q2 overview as follows:

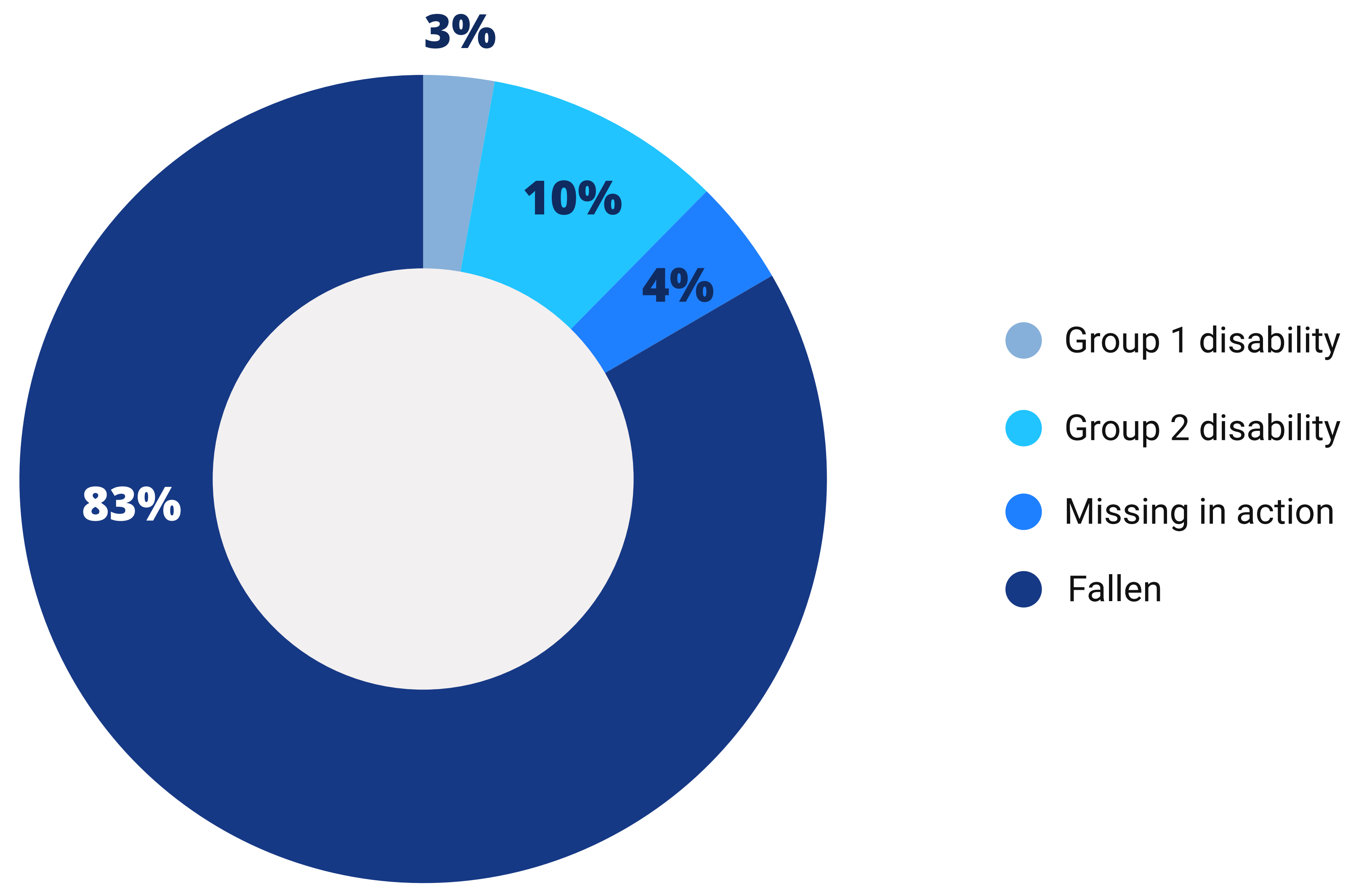
Total Compensated Cases as of 2026 Q2 – 1 New Cases

FALLEN	MISSING	GROUP 1	GROUP 2
1	0	0	0

Total Compensated Cases as of 2025 Q2 – 6 New Cases

FALLEN	MISSING	GROUP 1	GROUP 2
2	1	0	3

ZINAPAH Beneficiary Breakdown 2017-2026 Q2, 5,512 cases



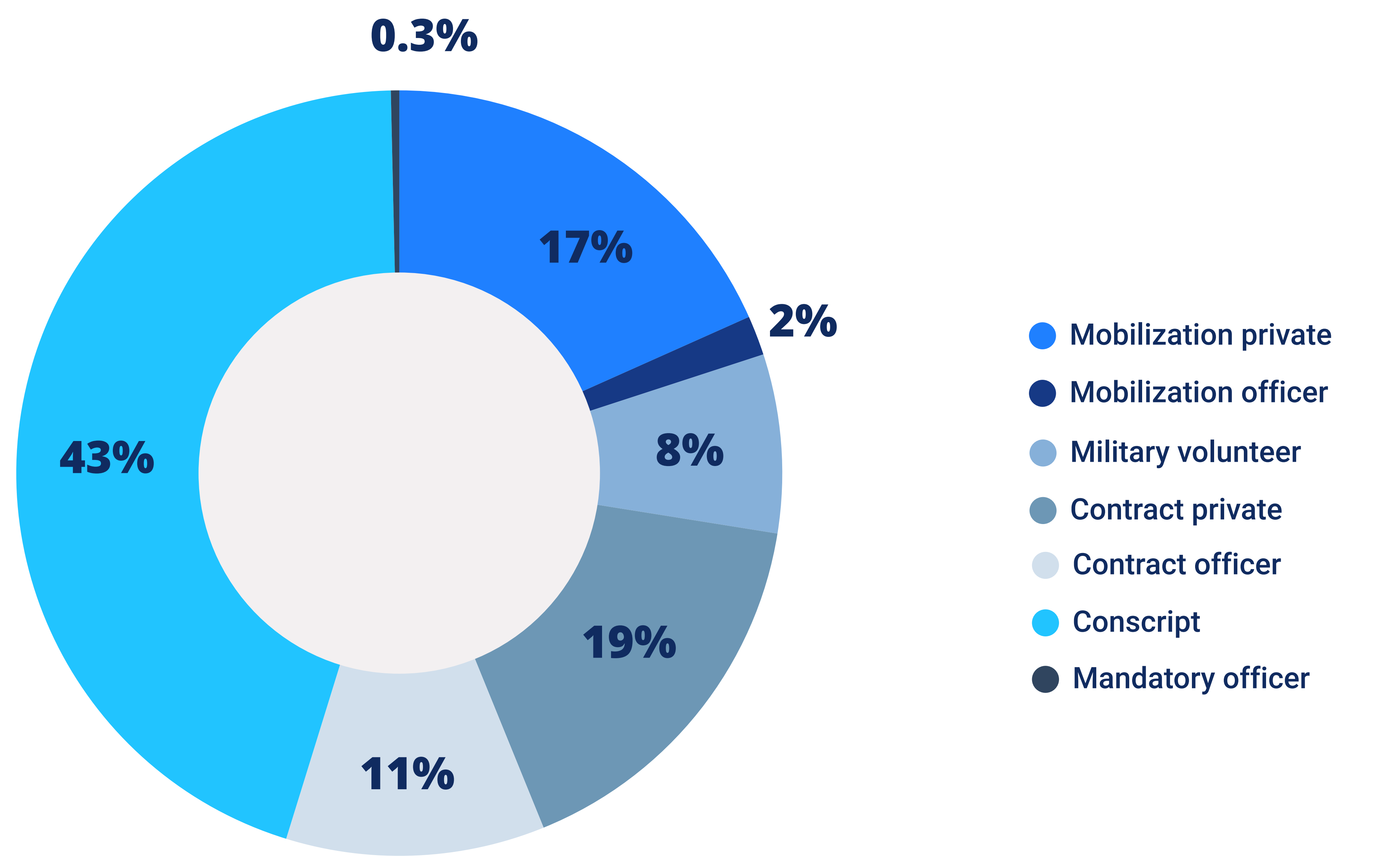
Total Compensated Cases 2017-2026 Q2 – 5,512* Total Cases

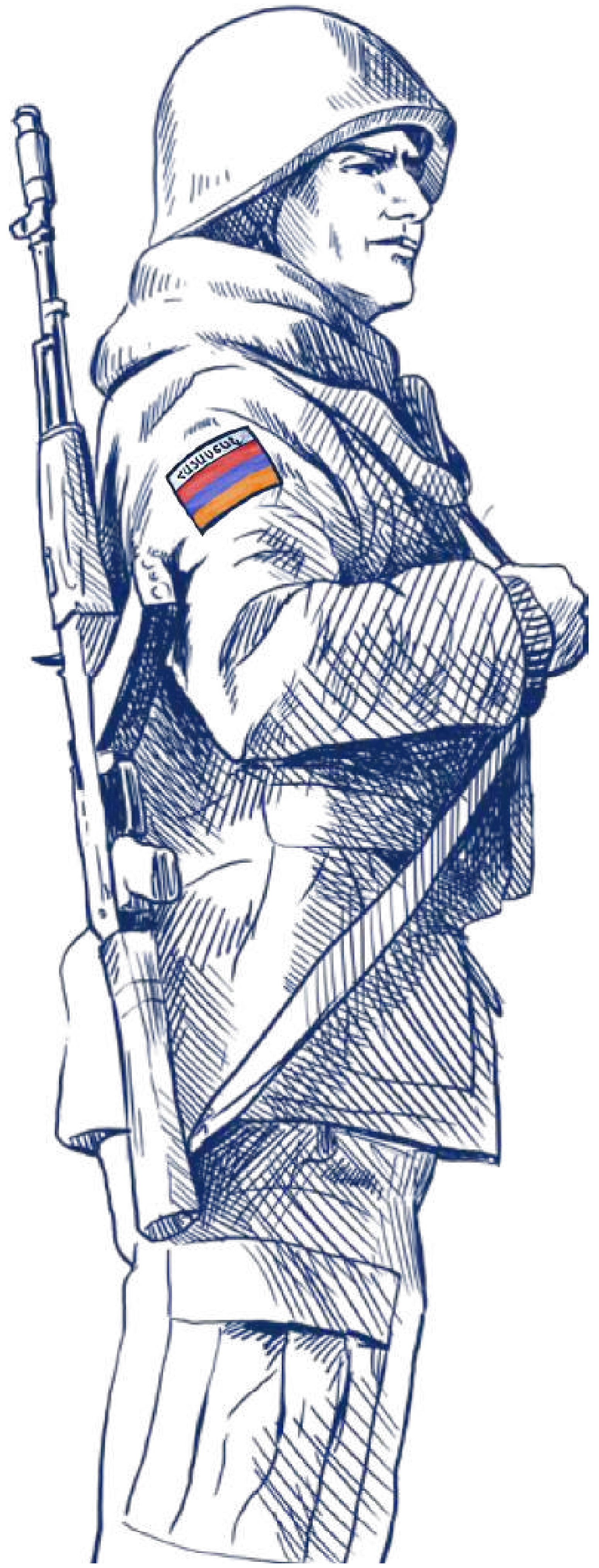
FALLEN	MISSING	GROUP 1	GROUP 2
4,581	240	158	533

* All numerical data regarding servicemen reflect the statuses recorded as of the respective reporting period.

The **5,512 beneficiaries** recorded between **2017 and 2026 Q2** are classified by personnel category as illustrated in the chart below. **Conscripts represent the largest beneficiary group, accounting for 43%** of all cases, followed by **contract privates (19%), mobilization privates** (17%), and **contract officers** (11%). **Military volunteers account for 8%** of beneficiaries, while **mobilization officers represent 2%**. **Mandatory officers constitute a marginal share of 0.3%** of the total beneficiary population.

2017-2026 Q2 ZINAPAH COMPENSATION BASED ON PERSONNEL CLASSIFICATION, 5,512 CASES





2017-2026 Q2 IN SUMMARY

1

beneficiary NEW cases in 2026 Q2
and **5,512** cases from 2017-2026 Q2

4.8B AMD

compensation in 2026 Q2

136B AMD

since 2017-2026 Q2 to those fallen, missing, or eligible for disability insurance

43%

Mandatory payment decline
as of 2026 Q2 RE compared to 2025

Expanding Partnerships for Comprehensive Beneficiary Support

ZINAPAH continues to strengthen its network of partnerships with foundations, non-governmental organizations (NGOs), and charitable institutions, with the shared goal of supporting servicemen and their families. These partnerships are focused on ensuring the **social, physical, and psychological well-being** of beneficiaries through coordinated and sustainable initiatives.

To support the **personal development and long-term integration** of beneficiaries, ZINAPAH, together with its partners, has initiated a range of social programs. A comprehensive framework for these initiatives has been developed, with detailed planning and prioritization for **2026 currently underway**.

ZINAPAH has conducted multiple consultative meetings with governmental bodies and partner organizations to align efforts across key priority areas, including:

- **Education and skills development**
- **Economic integration and employment**
- **Entrepreneurship and business promotion**
- **Community inclusion and resilience building**

Through these partnerships, ZINAPAH continues to facilitate **targeted support, access to opportunities, and social integration**, strengthening the overall ecosystem of beneficiary support across Armenia.

Collaboration with Yerevan City Center for Children and Youth Creativity
The Secret of the Museum musical

Through the initiative of the **Yerevan City Center for Children and Youth Creativity**, in collaboration with ZINAPAH, a complimentary viewing of the musical **The Secret of the Museum** was organized for ZINAPAH beneficiary children at the Gabriel Sundukyan National Academic Theatre.

As part of the initiative, 100 complimentary tickets were provided in a "mother and child" format. Given the 7:00 p.m. performance time and the importance of ensuring accessibility for beneficiaries, invitations were extended to families residing in Yerevan and nearby regions, as well as to families displaced from Artsakh with children between the ages of 6 and 13.

On April 17,2026 beneficiary children and their mothers attended the performance. The event offered the children not only an enriching cultural experience but also a joyful and memorable day filled with excitement, new discoveries, and positive emotions.

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Presentation at the Ortez Center

Initiated by the Ortez Orthotics and Prosthetics Center and organized in collaboration with ZINAPAH, a presentation of the QUATTRO and SYNSYS microprocessor-controlled knee joints, manufactured by the French company PROTEOR, was held on May 12 at the Ortez Center.

During the event, participants had the opportunity to explore the latest advancements in prosthetic technology and experience demonstrations of the featured knee joint systems.

ZINAPAH servicemen beneficiaries with disabilities were informed about the event and participated in the presentation, where they became acquainted with the latest innovations in the field and modern prosthetic solutions.

Cooperation with the Access to Care Armenian-American Charitable Dental Clinic

Cooperation with the Access to Care Armenian-American Charitable Dental Clinic continued with the objective of ensuring ZINAPAH beneficiaries' access to free and discounted dental services.

Throughout the year, beneficiaries are being informed about the program through meetings and various communication channels. Information is also published on ZINAPAH official website and social media platforms, while SMS notifications are periodically sent to beneficiaries to increase awareness of the available services.

As part of the ongoing cooperation, efforts continued to expand access to dental care and increase beneficiary participation in the program.

International Children's Day Event at Yerevan Park

In celebration of International Children's Day, ZINAPAH, in cooperation with **Yerevan Park**, organized a festive event for beneficiary children for the fifth consecutive year.

The event brought together children aged 5–12 of fallen and officially recognized missing servicemen, accompanied by their mothers, from Yerevan and various regions of Armenia. In total, **648 beneficiaries took part** in this special celebration, creating a meaningful occasion for families to spend quality time together in a joyful and supportive environment. For many of the children, the day was filled with excitement, laughter, and unforgettable moments as they enjoyed the attractions, games, and entertainment offered by the park. Beyond providing recreation, the event fostered a sense of inclusion, care, and community, allowing the children to create positive memories and experience the happiness and carefree spirit that every child deserves.

As part of the partnership, **Yerevan Park** provided 300 complimentary admission tickets and 200 complimentary meal packages. Admission tickets and meals for the remaining participants were financed by ZINAPAH and financial support of the **Central Depository of Armenia** and **AraratBank.**

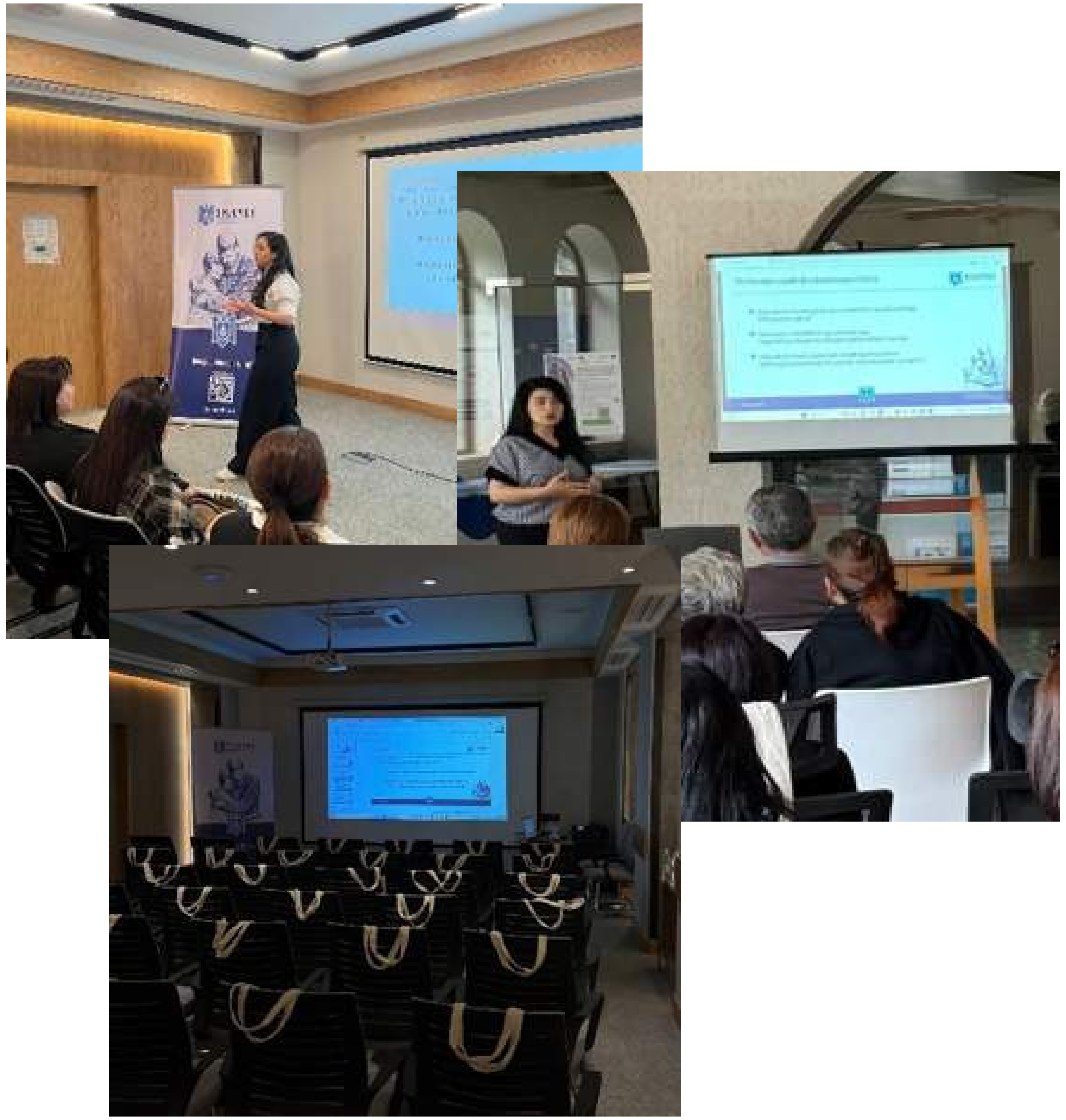
Beneficiary Meetings

During the reporting period, ZINAPAH organized beneficiary meetings in **Shirak and Syuniq regions**, aimed at reinforcing its mission, strengthening engagement, and sharing key information on rights, available programs, and services. These meetings serve as an essential platform for **two-way communication**, enabling beneficiaries to raise concerns and receive direct responses through structured Q&A sessions. In total 85 beneficiaries took part in the meetings.

Key Issues and Suggestions Raised during these meetings included:

- Possible extension of the period for providing monthly compensation (beyond 20 years) and potential indexation of compensation amounts, taking into account current inflation.
- The need for housing support programs, as well as the possibility of subsidizing mortgage interest rates for ZINAPAH beneficiaries.
- The possibility of providing one-time compensation to families of servicemen who were killed or officially recognized as missing before 2017, as well as to servicemen who sustained injuries.

These discussions reaffirmed that beneficiaries continue to face a range of challenges requiring clarification, advocacy, and targeted support. Regular engagement through such meetings remains a vital mechanism for building trust, addressing emerging needs, and shaping responsive, beneficiary-centered solutions. ZINAPAH remains firmly committed to sustaining these efforts to ensure a meaningful and lasting impact for its beneficiary community.



Partnership with Ministry of Labor and Social Affairs for Disabled Servicemen Supporting Devices

In partnership with the **Ministry of Labor and Social Affairs (MLSA)**, ZINAPAH launched a key project to finance the provision and renovation of supporting devices/aids and their renovation for disabled servicemen beneficiaries.

To ensure seamless delivery, tripartite agreements between ZINAPAH, MLSA, and 28 suppliers verified by MLSA were signed in May.

In the reporting period, **32 disabled servicemen** received **42 supporting devices/aids, 3 disabled servicemen received 4 renovation services** for their supporting device. In total, the services were provided by 9 suppliers **amounting to 38,606,100 AMD**.

Supporting Programs and Useful Links Subsections on Zinapah.am

ZINAPAH expanded its digital outreach through the introduction of the Supporting Programs and Useful Links subsections on zinapah.am.

These sections provide regularly updated information on programs offered by partner organizations and Armenian government initiatives, enabling beneficiaries to directly apply for opportunities related to education, employment, and personal development.

The platform was actively promoted during regional meetings to ensure awareness and accessibility.

This initiative strengthens ZINAPAH's support ecosystem by improving access to resources and facilitating social and economic reintegration, in line with its commitment to long-term, sustainable impact.

ZINAPAH Audit 2025 was carried out by BAKER TILLY ARMENIA CJSC, and the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the foundation operated on a going-concern basis. You can find the full report on the ZINAPAH website.

Statement of Financial Position

As at 31 December 2025

Assets	Notes	31.12.2025	31.12.2024
		AMD ths.	
Non-current Assets			
Property and equipment		41,195	66,645
Intangible assets		66,703	50,869
Investment securities	4	11,600,337	10,500,290
Funds placed in banks	5	48,673,629	38,495,371
Total other non- current assets		**60,381,864**	**49,113,175**
Current Assets			
Accounts receivable and other assets		5,363	19,988
Investment securities	4	4,577,351	848,631
Funds placed in banks	5	87,761,785	61,228,055
Cash and bank balances	6	3,590,835	1,881,288
Total Current Assets		**95,935,334**	**63,977,962**
Total Assets		**156,317,198**	**113,091,137**
Liabilities			
Non-current Liabilities			
Liabilities on compensations	7	135,560,333	145,563,759
Lease liabilities		-	3,664
Total Non-current Liabilities		**135,560,333**	**145,567,423**
Current Liabilities			
Liabilities on compensations	7	18,075,657	17,944,955
Lease liabilities		5,370	21,774
Accounts payable		22,090	27,375
		18,103,117	**17,994,104**
Net assets			
Revaluation reserve on securities measured at fair value through other comprehensive income	8	735,915	112,168
Accumulated loss		1,917,833	(50,582,558)
		2,653,748	**(50,470,390)**
Total liabilities and Net assets		**156,317,198**	**113,091,137**

For the year ended 31 December 2025

	Notes	2025	2024
			AMD ths.
Income			
Income from mandatory payments and donations	9	49,353,718	45,650,543
Interest income	10	12,571,532	9,338,679
Other income		12,650	518
			54,989,740
Expense			
Compensation expenses	13	(1,160,553)	(20,541,220)
Employee benefits		(182,541)	(162,068)
Depreciation and amortization		(40,595)	(34,528)
Expense regarding allowance on Expected credit losses, net	11	402,556	(583,819)
Finance cost	12	(8,322,105)	(47,634,148)
Other expenses		(133,927)	(122,781)
Net (loss) /gain from exchange differences		(344)	(240)
			(69,078,804)
			(14,089,064)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net gain/(loss) from changes in fair value of securities measured at fair value through other comprehensive income		634,058	90,983
Changes in allowance on expected credit losses of securities measured at fair value through other comprehensive income		(10,311)	48,542
			139,525
			(13,949,539)

Statement of Changes in Net Assets

For the year ended 31 December 2025

AMD ths.

	Revaluation reserve on securities measured at FVOCI	Accumulated gain/(loss)	Total
Balance as at 01 January 2024	**(27,357)**	**(36,493,494)**	**(36,520,851)**
Profit for the year	-	(14,089,064)	(14,089,064)
Other comprehensive income for the year	139,525	-	139,525
Total comprehensive income for the year	139,525	(14,089,064)	(13,949,539)
Balance as at 31 December 2024	**112,168**	**(50,582,558)**	**50,470,390**
Profit for the year	-	52,500,391	52,500,391
Other comprehensive income for the year	623,747	-	623,747
Total comprehensive income for the year	623,747	52,500,391	53,124,138
Balance as at 31 December 2025	**735,915**	**1,917,833**	**2,653,748**

Statement of Cash Flows

For the year ended 31 December 2025

AMD ths.

	2025	2024
Cash flows from operating activities		
Mandatory payments and donations received	49,354,302	45,650,768
Compensations provided	(19,180,548)	(21,489,420)
Labor expenses	(134,367)	(117,697)
Other expenses	(214,024)	(209,373)
Net cash from operating activities	**29,825,363**	**23,834,278**
Cash flows from investing activities		
Acquisition of property and equipment	(2,484)	(1,350)
Funds placed in banks	(90,044,051)	(67,400,910)
Investments in government debt securities	(2,933,005)	(6,460,138)
Investments in non-government debt securities	(2,000,563)	(2,009,968)
Repayment of funds placed in banks	56,553,636	41,556,497
Proceeds from redemption of investments in government debt securities	650,000	
Interest received from funds placed in banks and other financial institutions	8,316,263	6,393,137
Interest received from investments in debt securities	1,344,394	450,000
Net cash used for investing activities	**(28,115,810)**	**(27,472,732)**
Net (decrease)/ increase in cash and cash equivalents	**1,709,553**	**(3,638,454)**
Cash and cash equivalents at the beginning of the year	1,881,288	5,519,741
Foreign exchange effect on cash	(6)	1
Cash and cash equivalents at the end of the year	**3,590,835**	**1,881,288**

ZINAPAH®

NATIONAL FOUNDATION FOR
SERVICEMEN INSURANCE

We would like to express our heartfelt thanks and gratitude to all the individuals and organizations/communities from Armenia and all over the world, who made their mandatory stamp payments and individual donations.

It is thanks to your support that ZINAPAH can fulfill its mission to take care of the servicemen and their families who sacrificed their lives and health for the security of Armenia and its borders.

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