"REGIONAL ECONOMIC DEVELOPMENT" PROJECT

THE PROJECT FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

CONTENT

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INDEPENDENT AUDITOR'S REPORT

To the Management of the "Regional Economic Development" Project under the Community Development and Investment Agency
Grant No. D5700-KG and Credit No. 6558-KG

Opinion

We have audited the accompanying special purpose financial statements of the "Regional Economic Development" Project (the "Project"), which comprise the summary of funds received and expenditures paid and the summary of expenditures paid by project parts for the year ended December 31, 2025, and notes to the project financial statements.

In our opinion, the accompanying project financial statements present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by project parts of the Project for the year ended December 31, 2025, in accordance with the special purpose framework comprising the International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

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 Special Purpose Financial Statements section of this report. We are independent of the Project in accordance with the ethical requirements applicable to our audit of the financial statements in the Kyrgyz Republic and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use and Distribution

Without qualifying our opinion, we draw attention to Note 2 to the project financial statements, which describe the basis of accounting. These project financial statements were prepared for complying with the appropriate World Bank Guidelines and Grant agreements requirements. These circumstances do not lead to modification of the auditor's opinion.

The project financial statements are prepared to assist the Project to comply with the requirements of the World Bank. As a result, the project financial statements may not be suitable for another purpose.

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

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and the World Bank's Financial Management Sector Board's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines"), and for such internal control as management determines is necessary to enable the preparation of project financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether these project 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 special purpose 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 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 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 Project'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 Project'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

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 identified during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Gulnaz Taiyrbekovna Borbugulova.

Saidov Firuz Managing Partner LLC "RSM Kyrgyzstan"	Borbugulova Gulnaz Taiyrbekovna Director – Engagement Partner LLC "RSM Kyrgyzstan"
Qualified Auditor in the Kyrgyz Republic Qualification Certificate No. 0489 dated January 12, 2021	Qualified Auditor in the Kyrgyz Republic Qualification Certificate No. 0350 dated November 6, 2015

Identification Registration Number No.
2101308
dated August 8, 2023,
registered with the
State Service for Regulation and Supervision
of the Financial Market under the
Ministry of Economy and Commerce
of the Kyrgyz Republic

June 29, 2026
Bishkek, Kyrgyz Republic

MANAGEMENT STATEMENT OF RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the description of the independent auditor's responsibilities, is made to distinguish between the auditor's and management's responsibilities with respect to the financial statements of the Regional Economic Development Project financed under Grant No. D5700-KG and Credit No. 6558-KG (the "Project").

The Project Management is responsible for the preparation of the financial statements of the project that present fairly, in all material respects, the statement of proceeds received and expenditures incurred and the statement of expenditures incurred for the parts of the project for the year ended December 31, 2025, in accordance with International Public Sector Accounting Standards "Financial Reporting under the Cash Basis of Accounting" issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants (hereinafter "IPSAS") and "Guidelines for the Annual Preparation of Financial Statements and the Audit of World Bank-Financed Activities" issued by the Financial Management Sector Council of the World Bank (hereinafter "World Bank Guidelines").

In preparing the Project's financial statements, the management is responsible for:

- selecting appropriate accounting policies and applying them consistently;
- making reasonable estimates and calculations;
- complying with the requirements of the IPSAS and World Bank Guidance Notes, including disclosure and explanation of any material deviations in the Project financial statements; and
- preparing the project's financial statements, based on the assumption that the Project will continue to be implemented in accordance with its approved implementation schedule.

Management of the Project is also responsible for:

- developing, implementing and maintaining an effective and reliable internal control system, and identification of risks in the internal control system;
- maintaining an accounting system that enables the preparation at any time of information about the financial position of the Project with reasonable accuracy and that ensures that the financial statements of the Project comply with the requirements of IPSAS and the World Bank Guidelines;
- maintaining accounting records in accordance with the legislation of the Kyrgyz Republic, as well as in accordance with the requirements of the Project operational management and the requirements of the World Bank;
- taking such measures as are reasonably practicable to ensure the safety of the Project assets; and
- identifying and preventing fraud, errors and other abuses.

The Project financial statements for the year ended December 31, 2025 were approved and authorized by the Project management on June 29, 2026.

On behalf of the Management:

Zhumadylov K.A. Executive Director of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T.
Acting Financial Manager of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

SUMMATY OF FUNDS RECEIVED AND EXPENDITURES PAID

FOR THE YEAR ENDED DECEMBER 31, 2025

(in US dollars)

	Note:	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Opening balance	4	**298 851**	**1 103 454**	**-**
Funds received				
Grant No. D5700-KG	5	10 000 000	10 659 251	28 089 346
Credit No. 6558-KG	5	1 675 606	-	1 675 606
Local government contributions	5	131 837	1 382 014	1 513 852
Total funds received		**11 807 443**	**12 041 265**	**31 278 804**
Other income	6	20 167	14 520	84 613
Total receipts		**11 827 610**	**12 055 785**	**31 363 417**
Expenses				
(1) Goods, works, non-consulting services, consulting services, training and operating expenses for the Parts 1, 2(a, c), 3, 4(a) and 5 of the Project	7	5 375 611	6 259 634	16 953 343
(2) Goods, works, non-consulting services, consulting services, training under Part 2(b) of the Project.	7	4 814 027	3 856 495	9 693 781
(3) Small Grants under Part 4(b) of the Project	7	525 399	2 728 299	3 253 698
Total expenses		**10 715 037**	**12 844 428**	**29 900 822**
Other expenses	8	15 934	15 960	67 105
Closing balance	4	**1 395 490**	**298 851**	**1 395 490**

On behalf of the Management:

Zhumadylov K.A. Executive Director of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T.
Acting Financial Manager of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS

FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Part 1: Improving regional economic planning and regulatory functions	1 608 683	1 392 556	3 680 559
Part 2: Strengthening agri-food supply chains and small agricultural producers	4 865 804	3 989 146	10 056 689
Part 3: Catalyzing investments for tourism and urban development	3 066 149	4 166 027	10 366 992
Part 4: Supporting tourism and rural enterprise development through Small Grants	624 787	2 756 254	3 579 686
Part 5: Implementation Support, Monitoring and Evaluation	549 614	540 445	2 216 896
Total	**10 715 037**	**12 844 428**	**29 900 822**

On behalf of the Management:

Zhumadylov K.A. Executive Director of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T.
Acting Financial Manager of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(in US dollars)

1. GENERAL INFORMATION

According to the Financing Agreement between the Kyrgyz Republic and the International Development Association (hereinafter referred to as "IDA") dated May 12, 2020, IDA provided Grant No. D5700-KG in the amount of 21 800 000 Special Drawing Rights and Credit No. 6558-KG in the amount of 21 800 000 Special Drawing Rights to the Kyrgyz Republic.

The Credit and Grant were provided for the implementation of the Regional Economic Development Project (hereinafter referred to as the Project).

Project purpose

The Project aims to support the Government of the Kyrgyz Republic in strengthening regional economic development through targeted interventions in selected sectors in the Osh region. Through this, the Project will support comprehensive economic and regional development in the Osh region, promoting job creation, growth, and poverty reduction.

The Project consists of the following parts:

Part 1. Improving regional economic planning and regulatory functions;

Part 2. Strengthening agri-food supply chains and small agricultural producers;

Part 3. Catalyzing investments for tourism and urban development;

Part 4. Supporting tourism and rural development through Small Grants;

Part 5. Implementation Support, Monitoring and Evaluation.

Part 1. Improving regional economic planning and regulatory functions

1.1. Improving regional economic planning

Strengthen capacity of local, regional and central governments to boost integrated development and facilitate enabling environment for private sector investments through:

a) preparation of a regional economic development plan and relevant documents and instruments to: (i) Identify policies, priority actions and institutional requirements for effective integrated regional economic planning and development; and (ii) integrate climate change adaptation and awareness issues into regional planning processes;

b) preparation of sustainable management plans and other related documents for the key assets developed/enhanced under the project;

c) capacity building activities for key staff of the relevant public institutions at the central and regional/local level through training programs and other knowledge sharing and capacity building activities to enable better regional development planning and coordination and policy making; and

d) support improved use of technology for regional development purposes through establishing, inter alia, a digital platform for regional development initiatives prioritization and selection.

1.2. Improving basic agricultural services and regulatory functions

Improve infrastructure and services underpinning agri-food marketing and trade in the Osh region through:

a) (i) upgrading food safety and quality facilities under the mandate of relevant ministries, through provision of laboratory equipment and upgrading laboratory facilities infrastructure; (ii) improving examination capacity at border control points and expanding sampling capacity at district level for food safety; and (iii) upgrading laboratory facilities for seed certification and soil analysis functions; and

b) capacity building for Osh Technological University and Osh Agricultural College to incorporate export agricultural market requirements and safety regulations and food technologies into training and education programs.

Part 2. Strengthening agri-food supply chains and small agricultural producers.

Support the development of partnerships between agri-business and small agricultural producers to finance targeted investments that improve quality and expand production and processing volumes through:

a) providing technical assistance and training to develop, select and monitor selected Productive Partnerships in agriculture and food-related business development, including. Inter alia, business planning, management of producer organizations or cooperatives, developing alliances within a partnership framework and market analysis; and

b) providing support for the implementation of Targeted Investments Subprojects to selected productive Partnerships Beneficiaries aiming to: (i) improve access to markets and increase quality and consistency in the supply of relevant outputs; (ii) stimulate cooperation within an agricultural value chain; and (iii) reduce risk and transaction costs for value chain participants through Inter alia: (A) rehabilitation of public infrastructure critical to functioning of the selected agricultural supply chains; (B) technical assistance and training for agriculture, food-related and business development sectors, including, Inter alia, agronomy, animal production or health, post-harvest processing and packaging, food safety standards, marketing, and improved access to finance; (C) establishment and development of necessary productive assets for agricultural production and/or post-harvest activities; and (D) adoption of innovative technologies.

Part 3. Catalyzing investments for tourism and urban development

3.1. Upgrading Osh and Uzgen urban city cores and Osh regional tourism circuits

Upgrade selected public infrastructure, services and connectivity in participating cities and tourism development and provide municipal services to attract private investments through public-private cooperation mechanisms aimed at improving regional tourism potential.

3.2. Tourism product development, marketing and promotion

Improve institutional capacity and performance, including through skill development, of national and regional/local public institutions in: (i) monitoring and evaluation, marketing and promotion of Kyrgyz Republic as a tourism destination; (ii) development of comprehensive tourism strategy for Osh region; (iii) investment attraction, training and marketing; (iv) planning and implementation of events encouraging tourism development; (v) development of online platforms for tourism initiatives; (vi) development of sustainable site management plans for cultural and natural heritage preservation; and (vii) provide capacity building for tourism related organizations and private sector representatives in skilled workforce development.

Part 4. Supporting tourism and rural development through Small Grants

Support development of tourism industry and rural small and medium-sized enterprises (the “SME” and startups through:

a) training and provision of technical assistance to tourism industry-related service providers and rural SMEs in developing business plans and industry related practices;

b) providing Small Grants for: (i) launching and developing relevant business activities (start-up grants); and (ii) diversifying and expanding (scale up grants) tourism related services and rural enterprises; and

c) developing and implementing a communication plan to ensure awareness of the Small Grants program, competitive application and selection process for Small Grants.

Part 5. Implementation Support, Monitoring and Evaluation.

Project implementation, including the project's monitoring and evaluation system, communication strategy, application of environmental and social safeguard instruments, annual audits, Training and financing of Operating Costs.

Project management

The Project is implemented by the Community Development and Investment Agency (the "ARIS") under the Ministry of Finance of the Kyrgyz Republic

The Project implementation period is from December 7, 2020 to November 17, 2028.

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of Financial Statements Preparation

These Project financial statements have been prepared in accordance with the International Public Sector Accounting Standard ("IPSAS"), Financial Reporting under the Cash Basis of Accounting, issued by the International Public Sector Accounting Standards Board of the International Federation of Accountants, and incorporate the principal accounting policies described below, which have been consistently applied in all material respects and comply with the World Bank's "Guidelines: Annual Financial Reporting and Auditing for World Bank Financed Activities" (the "WB Guidelines").

Under the cash basis of accounting, income (or expenditure) is recognized when cash is received (or paid), irrespective of when goods or services are received or provided.

The Project's approved budget, disclosed by categories of expenditure, is not publicly available and, accordingly, a comparison of budget and actual amounts is not presented.

These Project financial statements consist of:

- Statement of Funds Received and Expenditures Paid;
- Summary of Expenditures Paid by project parts;
- Notes to the Project financial statements, including summary of significant accounting policies and other explanatory notes.

The reporting currency of these Project financial statements is US dollars (the "USD").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

The Project financial statements have been prepared on the cash basis of accounting. Under the cash basis of accounting, transactions and events are recognized only when cash (including cash equivalents) is received or paid. The Project financial statements prepared under the cash basis provide information about the sources of cash received during the reporting period, the purposes for which cash was used, and the cash balances at the reporting date. The measurement focus of the Project financial statements is cash balances and changes therein.

Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded in the functional currency using the official exchange rate of the servicing commercial bank prevailing on the date of the transaction.

Funds received are translated into US Dollars (US$) at the official exchange rate of the Special Drawing Rights ("SDR") on the date of receipt.

All payments made in local currency are translated into US Dollars (US$) using the official exchange rate of the servicing commercial bank prevailing on the date of the transaction.

(Amounts in tables are presented in US dollars)

Monetary assets and liabilities denominated in foreign and local currencies are translated into the functional currency using the official exchange rate of the servicing commercial bank at the reporting date

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with banks that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Taxes

Personal income tax and social security contributions relating to the remuneration of Project staff and consultants are calculated and paid in accordance with the requirements and rates established by the Tax Code of the Kyrgyz Republic and other applicable legislation of the Kyrgyz Republic.

Project Expenses

Expenditures are recognized when cash payments are made.

Sources of funding

Financing is provided by the International Development Association ("IDA") through an initial advances and subsequent replenishments of the Designated Account.

Other income

Other income comprises interest earned on funds held in the Designated Account.

Other expenses

Other expenses represent amounts of interest income transferred to the Ministry of Finance of the Kyrgyz Republic, as well as bank charges and other banking service fees.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2025 and 2024 are as follows:

	Source of financing	Currency	December 31, 2025	December 31, 2024
Designated account	Grant No. D5700-KG	US dollars	734 828	285 576
Designated account	Credit No. 6558-KG	US dollars	644 883	-
Tender account	-	US dollars	2 221	-
Interest account	-	US dollars	13 558	13 275
Total			**1 395 490**	**298 851**

(Amounts in tables are presented in US dollars)

5. FUNDS RECEIVED

The funds received were provided through the following methods and sources of financing:

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Grant No. D5700-KG			
Initial deposit	-	-	1 200 000
Replenishment of designated account	10 000 000	10 659 251	26 889 346
Total Grant No. 5700-KG	***10 000 000***	***10 659 251***	***28 089 346***
Credit No. 6558-KG			
Initial deposit	1 200 000	-	1 200 000
Replenishment of designated account	475 606	-	475 606
Total Credit No. 6558-KG	***1 675 606***	***-***	***1 675 606***
Local government contributions	131 837	1 382 014	1 513 852
Total Contributions of Local Government	***131 837***	***1 382 014***	***1 513 852***
Total	***11 807 443***	***12 041 265***	***31 278 804***

6. OTHER INCOME

Tender revenues represent receipts generated through the Project's procurement procedures (for example, forfeited bid securities from bidders or other receipts provided for under the procurement procedures).

Other income of the Project is presented as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Tender revenues	3 950	-	3 950
Interest income	16 217	14 520	80 663
Total	**20 167**	**14 520**	**84 613**

(Amounts in tables are presented in US dollars)

7. EXPENSES

The project expenses by major categories are presented in the Statement of Funds Received and Expenditures Paid. The Project Expenses by parts are presented in the statement of expenditures paid by project parts. Breakdown of Project expenses by sources of financing, sub-categories and nature is presented as follows:

	For the year ended December 31, 2025				For the year ended December 31, 2024				Cumulative			
	Grant No. D5700-KG	Credit No. 6558-KG	Local government contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	Local government contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	Local government contributions	Total
(1) Goods, works, non-consulting services and consulting services; Training and Operating Expenses for parts 1, 2(a, c), 3, 4(a) and 5 of the Project												
Goods	1 475 488	244 139	-	1 719 627	1 337 633	-	-	1 337 633	3 100 562	244 139	-	3 344 701
Total	**1 475 488**	**244 139**	**-**	**1 719 627**	**1 337 633**	**-**	**-**	**1 337 633**	**3 100 562**	**244 139**	**-**	**3 344 701**
Consulting services												
Local and international consultants	415 768	95 818	-	511 586	958 358	-	-	958 358	2 622 476	95 818	-	2 718 294
Total	**415 768**	**95 818**	**-**	**511 586**	**958 358**	**-**	**-**	**958 358**	**2 622 476**	**95 818**	**-**	**2 718 294**
Training												
Training expenses	95 745	307	-	96 052	12 599	-	-	12 599	238 018	307	-	238 325
Total	**95 745**	**307**	**-**	**96 052**	**12 599**	**-**	**-**	**12 599**	**238 018**	**307**	**-**	**238 325**
Operating expenses												
Payroll and related taxes	368 729	-	-	368 729	282 034	-	-	282 034	1 238 491	-	-	1 238 491
Travel expenses	17 158	456	-	17 614	27 413	-	-	27 413	75 939	456	-	76 395
Maintenance of motor vehicle and fuel	6 513	1 162	-	7 675	3 697	-	-	3 697	25 295	1 162	-	26 457
Office rent, repair and maintenance	8 065	1 197	-	9 262	10 009	-	-	10 009	65 076	1 197	-	66 273

(Amounts in tables are presented in US dollars)

	For the year ended December 31, 2025				For the year ended December 31, 2024				Cumulative			
	Grant No. D5700-KG	**Credit No. 6558-KG**	**Local government contributions**	**Total**	**Grant No. D5700-KG**	**Credit No. 6558-KG**	**Local government contributions**	**Total**	**Grant No. D5700-KG**	**Credit No. 6558-KG**	**Local government contributions**	**Total**
Stationery	296	-	-	296	1 335	-	-	1 335	6 527	-	-	6 527
Communication expenses	1 691	318	-	2 009	1 275	-	-	1 275	7 094	318	-	7 412
Information services	1 531	474	-	2 005	2 378	-	-	2 378	9 555	474	-	10 029
Office equipment and its maintenance	790	-	-	790	899	-	-	899	6 283	-	-	6 283
Utilities	1 062	-	-	1 062	792	-	-	792	3 514	-	-	3 514
Other	2 899	22	-	2 921	936	-	-	936	5 397	22	-	5 419
Total	**408 734**	**3 629**		**412 363**	**330 768**	**-**		**330 768**	**1 443 171**	**3 629**	**-**	**1 446 800**
Services and support for the Agribusiness Competitiveness Center												
Administrative expenses of the Agribusiness Competitiveness Center	124 386	-	-	124 386	131 202	-	-	131 202	570 060	-	-	570 060
Total	**124 386**	**-**	**-**	**124 386**	**131 202**	**-**	**-**	**131 202**	**570 060**	**-**	**-**	**570 060**
Works												
Construction work	2 511 597	-	-	2 511 597	3 489 074	-	-	3 489 074	8 635 163	-	-	8 635 163
Total	**2 511 597**			**2 511 597**	**3 489 074**	**-**		**3 489 074**	**8 635 163**	**-**	**-**	**8 635 163**
Total (1)	**5 031 718**	**343 893**	**-**	**5 375 611**	**6 259 634**	**-**	**-**	**6 259 634**	**16 609 450**	**343 893**	**-**	**16 953 343**

(2) Goods, works, non-consulting and consulting services, training for targeted investment sub-projects under Part 2 (b) of the Project

Goods	4 033 470	651 582	-	4 685 052	3 732 513	-	-	3 732 513	8 600 518	651 582	-	9 252 100
Total	**4 033 470**	**651 582**	**-**	**4 685 052**	**3 732 513**	**-**	**-**	**3 732 513**	**8 600 518**	**651 582**	**-**	**9 252 100**

(Amounts in tables are presented in US dollars)

	For the year ended December 31, 2025				For the year ended December 31, 2024				Cumulative			
	Grant No. D5700-KG	Credit No. 6558-KG	Local government contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	Local government contributions	Total	Grant No. D5700-KG	Credit No. 6558-KG	Local government contributions	Total
Consulting services												
Local and international consultants	93 727	35 248	-	128 975	105 147	-	-	105 147	235 243	35 248	-	270 491
Total	**93 727**	**35 248**	**-**	**128 975**	**105 147**		**-**	**105 147**	**235 243**	**35 248**	**-**	**270 491**
Training												
Training expenses	-	-	-	-	969	-	-	969	969	-	-	969
Total	**-**	**-**	**-**	**-**	**969**	**-**	**-**	**969**	**969**	**-**	**-**	**969**
Works												
Construction work	-	-	-	-	17 866	-	-	17 866	170 221	-	-	170 221
Total	**-**	**-**	**-**	**-**	**17 866**	**-**	**-**	**17 866**	**170 221**	**-**	**-**	**170 221**
Total (2)	**4 127 197**	**686 830**	**-**	**4 814 027**	**3 856 495**	**-**	**-**	**3 856 495**	**9 006 951**	**686 830**	**-**	**9 693 781**
(3) Small grants under Part 4(b) of the Project												
Small Grants	393 562	-	131 837	525 399	1 346 285	-	1 382 014	2 728 299	**1 739 846**	-	**1 513 852**	**3 253 698**
Total (3)	**393 562**	**-**	**131 837**	**525 399**	**1 346 285**	**-**	**1 382 014**	**2 728 299**	**1 739 846**	**-**	**1 513 852**	**3 253 698**
Total expenses	**9 552 477**	**1 030 723**	**131 837**	**10 715 037**	**11 462 414**	**-**	**1 382 014**	**12 844 428**	**27 356 247**	**1 030 723**	**1 513 852**	**29 900 822**

(Amounts in tables are presented in US dollars)

8. OTHER EXPENSES

Other expenses are presented as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024	Cumulative
Transfer of accrued interest income to the Ministry of Finance of the Kyrgyz Republic	13 275	14 715	62 617
Bank services	2 659	1 245	4 488
Total	**15 934**	**15 960**	**67 105**

9. STATEMENT OF FINANCIAL POSITION

The financial position as of December 31, 2025 and 2024 is as follows:

	December 31 2025	December 31 2024
ASSETS AND EXPENDITURES		
Cash and cash equivalents	1 395 490	298 851
Cumulative expenses	29 900 822	19 185 784
Other expenses	67 105	51 171
TOTAL ASSETS AND EXPENDITURES	**31 363 417**	**19 535 806**
FINANCING		
Funds received	31 278 804	19 471 360
Other income	84 613	64 446
TOTAL FINANCING	**31 363 417**	**19 535 806**

10. WITHDRAWAL APPLICATIONS

Applications for the year ended December 31, 2025 are as follows:

Sources of financing	Application	Date	Initial deposit	Replenishment of designated account	Total
IDA Grant No. D5700-KG					
	DA-A 40	03.01.2025	-	809 405	809 405
	DA-A 41	20.02.2025	-	534 911	534 911
	DA-A 43	14.03.2025	-	384 739	384 739
	DA-A 44	14.04.2025	-	583 725	583 725
	DA-A 45	01.05.2025	-	977 652	977 652
	DA-A 46	20.05.2025	-	881 517	881 517
	DA-A 47	29.05.2025	-	271 523	271 523
	DA-A 48	30.06.2025	-	564 039	564 039
	DA-A 49	10.07.2025	-	619 919	619 919
	DA-A 50	13.08.2025	-	807 552	807 552
	DA-A 51	10.09.2025	-	541 483	541 483
	DA-A 52	23.09.2025	-	344 019	344 019
	DA-A 53	08.10.2025	-	373 086	373 086
	DA-A 54	03.11.2025	-	462 594	462 594
	DA-A 55	17.11.2025	-	516 369	516 369
	DA-A 56	01.12.2025	-	1 141 768	1 141 768
	DA-A 57	09.12.2025	-	185 699	185 699
Total				**10 000 000**	**10 000 000**

(Amounts in tables are presented in US dollars)

Sources of financing	Application	Date	Initial deposit	Replenishment of designated account	Total
IDA Credit No. 6558-KG					
	DA-A 1	01.12.2025	1 200 000	-	1 200 000
	DA-A 2	22.12.2025	-	475 606	475 606
Total			**1 200 000**	**475 606**	**1 675 606**

Application DA-A42, dated 12 March 2025, for the sum of 38 473 902 US Dollars, has been removed from the list of applications.

Applications for the year ended December 31, 2024 are as follows:

Sources of financing	Application	Date	Initial deposit	Replenishment of designated account	Total
IDA Grant No. D5700-KG					
	DA-A 20	13.03.2024	-	627 020	627 020
	DA-A 21	09.04.2024	-	499 995	499 995
	DA-A 22	13.05.2024	-	936 470	936 470
	DA-A 23	23.05.2024	-	406 916	406 916
	DA-A 24	03.06.2024	-	596 010	596 010
	DA-A 25	11.06.2024	-	441 321	441 321
	DA-A 26	28.06.2024	-	433 954	433 954
	DA-A 27	19.07.2024	-	876 854	876 854
	DA-A 28	25.07.2024	-	251 840	251 840
	DA-A 29	15.08.2024	-	534 579	534 579
	DA-A 30	26.08.2024	-	349 158	349 158
	DA-A 31	28.08.2024	-	374 435	374 435
	DA-A 32	23.09.2024	-	701 716	701 716
	DA-A 33	22.10.2024	-	681 969	681 969
	DA-A 34	06.11.2024	-	569 758	569 758
	DA-A 35	27.11.2024	-	673 217	673 217
	DA-A 36	02.12.2024	-	378 951	378 951
	DA-A 37	11.12.2024	-	360 481	360 481
	DA-A 38	19.12.2024	-	498 957	498 957
	DA-A 39	23.12.2024	-	465 650	465 650
IDA Credit No. 6558-KG			-	-	-
Total			**-**	**10 659 251**	**10 659 251**

(Amounts in tables are presented in US dollars)

11. STATEMENT OF DESIGNATED ACCOUNT

Statement of designated account for the years ended December 31, 2025 and 2024 is as follows:

Source of financing	**Grant No. D5700-KG**	**Credit No. 6558-KG**
Bank		OJSC "Eldik Bank"
Bank account	1299003250032307	1299003250032408
Currency	US dollars	US dollars
Balance as of December 31, 2023	**1 088 739**	**-**
Initial advance	-	-
Funds received	10 659 251	-
Total funds received	**10 659 251**	**-**
Expenses paid	869 264	-
Transfer to transit account	10 593 150	-
Balance as of December 31, 2024	**285 576**	**-**
Initial advance	-	1 200 000
Funds received	10 000 000	475 606
Total funds received	**10 000 000**	**1 675 606**
Expenses paid	352 697	22
Transfer to transit account	9 198 051	1 030 701
Balance as of December 31, 2025	**734 828**	**644 883**

Location of the servicing bank: Kyrgyz Republic, Bishkek, Moskovskaya St., 80/1.

12. UNRECEIVED FUNDS

Undrawn funds as at December 31, 2025 are presented as follows:

	Grant No. D5700-KG *in SDR*	**Credit No. 6558-KG** *in SDR*
Approved amount of financing	21 800 000	21 800 000
Disbursed during the period December 7, 2020 to December 31, 2025.	20 959 917	1 446 219
Undrawn amount as at December 31, 2025	**840 083**	**20 353 781**
Funding received as at January 1, 2025	13 567 845	-
Received in 2025	7 392 072	1 446 219
Financing received as at December 31, 2025	**20 959 917**	**1 446 219**

Undrawn funds as at December 31, 2024 are as follows:

	Grant No. D5700-KG *in SDR*	**Credit No. 6558-KG** *in SDR*
Approved amount of financing	21 800 000	21 800 000
Disbursed during the period December 7, 2020 to December 31, 2024.	13 567 845	-
Undrawn amount as at December 31, 2024	**8 232 155**	**21 800 000**
Funding received as of January 1, 2024	5 526 115	-
Received in 2024	8 041 730	-
Financing received as of December 31, 2024	**13 567 845**	**-**

(Amounts in tables are presented in US dollars)

13. COMMITMENTS

In the normal course of activities, the Project concludes agreements with suppliers of goods and services in accordance with the established budget and procurement plan.

Commitments under contracts in effect as of December 31, 2025 are as follows:

Counterparty	Contract No.	Contract amount (in local currency)	Contract currency	Paid by December 31, 2025 (in foreign currency)	Remaining amount to be paid (in foreign currency)
Kub Kurulush LLC	IDA-REDP-W-RFQ-2021-2	10 397 884	Kyrgyz som	114 085	2 930
Consortium of USTA OJSC and Baldy Ata LLC	IDA-REDP-W-DC-2024-2/ad1	14 239 599	Kyrgyz som	156 809	8 253
Amantur Stroy Service LLC	IDA-REDP-W-DC-2024-3	22 626 946	Kyrgyz som	194 527	10 238
Amantur Stroy Service LLC	IDA-REDP-W-RFB-2022-11/1/ad1	96 246 763	Kyrgyz som	1 041 318	54 789
Consortium of Alikhan Stroy LLC and Rigel LLC	IDA-REDP-W-RFB-2023-2/ad2	90 405 688	Kyrgyz som	983 504	51 685
Consortium of USTA OJSC and Baldy Ata LLC	IDA-REDP-W-RFB-2023-3	20 819 772	Kyrgyz som	224 395	11 810
Yasin Kurulush LLC	IDA-REDP-W-RFB-2023-4/ad2	107 904 710	Kyrgyz som	971 661	51 243
ArchStroy Engineering LLC	IDA-REDP-W-RFB-2024-1	6 728 450	Kyrgyz som	76 239	2 004
AIST-STROY LLC	IDA-REDP-W-RFB-2025-1/ad1	32 373 930	Kyrgyz som	161 442	8 497
Consortium of Artskvazhina LLC and USTA OJSC	IDA-REDP-WORKS-RFB-2023-10	14 813 245	Kyrgyz som	157 624	3 802
Consortium of Onix Stroy LLC and Monolit Stroy LLC	IDA-REDP-WORKS-RFB-2023-11/ad1	14 374 707	Kyrgyz som	157 954	4 051
SK Grand Royal LLC	IDA-REDP-WORKS-RFB-2023-6/ad1	25 232 310	Kyrgyz som	281 876	14 836
Consortium of Osh Road LLC and Remstroy Most LLC	IDA-REDP-WORKS-RFB-2023-8-RT1/ad2	96 294 365	Kyrgyz som	1 063 961	56 269
Consortium of Ak-Bata OJSC and Iveria LLC	IDA-REDP-WORKS-RFB-2023-9/ad2	223 657 297	Kyrgyz som	2 469 846	129 843

Contractual obligations are presented in the currency of the relevant contracts.

14. LEGAL CASES

During the reporting period, there were no lawsuits, arbitrations, or other claims related to the Project's activities. As of the reporting date, the Project was not a party to any legal proceedings.

(Amounts in tables are presented in US dollars)

15. EVENTS AFTER THE REPORTING DATE

During 2026, up to the date of issue of these Project financial statements, IDA provided funding to the Project as follows:

Source of financing	Application	Date	Replenishment of designated account	Total
IDA Credit No. 6558-KG				
	DA-A 3	30.12.2025	297 928	297 928
	DA-A 4	15.01.2026	257 188	257 188
	DA-A 5	27.01.2026	392 674	392 674
	DA-A 6	16.03.2026	392 932	392 932
	DA-A 7	10.06.2026	429 688	429 688
	DA-A 8	16.06.2026	302 281	302 281
Total			**2 072 691**	**2 072 691**

The funds under withdrawal application DA-A 3 dated December 30, 2025, in the amount of USD 297,928 were received in January 2026.

As of the date of issue of these Project financial statements, no other material events or transactions have occurred that require disclosure in the Project financial statements other than the events described above.

On behalf of the Management:

Zhumadylov K.A. Executive Director of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic

Yusupova R.T.
Acting Financial Manager of ARIS

June 29, 2026 Bishkek, Kyrgyz Republic