

**"Central Asia South Asia Electricity
Transmission and Trade
(CASA-1000) project"
IDA Credit No. 5438-KG,
IDA Grant No. H942-KG,
EIB Credit FI No. 84.762,
EIB Credit FI No. 98.814,
IDB Loan No. 2-KYR-0051,
IDA Credit No. 7482-KG,
IDB Loan No. KGZ-1032**

**The project financial statements
For the year ended December 31, 2025
and independent auditor's report**

"CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT" IDA CREDIT NO. 5438-KG, IDA GRANT NO. H942-KG, EIB CREDIT FI NO. 84.762, EIB CREDIT FI NO. 98.814, IDB LOAN NO. 2-KYR-0051, IDA CREDIT NO. 7482-KG, IDB LOAN NO. KGZ-1032

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"CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT"
IDA CREDIT NO. 5438-KG, IDA GRANT NO. H942-KG, EIB CREDIT FI NO. 84.762, EIB CREDIT FI NO. 98.814, IDB LOAN NO. 2-KYR-0051, IDA CREDIT NO. 7482-KG, IDB LOAN NO. KGZ-1032

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025

The following statement, which should be read in conjunction with the independent auditor's responsibilities is made with a view to distinguish the respective responsibilities of management and those of the independent auditor in relation to the project financial statements of the "Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project" (the "Project"), financing in accordance with the Financing agreement between the Kyrgyz Republic and International Development Association Credit No. 5438-KG, Grant No. H942-KG and Credit No. 7482-KG, the Financing agreement between the Kyrgyz Republic and European Investment Bank Credit EIB FI No. 84.762 and EIB FI No. 98.814 and the Loan agreement between the Kyrgyz Republic and Islamic Development Bank Credit No. 2-KYR-0051 and Credit No. KGZ-1032.

Management of the Project is responsible for the preparation of the project financial statements that present fairly, in all material respects, the summary of funds received and expenditures paid and the summary of expenditures paid by parts of the Project for the year ended December 31, 2025 in accordance with International Public Sector Accounting Standard "Financial Reporting Under the Cash Basis of Accounting" (the "IPSAS") issued by the International Public 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").

In preparing the project financial statements, management is responsible for:

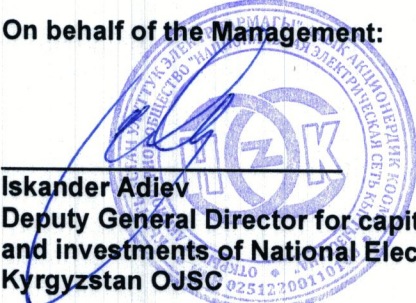
- selecting suitable accounting policies and applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- stating whether IPSAS and WB Guidelines have been followed, subject to any material departures disclosed and explained in the project financial statements; and
- preparing the project financial statements on the assumption that the Project will be implemented in accordance with the established period.

Management of the Project is also responsible for:

- designing, implementing and maintaining effective and sound system of internal control and identifying risks in the system of internal control;
- maintaining proper accounting records that disclose, with reasonable accuracy at any time, the Project financial position, and which enable them to ensure that the financial statements of the Project comply with IPSAS and WB Guidelines;
- compliance with laws and regulations of the Kyrgyz Republic, and the requirements of the operational manual of the Project and the requirements of the World Bank;
- taking such steps as are reasonably available to them to safeguard the assets of the Project; and
- detecting and preventing fraud, error and other irregularities.

The project financial statements for the year ended December 31, 2025 were approved and authorized for issue on June 19, 2026 by the management of the Project.

On behalf of the Management:


Iskander Adiev
Deputy General Director for capital construction and investments of National Electric Grid of Kyrgyzstan OJSC

June 19, 2026
Bishkek, the Kyrgyz Republic


Kubanychbek Maatkalymov
Finance Manager of the "Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project"

June 19, 2026
Bishkek, the Kyrgyz Republic

INDEPENDENT AUDITOR'S REPORT

To the management of the Project "Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project" under National Electric Grid of Kyrgyzstan OJSC as Project executive agency.

Report on the project financial statements

Opinion

We have audited the accompanying project financial statements of the "Central Asia South Asia Electricity Transmission and Trade (CASA-1000) 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 a summary of significant accounting policies and other explanatory information (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 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 project financial statements section of our report. We are independent of the Project in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the project financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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 Financing and Loan agreements requirements. These circumstances do not lead to modification of the auditor's opinion.

Other matter

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 project financial statements

Management is responsible for the preparation and fair presentation of these project 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 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 the project financial statements that are free from material misstatement, whether due to fraud or error.

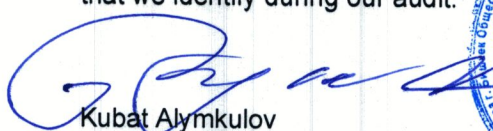
Auditor's responsibilities for the audit of the project financial statements

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 project 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 project 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 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 project 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 Project to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the project financial statements, including the disclosures, and whether the project financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Kubat Aymkulov



Umet Daltbaev

Certified accountant, FCCA
Individual Auditor Registration Number No. 11152
dated November 16, 2023.

Individual Auditor Registration Number No. 18167
dated December 26, 2023.

Registered in the Unified State Register of
Auditors, Audit Organizations, Professional Audit
Associations.
Audit Partner,
Director of Baker Tilly Bishkek LLC

Registered in the Unified State Register of Auditors,
Audit Organizations, Professional Audit
Associations.
Audit Partner

Baker Tilly Bishkek LLC is registered in the "Register of audit organizations admitted to audit of public interest entities, large business entities" of the Unified State Register of Auditors, Audit Organizations, Professional Audit Associations.

Individual registration number 2101510 dated August 9, 2023.

June 19, 2026
Bishkek, the Kyrgyz Republic

“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT NO. 5438-KG, IDA GRANT NO. H942-KG, EIB CREDIT FI NO. 84.762, EIB CREDIT FI NO. 98.814,
IDB LOAN NO. 2-KYR-0051, IDA CREDIT NO. 7482-KG, IDB LOAN NO. KGZ-1032

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

	Notes	For the year ended December 31, 2025	Actual For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Budget For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Variance For the year ended December 31, 2024	Cumulative
Opening balance	4	368	368	-	-	-	-	-	-	-
Funds received										
IDA Credit No. 5438-KG										
Direct payments	5	-	5,199	34,068,342	-	-	-	-	-	-
IDA Grant No. H942-KG										
Direct payments	5	-	-	6,077,138	-	-	-	-	-	-
EIB Credit FI No.84.762										
Tranches	5	-	-	77,380,000	-	-	-	-	-	-
IDB Loan No. 2-KYR-0051										
Direct payments	5	-	-	45,950,199	-	-	-	-	-	-
IDA Credit 7482-KG										
Direct payments		8,247,077	7,052,623	15,299,700	-	-	-	-	-	-
IDB Loan KGZ-1032										
Direct payments		-	12,530,692	12,530,692	-	-	-	-	-	-
EIB Credit FI No.98.814										
Tranches		7,178,480	-	7,178,480	-	-	-	-	-	-
Total funds received		15,425,557	19,588,514	198,484,551	-	-	-	-	-	-

“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
IDA CREDIT NO. 5438-KG, IDA GRANT NO. H942-KG, EIB CREDIT FI NO. 84.762, EIB CREDIT FI NO. 98.814,
IDB LOAN NO. 2-KYR-0051, IDA CREDIT NO. 7482-KG, IDB LOAN NO. KGZ-1032

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID FOR THE YEAR ENDED DECEMBER 31, 2025 (CONTINUED)

(in US dollars)

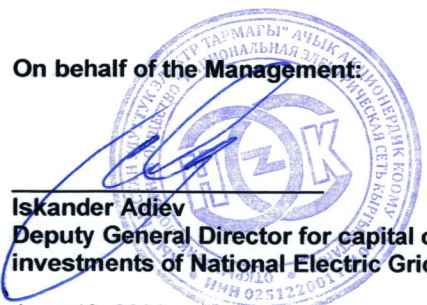
	Notes	For the year ended December 31, 2025	Actual For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Budget For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Variance For the year ended December 31, 2024	Cumulative
Expenses										
<i>IDA Credit No. 5438-KG</i>										
Local transportation,										
insurance and other incidental services	6	-	5,199	10,711,728	-	5,199	10,711,727	-	-	(1)
Installation including commissioning training	6	-	-	23,356,614	-	-	23,355,960	-	-	(654)
<i>IDA Grant No. H942-KG</i>										
Local transportation,										
insurance and other incidental services	6	-	-	1,810,595	-	-	1,810,595	-	-	-
Installation including commissioning training	6	-	-	4,266,542	-	-	4,267,197	-	-	655
<i>EIB Credit FI No. 84.762</i>										
Plant and Equipment										
to be supplied from abroad	6	-	-	71,657,241	-	-	71,657,241	-	-	-
Installation including commissioning training	6	-	-	4,642,139	-	-	4,642,139	-	-	-
Local transportation,										
insurance and other incidental services	6	-	-	1,080,253	-	-	1,080,253	-	-	-
<i>IDB Loan No. 2-KYR-0051</i>										
Plant and Equipment										
to be supplied from abroad	6	-	-	34,950,053	-	-	34,950,053	-	-	-
Local transportation,										
insurance and other incidental services	6	-	-	3,151,100	-	-	3,151,100	-	-	-
Installation including commissioning training	6	-	-	7,394,058	-	-	7,394,058	-	-	-
Type test charges	6	-	-	454,988	-	-	454,988	-	-	-
<i>IDA Loan No. 7482-KG</i>										
Installation including commissioning training	6	-	3,470,545	3,470,545	-	3,470,545	3,470,545	-	-	-
Plant and Equipment										
to be supplied from abroad	6	4,123,538	3,401,553	7,525,091	4,123,538	3,401,553	7,525,091	-	-	-
Local transportation, insurance and other										
incidental services	6	4,123,539	180,525	4,304,064	4,123,539	180,525	4,304,064	-	-	-

"CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT"
IDA CREDIT NO. 5438-KG, IDA GRANT NO. H942-KG, EIB CREDIT FI NO. 84.762, EIB CREDIT FI NO. 98.814,
IDB LOAN NO. 2-KYR-0051, IDA CREDIT NO. 7482-KG, IDB LOAN NO. KGZ-1032

SUMMARY OF FUNDS RECEIVED AND EXPENDITURES PAID FOR THE YEAR ENDED DECEMBER 31, 2025 (CONTINUED)
(in US dollars)

	Notes	For the year ended December 31, 2025	Actual For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Budget For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Variance For the year ended December 31, 2024	Cumulative
<i>IDB Loan No. KGZ-1032</i>										
Installation including commissioning training	6	-	7,693,014	7,693,014	-	7,693,014	7,693,014	-	-	-
Plant and Equipment										
to be supplied from abroad	6	-	3,810,046	3,810,046	-	3,810,046	3,810,046	-	-	-
Local transportation, insurance and other										
incidental services	6	-	1,027,632	1,027,632	-	1,027,632	1,027,632	-	-	-
Total expenses		8,247,077	19,588,514	191,305,703	8,247,077	19,588,514	191,305,703	-	-	-
Closing balance	4	7,178,848	368	7,178,848	-	-	-	-	-	-

On behalf of the Management:


Iskander Adiev
Deputy General Director for capital construction and
investments of National Electric Grid of Kyrgyzstan OJSC

June 19, 2026
Bishkek, the Kyrgyz Republic


Kubanychbek Maatkalymov
Finance Manager of the "Central Asia South Asia
Electricity Transmission and Trade (CASA-1000) project"

June 19, 2026
Bishkek, the Kyrgyz Republic

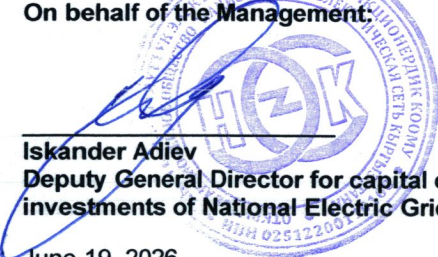
The notes on pages 9-16 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
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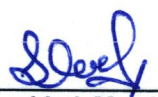
SUMMARY OF EXPENDITURES PAID BY PROJECT PARTS FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

	For the year ended December 31, 2025	Actual For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Budget For the year ended December 31, 2024	Cumulative	For the year ended December 31, 2025	Variance For the year ended December 31, 2024	Cumulative
Part A. Construction of High Voltage Transmission Infrastructure 3. High-voltage AC transmission interconnection between Kyrgyzstan and Tajikistan	8,247,077	19,588,514	191,305,703	8,247,077	19,588,514	191,305,703	-	-	-
Total expenditures	8,247,077	19,588,514	191,305,703	8,247,077	19,588,514	191,305,703	-	-	-

On behalf of the Management:


Iskander Adiev
Deputy General Director for capital construction and
investments of National Electric Grid of Kyrgyzstan OJSC

June 19, 2026
Bishkek, the Kyrgyz Republic


Kubanychbek Maatkalymov
Finance Manager of the "Central Asia South Asia
Electricity Transmission and Trade (CASA-1000) project"

June 19, 2026
Bishkek, the Kyrgyz Republic

The notes on pages 9-16 form an integral part of the project financial statements. The independent auditor's report is on pages 3-4.

**“CENTRAL ASIA SOUTH ASIA ELECTRICITY TRANSMISSION AND TRADE (CASA-1000) PROJECT”
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98.814, IDB LOAN NO. 2-KYR-0051, IDA CREDIT NO. 7482-KG, IDB LOAN NO. KGZ-1032**

NOTES TO THE PROJECT FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025
(in US dollars)

1. GENERAL INFORMATION

The implementation of the Project “Central Asia South Asia Electricity Transmission and Trade (CASA-1000) project” (the “Project”) is carried out according to the following concluded Agreements on the provision of financing:

Financing Agreement of Project dated April 24, 2015 between the Kyrgyz Republic and the International Development Association (the “IDA”) on the provision of Grant No. H942-KG in the amount of 4,400,000 Special Drawing Rights (the “SDR”) and on the provision of Credit No. 5438-KG on the amount of 25,000,000 SDR. According to the letter from the World Bank dated January 16, 2019 the Project received the notification from the IDA on extending the Closing date of the Grant and the Credit. According to the letter from the World Bank dated March 31, 2023 the Project received a notification from the IDA on extending the Closing date of the Grant and the Credit until March 31, 2025.

Financing Agreement FI No. 84.762 dated September 23, 2015 between the Kyrgyz Republic and the European Investment Bank (the “EIB”) in the amount of 70,000,000 Euro (the “EUR”). According to the letter from the EIB dated June 20, 2019 the Project received a notification on extending the Closing date of the Project until December 31, 2021. According to the letter from the EIB dated March 18, 2022 the Project received a notification on extending the Closing date of the Credit until December 2, 2024.

Financing Agreement FI No. 98.814 dated May 12, 2025 between the Kyrgyz Republic and the European Investment Bank (the “EIB”) in the amount of 9,000,000 Euro (the “EUR”) until May 12, 2027.

On April 21, 2024 the loan agreement No. KGZ-1032 was signed between the Kyrgyz Republic and the Islamic Development Bank (the “IDB”) in the amount 10,000,000 Islamic Dinars (the “ID”). The Loan is valid until April 21, 2026.

According to a letter from the World Bank dated March 25, 2025 the World Bank has sent a notification extending the closure date for IDA Credit No. 7482-KG to December 31, 2028.

Project purpose

The objective of the Project is to create the conditions for sustainable electricity trade between the Central Asian countries of Tajikistan and Kyrgyzstan and the South Asian countries of Afghanistan and Pakistan.

The Project consists of the following parts, of which that portion of Part A.3 within the territory of the Recipient may be financed pursuant to this Agreement:

Part A “Construction of High Voltage Transmission Infrastructure”

- 1. High Voltage DC Transmission Line.** Construction of about 750 km of 500 kV high voltage DC overhead transmission line to interconnect the electricity network of Tajikistan, from the Sangtuda converter station, to the Pakistan network, at the Peshawar converter station, and the Afghanistan network at the Kabul converter station.
- 2. High Voltage DC Converter Stations.** Engineering design, construction, and commissioning of three high voltage DC converter stations:
 - I. Sangtuda converter station (1,300 MW) in Tajikistan;
 - II. Kabul converter station (300 MW) in Afghanistan; and
 - III. Peshawar converter station (1,300 MW) in Pakistan, including specialized AC and DC equipment.

3. **High Voltage AC Transmission Interconnection between Kyrgyzstan and Tajikistan.** Construction of about 475 km of 500 kV high voltage AC overhead transmission line to interconnect the electricity network of Kyrgyzstan, from Datka substation, to the Tajikistan network at the Khujand substation, along with associated substation equipment.
4. **Tajikistan Grid Reinforcement.** Reinforcements, including construction of 500 kV line from Regar substation to Sangtuda converter station and other parts of the network necessary to ensure transfer of Tajikistan and Kyrgyz export power to Sangtuda.

Part B "Technical Assistance and Project Implementation Support"

1. **High Voltage DC and High Voltage AC Owner's Engineers.** Provision of consultancy services of two owner's engineers for the high voltage DC and high voltage AC portions of the Project, including for third-party monitoring and supervision during construction.
2. **Environment and Social Management Support.** Strengthening of the Project Implementing Entities capacity to develop and supervise environmental and social safeguards documents, including country-specific Environmental and Social Impact Assessments and Resettlement Action Plans.
3. **Audits and Financial and Revenue Management.** Carrying out of annual audits of the Project accounts in the four Participating Countries and of entity audits of the Project Implementing Entities where such audits are not financed from other sources, and supporting transparent financial management of revenues generated by the Project, including the implementation of a financial management improvement program.
4. **Project Management Support.** Provision of:
 - I. Project management support to Project Implementing Entities, including procurement and contract management, financial management, monitoring and evaluation of Project performance and results as well as Incremental Operating Costs;
 - II. training and capacity building focusing on High Voltage DC operations and maintenance, power dispatch; and
 - III. commercial and legal advisory services on the commercial transactions.
5. **Coordination.** Strengthening of the Inter-Governmental Council through financing of technical, commercial and legal services and Incremental Operating Costs.
6. **Project Communications.** Carrying out of communications campaign and information-sharing activities directed at relevant stakeholders, particularly communities, within the Project area.
7. **Capacity building.** Building capacity of personnel of the Project Implementing Entities and relevant government officials in order to develop a regional electricity market.

Part C "Community Support Program"

Carrying out the Community Support Program for the benefit of the communities living in the area of the Project.

Project implementation

Project management is carried out based on the General Agreement of the Intergovernmental Council, the Agreement on the purchase of electricity, Credit agreements with donor organizations, Debt obligations with the Ministry of Finance of the Kyrgyz Republic, the Secretariat of the Project, and in accordance with Decrees and Orders of the Government of the Kyrgyz Republic. The Project is implemented by National Electric Grid of Kyrgyzstan OJSC (the "NEGK").

2. PRESENTATION OF THE PROJECT FINANCIAL STATEMENTS

Basis of preparation

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

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

These project financial statements consist of:

- Summary of funds received and expenditures paid;
- Summary of expenditures paid by project parts;
- Notes to the project financial statements, including short description of main statements of accounting policy and other descriptive notes.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash basis of accounting

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

Foreign currency

Operations in foreign currency are initially recorded in the functional currency at the official exchange rate of the servicing commercial bank in effect on a date of the operations.

All payments made in local currency are translated into US dollars at the official exchange rate defined by serving commercial bank at the date of transaction.

All exchange differences arising from the redemption or revaluation of monetary items are included in the summary of funds received and expenditures paid.

Cash and cash equivalents

Cash and cash equivalents include cash due from banks, which can be converted to the corresponding amount of cash in the short term.

Taxes

The calculation and payment of income tax on income of local employees and consultants, as well as insurance contributions to the Social fund of the Kyrgyz Republic, is made in accordance with the requirements and rates set forth in the Tax Code of the Kyrgyz Republic and relevant legislation of the Kyrgyz Republic.

Project expenses

The expenses are recorded in the period when they were actually paid.

Sources of funds

The funds were provided by the IDA and IDB to the Project by direct payments and by EIB by tranches of loans.

Budget

The project budget is formed on the basis of signed Financing and Loan Agreements with IDA, EIB and IDB and Obligations with Ministry of Finance of the Kyrgyz Republic. Project financing and use of funds is carried out according to these Agreements. Financing and uses of funds of IDA is monitored in real time through the World Bank's secure website "Client Connection" and the electronic procurement planning and monitoring system "STEP". Financing and uses of funds of IDB is monitored in real time through the secure website of the Islamic Development Bank. Financing of the European Investment Bank is carried out in tranches.

The project budget presented in the summary of funds received and expenditures paid and in the summary of expenditures paid by project parts was based on the budget included in the interim financial reports, which was submitted to the World Bank.

4. CASH AND CASH EQUIVALENTS

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

	Source of financing	Currency	December 31, 2025	December 31, 2024
Designated Account	EIB Credit FI No.98.814	US dollar	7,178,480	-
Designated Account	EIB Credit FI No.84.762	US dollar	368	368
			<u>7,178,848</u>	<u>368</u>

On 12 May 2025, the Kyrgyz Republic and the European Investment Bank (the EIB) signed Financing Agreement FI No. 98.814 for an amount of 9,000 thousand EUR, valid until 12 May 2027. As at 31 December 2025, the Project received 6,100 thousand EUR under the aforementioned agreement. The funds received were deposited in a euro current account with Eldik Bank OJSC. For the purposes of preparing the financial statements presented in US dollars, the amounts were translated using the National Bank of the Kyrgyz Republic (NBKR) cross-rate as at December 31, 2025, of 1.1768, in an equivalent of 7,178 thousand US dollars.

5. FUNDS RECEIVED

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

Sources of financing	For the year ended December 31, 2025		For the year ended December 31, 2024		Cumulative	
	Direct payments	Tranches	Direct payments	Direct payments	Tranches	
IDA Credit № 5438-KG	-	-	5,199	34,068,342	-	-
EIB Credit FI № 98.814	-	7,178,480	-	-	7,178,480	-
IDA Grant № H942-KG	-	-	-	6,077,138	-	-
EIB Credit FI № 84.762	-	-	-	-	77,380,000	-
IDB Loan № 2-KYR-0051	-	-	-	45,950,199	-	-
IDA Credit № 7482-KG	8,247,077	-	7,052,623	15,299,700	-	-
IDB Loan № KGZ-1032	-	-	12,530,692	12,530,692	-	-
	<u>8,247,077</u>	<u>7,178,480</u>	<u>19,588,514</u>	<u>113,926,071</u>	<u>84,558,480</u>	

6. PROJECT EXPENSES

Breakdown of Project expenses by categories and sources of financing is presented as follows:

For the year ended December 31, 2025				
	IDA Credit No. 5438-KG	Credit IDA No. 7482-KG	IDB Loan No. KGZ-1032	Total
Works	-	4,123,539	-	4,123,539
Goods	-	4,123,538	-	4,123,538
	-	8,247,077	-	8,247,077

For the year ended December 31, 2024				
	IDA Credit No. 5438-KG	Credit IDA No. 7482-KG	IDB Loan No. KGZ-1032	Total
Goods	5,199	3,651,070	8,720,646	12,376,915
Works	-	3,401,553	3,810,046	7,211,599
	5,199	7,052,623	12,530,692	19,588,514

	Cumulative						
	IDA Credit No. 5438-KG	IDA Grant No. H942-KG	EIB Credit FI No.84.762	IDB Loan No. 2-KYR-0051	Credit IDA No. 7482-KG	IDB Loan No. KGZ-1032	Total
Goods	-	-	71,657,241	34,950,053	7,525,091	3,810,046	117,942,431
Works	34,068,342	6,077,137	5,722,392	11,000,146	7,774,609	8,720,646	73,363,272
	34,068,342	6,077,137	77,379,633	45,950,199	15,299,700	12,530,692	191,305,703

7. FINANCIAL POSITION

Financial position as at December 31, 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
ASSETS AND EXPENSES		
Cash and cash equivalents	7,178,848	368
Cumulative expenses	191,305,703	183,058,626
TOTAL ASSETS AND EXPENSES	198,484,551	183,058,994
FINANCING		
Funds received	198,484,551	183,058,994
TOTAL FINANCING	198,484,551	183,058,994

8. WITHDRAWAL APPLICATIONS

Withdrawal applications for the year ended December 31, 2025 comprise:

IDA Credit No. 7482-KG

Application	Date	Initial deposit	Direct payment	Total
5	February 19, 2025	-	8,247,077	8,247,077
6	September 19, 2025	-	-	-
		-	8,247,077	8,247,077

EIB Credit FI No.98.814

Application	Date	Tranche	Direct payment	Total
1	December 30, 2025	7,178,480	-	7,178,480
		7,178,480	-	7,178,480

The project documented expenditure of 1,978,640 US dollar under Credit No. 7482-KG No. 6 dated September 19, 2025.

9. STATEMENT OF DESIGNATED ACCOUNTS

Statement of designated account for the years ended December 31, 2025 and 2024 comprises:

Source of Financing Bank account number Bank	EIB Credit FI No.84.762 1299004220003510 Eldik Bank OJSC 80/1 Moskovskaya str., Bishkek, the Kyrgyz Republic, 720010 US Dollar	EIB Credit FI No.98.814 1299004220003813 EUR	Total
Bank location			
Account currency			
Closing balance as at December 31, 2023	368	-	368
Replenishment	-	-	-
Total funds received	-	-	-
Expenses paid	-	-	-
Closing balance as at December 31, 2024	368	-	368
Replenishment	-	7,178,480	7,178,480
Closing balance as at December 31, 2025	368	7,178,480	7,178,848

On 12 May 2025, the Kyrgyz Republic and the European Investment Bank (the EIB) signed Financing Agreement FI No. 98.814 for an amount of 9,000 thousand EUR, valid until 12 May 2027. As at 31 December 2025, the Project received 6,100 thousand EUR under the aforementioned agreement. The funds received were deposited in a euro current account with Eldik Bank OJSC. For the purposes of preparing the financial statements presented in US dollars, the amounts were translated using the National Bank of the Kyrgyz Republic (NBKR) cross-rate as at December 31, 2025, of 1.1768 in an equivalent of 7,178 thousand US dollars.

10. UNDRAWN FUNDS

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

	EIB Credit FI No.98.814 <i>in EUR</i>	IDA Credit No. 5438-KG <i>in SDR</i>	IDA Grant No. H942-KG <i>in SDR</i>	EIB Credit FI No.84.762 <i>in EUR</i>	IDB Loan No. 2-KYR-0051 <i>in ID</i>	Credit IDA No. 7482-KG <i>in US dollar</i>	IDB Loan No. KGZ-1032 <i>in ID</i>
Approved financing amount	9,000,000	25,000,000	4,400,000	70,000,000	33,300,601	15,300,000	10,000,000
Reallocation to financing Component B	-	-	-	-	-	*300	-
Disbursed from January 29, 2018 to December 31, 2025	<u>6,100,000</u>	<u>24,999,502</u>	<u>4,399,851</u>	<u>70,000,000</u>	<u>33,300,601</u>	<u>15,299,700</u>	<u>9,539,271</u>
Undrawn amount as at December 31, 2025	<u>2,900,000</u>	<u>498</u>	<u>149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>460,729</u>

Under the Financing Agreement with the International Development Association, a total of 18,300,000 US dollars was provided to finance the project "Additional Financing for the Central Asia South Asia Electricity Transmission and Trade (CASA-1000) Project", including 15,300,000 US dollars for civil works under Component A and 3,000,000 US dollars for technical assistance under Component B.

A payment in the amount of 15,299,700 US dollars was made to the project contractor, Mitas Energy and Metal Construction Inc. The remaining balance under Component A amounted to 300 US dollars. Given the insignificant size of the remaining funds, which would not have allowed for a subsequent withdrawal, the amount of 300 US dollars was reallocated to finance Component B.

	EIB Credit FI No.98.814 <i>in EUR</i>	IDA Credit No. 5438-KG <i>in SDR</i>	IDA Grant No. H942-KG <i>in SDR</i>	EIB Credit FI No.84.762 <i>in EUR</i>	IDB Loan No. 2-KYR-0051 <i>in ID</i>	Credit IDA No. 7482-KG <i>in US dollar</i>	IDB Loan No. KGZ-1032 <i>in ID</i>
Fund received as at December 31, 2024	-	24,999,502	4,399,851	70,000,000	33,300,601	7,052,623	9,539,271
Disbursed during the year ended December 31, 2025	<u>6,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,247,077</u>	<u>-</u>
Fund received as at December 31, 2025	<u>6,100,000</u>	<u>24,999,502</u>	<u>4,399,851</u>	<u>70,000,000</u>	<u>33,300,601</u>	<u>15,299,700</u>	<u>9,539,271</u>

11. 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 as at December 31, 2025 are presented as follows:

Counterparty	Part	Contract No.	Cost per Contract (in CCY)	Contract currency	Paid up to December 31, 2025 (in CCY)	Remaining amount to be paid (in CCY)
Mitas Energy and Metal Construction Inc.	Part A. Constuction of High Voltage Transmission Infrastructure	CASA1000/TL/TW06/KYZ 23-15/0035	139,819,749	US dollar	132,824,811	6,994,938

12. LEGAL CASES

There were no any legal claims related to the Project.

13. EVENTS AFTER THE REPORTING DATE

As at the date of issue of the project financial statements no other significant events or transactions occurred which should be disclosed in the project financial statements.