

Independent auditor's report

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To the Council of the Hungarian Kyrgyz Development Fund

Opinion

We have audited the financial statements of the Hungarian Kyrgyz Development Fund (hereinafter the Fund), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Financial Statements section of our auditor's report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Kyrgyz Republic, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the management and those responsible for corporate governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for evaluating the ability of the Fund to continue as a going concern, for disclosing information related to going concern, as appropriate, and for preparing the

financial statements on a going concern basis, except in cases where management intends to liquidate the Fund, terminate its operations, or when management has no realistic alternative to such measures. actions.

Those responsible for corporate governance are responsible for overseeing the preparation of the Fund's financial statements.

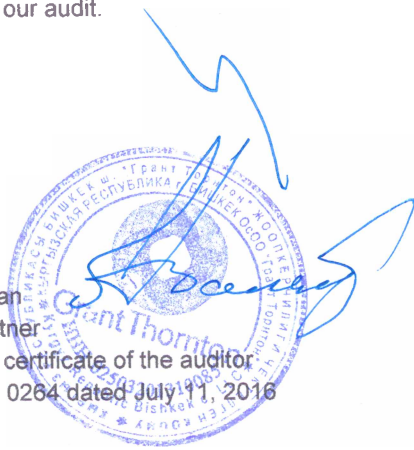
Auditor's responsibility for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 degree of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always identify material misstatements, if any. Misstatements can result from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users made based on these financial statements. As part of an audit conducted in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- 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 as a result of fraud is higher than the risk of not detecting a material misstatement as a result of errors, as fraud may include collusion, forgery, intentional omission, misrepresentation, or actions bypassing the internal control system.;
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of estimates made by management and related disclosures;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If we conclude that there is a material uncertainty, we should draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our auditor's report. However, future events or conditions may cause the Fund to lose its ability to continue its activities continuously.;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.



Armen Vanyan
Director/ Partner
Qualification certificate of the auditor
Series A No. 0264 dated July 11, 2016

April 29, 2025
Bishkek

O Grant Thornton LLC
License for auditing
State Service for Regulation and Supervision of the Financial Market
under the Government of the Kyrgyz Republic, on May 3, 2013

Statement of financial position

In thousands of Kyrgyz soms

	Note	December 31, 2024	December 31, 2023 (restated)	December 31, 2022 (restated)
<i>Assets</i>				
Cash and cash equivalents	10	130,405	895,480	1,353,423
Amounts due from banks	11	464,818	445,116	-
Loans to customers	12	770,871	57,054	-
Fixed assets and intangible assets	13	1,547	876	578
Other assets	14	110	6,519	2
Total assets		1,367,751	1,405,045	1,354,003
<i>Liabilities and equity</i>				
Other liabilities	115	3,600	9,164	2,183
Total liabilities		3,600	9,164	2,183
<i>Equity</i>				
Share capital	16	1,356,670	1,356,670	1,356,670
Retained earnings/(loss)		7,481	39,211	(4,850)
Total equity		1,364,151	1,395,881	1,351,820
Total liabilities and equity		1,367,751	1,405,045	1,354,003

The accompanying notes on pages 10 to 41 form an integral part of these financial statements.

The financial statements were approved and signed on April 29, 2025.

Sarbanov U. K.

Chairman of the Management Board



The accompanying notes on pages 10 to 41 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

In thousands of Kyrgyz soms		Year ended December 31, 2024	Year ended December 31, 2023 (restated)
	Note.		
Interest and similar income	6	29,284	5,330
		<u>29,284</u>	<u>5,330</u>
Commission income		741	-
Commission expenses		(28)	-
		<u>713</u>	<u>-</u>
Other income		-	134
Provision for expected credit losses	7	(7,297)	653
Net income from operations with foreign currency	8	(32,894)	53,668
Depreciation of fixed and intangible assets		(301)	(130)
Administrative and other expenses	9	(21,235)	(15,594)
Income/(Loss) before income tax		<u>(31,730)</u>	<u>44,061</u>
Income tax expenses		-	-
Income/(Loss) for the year		<u>(31,730)</u>	<u>44,061</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>(31,730)</u>	<u>44,061</u>

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Statement of changes in equity

In thousands of Kyrgyz soms	Share capital	Retained earnings	Total
Balance as of January 1, 2022	1,356,670	(3,683)	1,352,987
Loss for the year	-	(1,167)	(1,167)
Balance as of December 31, 2022	1,356,670	(4,850)	1,351,820
Loss for the year	-	44,061	44,061
Balance as of December 31, 2023	1,356,670	39,211	1,395,881
Income for the year	-	(31,730)	(31,730)
Balance as of December 31, 2024	1,356,670	7,481	1,364,151

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Statement of cash flows

In thousands of Kyrgyz soms

December 31, 2024

December 31, 2023

Cash flows from operating activities

Interest received	28,113	5,033
Paid commission expenses	(524)	-
Operational expenses paid	(21,448)	(13,000)
Cash outflow from operating activities before changes in operating assets and liabilities	6,141	(7,967)

Change in operating assets

Amounts due from banks	(29,963)	(445,116)
Loans to customers	(719,708)	(57,054)

Net cash flows used in investing activities

(749,671) **(502,170)**

Cash flows from investing activities

Acquisition of fixed assets and intangible assets	(972)	(428)
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Net cash flows used in investing activities

(972) **(428)**

Cash flows from financial activities

Additions to share capital	-	-
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Net cash flows from financing activities

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Net increase/(decrease) in cash and cash equivalents

(744,502) **(510,565)**

Effect of exchange rate differences on cash and cash equivalents	(20,573)	52,622
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Cash and cash equivalents at the beginning of the year	895,480	1,353,423
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Cash and cash equivalents at the end of the year (Note 10)

130,405 **895,480**

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