

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.

**THE PROGRAM FINANCIAL STATEMENT OF
“ACCELERATING THE MARKET TRANSITION FOR
DISTRIBUTED ENERGY PROGRAM & CLEAN
TECHNOLOGY FUND PROJECT & ENERGY SECTOR
MANAGEMENT ASSISTANCE PROGRAM GRANT”**

**(DSPV LOAN NO: 9648-TR, CTF LOAN NO: TF 0C3913,
ESMAP GRANT NO: TF 0C3975)
WITH INDEPENDENT AUDITOR’S REPORT
AS OF 31 DECEMBER 2025**



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Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

Independent Auditor's Report

To the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi

Opinion

We have audited the balance sheet of the Accelerating the Market Transition for Distributed Energy Program ("the Program") financed by the International Bank for Reconstruction and Development ("IBRD") and implemented by Türkiye Kalkınma ve Yatırım Bankası A.Ş. ("the Bank") as of December 31, 2025, and the notes to the Program Financial Statements, including a summary of significant accounting policies (together, the financial statement).

In our opinion, the accompanying financial statement of the Program as of December 31, 2025, is prepared in accordance with the significant accounting policies described in Note 2 to the financial statement.

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 Company in accordance with 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 (consolidated) financial statements in Türkiye 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.

Specific Purpose

Our report is solely for the purpose set forth in the first paragraph of this report and for your information. This report relates only to the Project and items specified above and does not extend to any financial statements of the Bank, taken as a whole. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the Bank for this report.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the Program financial statement, which describes the basis of accounting. The Project financial statement is prepared upon the request of the Bank management, solely for the use of IBRD. As a result, the Project financial statement may not be suitable for another purpose. Our report is intended solely for the Bank, its shareholders and IBRD and should not be used by parties other than these. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of these financial statements in accordance with the accounting policies described in Note 2 to the accompanying financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Program'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 Program'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 the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Program to cease to continue as a going concern.



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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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The partner in charge of the audit resulting in this independent auditor's report is Aykut Üşenti.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Aykut Üşenti, SMMM
Partner

June 16, 2026
İstanbul, Türkiye

INDEX

Program Expenditures	5
Withdrawals from the World Bank	6
Withdrawals from the CTF	7
Withdrawals from ESMAP	8
1. Objectives and Nature of the Project and Operations of The Project Implementing Agency	9
2. Main Accounting Policies	9-10
3. Restricted Use of Funds	10
4. Fiduciary Assessment	11
5. International Bank For Reconstruction and Development (“IBRD”) Loan	11
6. Subsequent Events	11

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.**ACCELERATING THE MARKET TRANSITION FOR DISTRIBUTED ENERGY PROGRAM****LOAN NO: 9648-TR AS OF 31 DECEMBER 2025**

(Amounts are expressed in EUR, unless otherwise stated.)

TÜRKİYE KALKINMA YATIRIM BANKASI**Program Financial Statements for the Year Ended December 31, 2025****Program Expenditures including Debt, Equity and beneficiary contribution****In Euros (IBRD 9648)**

Program Expenditures	Year Ended December 31, 2025	Year Ended December 31, 2024	Cumulative
Results Area 1			
DSVP Sub Loans Directly to Eligible beneficiary Under TKYB			
Subloans disbursed to sub-borrowers by TKYB	42.800.000	-	42.800.000
Sub-loans co-financed by commercial debt from TKYB	10.700.000	-	10.700.000
Private Capital Mobilized *	-	-	99.992.500
	53.500.000	-	153.492.500

* The total capital mobilization amounts of the projects are shared as cumulative amounts in the last column.

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.**ACCELERATING THE MARKET TRANSITION FOR DISTRIBUTED ENERGY PROGRAM****LOAN NO: 9648-TR AS OF 31 DECEMBER 2025**

(Amounts are expressed in EUR, unless otherwise stated.)

TÜRKİYE KALKINMA YATIRIM BANKASI**Financial Reports for the Year Ended December 31, 2025****IBRD Financing (IBRD 9648) in Euros**

Withdrawals from the World Bank	Year Ended December 31, 2025	Year Ended December 31, 2024	Cumulative	Budget
Front end fee (paid under the IBRD Financing)	-	-	750.000	750.000
Advances withdrawn	-	52.900.000	52.900.000	-
Withdrawals for DLI 1: Commitment and Disbursement of DSVP Sub loans to DSVP Sub Borrowers				
- Withdrawals for DLR 1.1: DSVP Sub-loan Agreements	14.445.000	-	14.445.000	72.500.000
- Withdrawals for DLR 1.2: DSVP Sub-loan disbursements	14.445.000	-	14.445.000	72.500.000
Withdrawals for DLI 2: Generation Capacity Commissioned				
- Withdrawals for DLR 2: Watts peak of generation capacity	2.794.800	-	2.794.800	56.250.000
Withdrawals for DLI 3: Increased Awareness and Knowledge of Facility				
- Withdrawals for DLR 3.2: Facility Training Curriculum Delivered	-	-	-	10.500.000
Withdrawals for DLI 4: Facility Loans to Facility Borrowers				
- Withdrawals for DLR 4.1: Facility loan agreements	-	-	-	32.500.000
- Withdrawals for DLR 4.2: Facility Loan Disbursements	-	-	-	32.500.000
Withdrawals for DLI 5: Generation capacity Commissioned	-	-		22.500.000
Total	31.684.800	52.900.000	85.334.800	300.000.000

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.**ACCELERATING THE MARKET TRANSITION FOR DISTRIBUTED ENERGY PROGRAM****LOAN NO: 9648-TR AS OF 31 DECEMBER 2025**

(Amounts are expressed in USD, unless otherwise stated.)

TÜRKİYE KALKINMA YATIRIM BANKASI**Financial Reports for the Year Ended December 31, 2025****CTF Financing expenditure Framework in USD (CTF TF0C3913)**

Withdrawals from the CTF	Year Ended December 31, 2025	Year Ended December 31, 2024	Cumulative	Budget
Management fee (paid under the CTF Financing)	-	67.500	67.500	67.500
Advances withdrawn				
Withdrawals for DLI 6: Commitment and Disbursement of BESS				
Sub-loans				
Withdrawals for DLR 6.1: BESS sub-loan agreements	-	-	-	5.000.000
Withdrawals for DLR 6.2: BESS sub-loan Disbursements	-	-	-	5.000.000
Withdrawals for DLI 7: Capacity of BES Capacity	-	-	-	4.932.500
Total	-	67.500	67.500	15.000.000

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.**ACCELERATING THE MARKET TRANSITION FOR DISTRIBUTED ENERGY PROGRAM****LOAN NO: 9648-TR AS OF 31 DECEMBER 2025**

(Amounts are expressed in USD, unless otherwise stated.)

TÜRKİYE KALKINMA YATIRIM BANKASI**Program Financial Statements for the Year Ended December 31, 2025****ESMAP Financing in USD (ESMAP TF0C3975)**

Withdrawals from ESMAP	Year Ended December 31, 2025	Year Ended December 31, 2024	Cumulative	Budget
Withdrawals for DLI 3: Increased Awareness and Knowledge of Facility	-	-	-	
-Withdrawals for DLR 3.1: Awareness and Outreach Delivered	-	-	-	1.500.000
Total	-	-	-	1.500.000

NOTES TO THE PROJECT FINANCIAL STATEMENTS

1. Objectives and Nature of The Project

The objective of the Project is to expand Türkiye’s distributed solar photovoltaic market and to pilot distributed battery energy storage systems in order to increase renewable energy generation. The Project aims to accelerate the market transition for distributed energy by supporting investments in distributed solar power and promoting innovation through energy storage solutions.

The Program involves IBRD financing in the form of IBRD loans of €300 million, Clean Technology Fund (CTF) loan of US\$15 million, and grant co-financing from the World Bank’s Energy Sector Management Assistance Program (ESMAP) of US\$1.5 million. All the facility agreements under the Program have been signed on 16.05.2024.

The Program will be applied as a Program for Results (PforR) focuses on two result areas:

Results Area 1: Scaling-up distributed solar photovoltaic (“DSPV”)

Results Area 1 will support the installation of grid-connected DSPV systems with sub-loans directly from TKYB.

Results Area 2: Expanding the market and promoting innovation for distributed energy, including battery energy storage systems (“BESS”)

Result Area 2.A will help unlock commercial financing at scale for DSPV. The facility is eligible for Facility Borrowers. A grant from ESMAP will support development of the FOM including terms of reference for awareness raising and training provided to potential and selected Facility Borrowers.

Result Area 2.B will support innovation for BESS investments through funding from the Clean Technology Fund (CTF).

Operations of The Project Implementing Agency

TKYB was founded in Ankara as Devlet Sanayi ve İşçi Yatırım Bankası in 1975, under the control of the Ministry of Industry. The Bank was founded by the State mainly to promote investment in certain sectors of the country.

With the decision of the “Supreme Planning Board” dated 20 January 1989, the Bank has been merged with the T.C. Turizm Bankası A.Ş.

The name of the bank has been changed as Türkiye Kalkınma Bankası A.Ş. in 1988 following a decision of the Council of Ministers and on 24 October 2018 it has been changed as Türkiye Kalkınma ve Yatırım Bankası A.Ş.

The Bank is subject to the registered capital system. 99,08% of the capital is owned by the Ministry of Treasury and Finance and the remaining shares are quoted in the Borsa İstanbul.

The Bank currently provides development and investment-banking services mainly to the financing of industry, tourism, education, health and energy sectors. Besides supplying loans in medium and long terms to the abovementioned sectors, the Bank also participates in other activity fields like project assessment, leasing, rehabilitation, equity participation, fund management, banking operations and training activities.

NOTES TO THE PROJECT FINANCIAL STATEMENTS

2. Main Accounting Policies

The Bank uses the cash basis of accounting to account for project transactions. Accordingly, the Bank does not calculate any interest income and expense accrual for the related period.

Disbursements to the local firms are recorded in local currency and translated to EUR with the exchange rate as of the date of the disbursement. The collections from the local firms are translated with the exchange rates prevailing on the collection date.

The Program Financial Statements information have been prepared in accordance with the generally accepted accounting principles and practices and in accordance with the financial reporting of the Program Operating Manual of the agreement dated 16.05.2024 between IBRD and the Bank.

These project financial information are presented in EUR for IBRD Loan, and in USD for CTF and ESMAP. The significant accounting policies are as follows:

2.1 Program Expenditures

Program expenditures represent the utilization of project funds through sub-loans provided to eligible beneficiaries under TKYB, including both direct financing and co-financing arrangements. In addition, the table includes private capital mobilized as a result of project interventions. Amounts are presented by beneficiary, type of financing, and reporting period, together with cumulative totals.

2.2 Withdrawals from the World Bank (IBRD Financing)

Withdrawals from the World Bank represent funds disbursed under the IBRD financing in accordance with the Disbursement Linked Indicators (DLIs) defined in the loan agreement.

Disbursements are recognized when the related DLI results are achieved and verified. Such withdrawals may include front-end fees, advances, and DLI-based disbursements.

Amounts are presented by reporting period and on a cumulative basis, together with the total allocated budget under the financing agreement.

2.3 Withdrawals from the Clean Technology Fund (CTF)

Withdrawals from the Clean Technology Fund (CTF) represent funds made available under the CTF financing agreement and are also subject to the achievement of specified Disbursement Linked Results (DLRs).

Funds are recognized when the respective performance conditions are met and approved.

The table presents the withdrawals by period, cumulative utilization, and the total budget allocated for each DLI category.

2.4 Withdrawals from ESMAP

Withdrawals from ESMAP represent grant-based funding allocated to support specific technical assistance and capacity building activities under the project.

These funds are disbursed based on the achievement of agreed outputs and results.

The amounts disclosed include period withdrawals, cumulative amounts, and total budget allocated to the respective activities.

3. Restricted Use of Funds

In accordance with the loan agreement between the Bank and the IBRD, the funds provided for the Program are restricted to program purposes only.

4. Fiduciary Assessment

As part of the audit procedures, compliance with the Bank's suspension and debarment lists was reviewed within the scope of the annual audits of the Program's financial statements, and checks were performed to determine whether the relevant parties are included in such lists; no significant non-compliance was identified.

5. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("IBRD") Loan

IBRD agrees to lend to the Borrower the amount of (EUR 300.000.000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the Borrower's Respective Part of the Program.

6. Subsequent Events

None.