

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.

**GEOTHERMAL DEVELOPMENT PROJECT
(CTF GRANT NO: CTF0A1532)
WITH INDEPENDENT AUDITOR'S REPORT
AS OF 31 DECEMBER 2025**



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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 Geothermal Development Project ("the Project") 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 statement of designated accounts, including a summary of significant accounting policies (together, the financial statement).

In our opinion, the accompanying financial statement of the Project 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 Project 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 Project 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 Project'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 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 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.



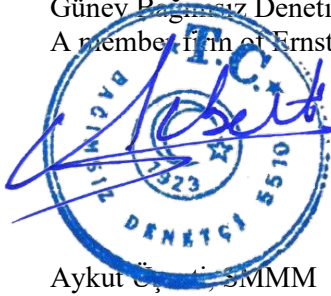
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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Başarısız 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

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TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.**GEOHERMAL DEVELOPMENT PROJECT****GRANT NO: TF0A1532 AS OF 31 DECEMBER 2025**

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

PROJECT BALANCE SHEET	31 December 2025	31 December 2024
ASSETS		
Special Accounts	19.721.500	11.032.954
- Designated Account Balance	3.941.797	4.162.568
Technical and Institutional Support Expenditures		
+ Operating Costs	2.093.105	1.804.159
Risk Sharing Mechanism Financed Accounts	13.686.598	5.066.227
TOTAL ASSETS	19.721.500	11.032.954
LIABILITIES		
Amount due to IBRD (Advance Payment)	19.700.000	11.032.954
Refunds from firms	21.500	-
TOTAL LIABILITIES	19.721.500	11.032.954

TÜRKİYE KALKIMA VE YATIRIM BANKASI A.Ş.
GEOTHERMAL DEVELOPMENT PROJECT
GRANT NO: TF0A1532 AS OF 31 DECEMBER 2025
(Amounts are expressed in USD, unless otherwise stated.)

Designated Account Statement	2025	2024
Opening balance (Withdrawal fund from IBRD) as of 1 January	4.162.568	4.364.351
IBRD advances during the year	8.667.046	-
Refunds From Firms	21.500	-
Total funds available	12.851.114	4.364.351
Risk Sharing Mechanism compensations/expenses paid in period	8.909.317	201.783
Closing balance as at 31 December	3.941.797	4.162.568

NOTES TO THE PROJECT FINANCIAL STATEMENTS

1. Objectives and Nature of The Project

Türkiye Kalkınma ve Yatırım Bankası A.Ş. signed a grant Agreement with International Bank for Reconstruction and Development (the “IBRD”) for a grant of USD 39.800.000 for financing of Geothermal Development Project (“the Project”) on 30 November 2016. The implementation agency of the project is Türkiye Kalkınma ve Yatırım Bankası A.Ş. (the “Bank” or “TKYB”).

The primary objective of the Project is to scale up private sector investment in geothermal energy development in the Republic of Türkiye. The Project consists of two parts: (i) Part A: Risk Sharing Mechanism (“RSM”) for Resource Validation and (ii) Part B: Loan Facility for Resource Development. A total budget is allocated across three categories: 36.780.000 for the Payment Risk Sharing Mechanism, 2.670.000 for Consultant’s Services , and 350.000 for Operating Cost and Services.

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.

2. Main Accounting Policies

The Bank uses the cash basis of accounting to account for project transactions.

Disbursements to the local firms are recorded in local currency and translated to USD 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.

NOTES TO THE PROJECT FINANCIAL STATEMENTS

2. Main Accounting Policies (Continue)

The project balance sheet and designated account statement included in the project financial information have been prepared in accordance with the generally accepted accounting principles and practices and in accordance with the financial reporting of the Project Operating Manual of the agreement dated 30.11.2016 between IBRD and the Bank.

These project financial information are presented in USD. The significant accounting policies are as follows:

2.1 Designated account

Designated account represents IBRD fund disbursed to the Beneficiaries total amount of USD 13.686.598 for the failed wells completed under the project as of December 31, 2025. Designated account is recognized initially at their principal amounts and subsequently are continued to be measured with their principal amounts.

2.2 Special Account

Special account represents the account where the Success Fee means the amount that the Beneficiary is to pay to the Risk Sharing Mechanism (“RSM”) in case a well drilled under the RSM program is found to be successful, will be deposited prior to commencement of drilling operations. The Success Fee is equal 5% of the acceptable well costs, as stated in the Beneficiary Agreement between the TKYB and the Beneficiaries.

2.3 Amount due to IBRD

Amount due to IBRD are recognized initially at their principal amounts and subsequently are continued to be measured with their principal amounts.

The Bank does not recognize the accrued interest income on the amounts due to World Bank and any commission amount in the project financial information.

3. Restricted Use of Funds and Other Assets

In accordance with the grant agreement between the Bank and the IBRD, the funds available in the Designated Account are restricted to project purposes only.

4. International Bank for Reconstruction and Development (IBRD) Grant

During 2025, there has been a withdrawal of funds amounting to USD 8,667,046 provided by IBRD for the project.

(31 December 2024: None).

5. Subsequent Events

None.