

CIF Capital Markets Mechanism PLC

Registered No: 15860482

Annual Report and Financial Statements

For the period from incorporation on 26 July 2024 to 31 December  
2025

# CIF Capital Markets Mechanism PLC

Contents	Page
Company Information	2
Strategic Report	3
Directors' Report	8
Statement of Directors' Responsibilities	11
Independent auditor's report	12
Statement of financial position	22
Statement of profit or loss and other comprehensive income	23
Statement of changes in equity	24
Statement of cash flows	25
Notes to the financial statements	26

# CIF Capital Markets Mechanism PLC

## Company Information

Registered office and principal place of business	CIF Capital Markets Mechanism PLC 8th Floor, 100 Bishopsgate, London, EC2N 4AG
Incorporated in	England & Wales, United Kingdom, on 26 July 2024
Registered number	15860482
Company secretary	Law Debenture Corporate Services Limited 8th Floor, 100 Bishopsgate, London, United Kingdom, EC2N 4AG
Independent auditor	Deloitte LLP 1 New Street Square, London EC4A 3HQ, United Kingdom
Directors	Mark Howard Filer  L.D.C. Securitisation Director No. 1 Limited  L.D.C. Securitisation Director No. 2 Limited
Treasury manager	International Bank for Reconstruction and Development 1818 H Street, NW Washington, DC 20433 United States of America

# CIF Capital Markets Mechanism PLC

## Strategic Report

The Directors present the strategic report for the CIF Capital Markets Mechanism PLC (the “Company”) for the period from 26 July 2024, the date of incorporation, to 31 December 2025.

### General company information

The Company was incorporated on 26 July 2024 with the registered number of 15860482 and commenced trading on 12 November 2024.

### Principal activities and review of business

The Company was established for the sole purpose of entering into a debt issuance programme to enable the Clean Technology Fund (“CTF”) to access capital markets in order to support clean technology projects. CTF is a trust fund established by a group of contributors and housed at the International Bank for Reconstruction and Development (“IBRD”) and IBRD is the trustee of CTF (the “CTF Trustee”). CTF is part of the Climate Investment Funds (“CIF”), established to enable clean energy transformation in developing countries. It provides resources to scale up low-carbon technologies for long-term greenhouse gas emissions savings. CTF supports a wide array of clean technologies across different areas, including renewable energy, energy efficiency, and clean transport. Instead of providing loans or financing directly, CTF Trustee deploys donor contributions by channeling funds to six multilateral development banks (“MDBs”) that act as implementing entities of CTF. These implementing entities follow guidance provided by CTF’s governing and decision-making body, the Trust Fund Committee (“TFC”) for climate-related investments. The TFC provides oversight over the use of bond proceeds and the approval for future bond issuances. In making such investment decisions, the TFC will be acting in accordance with CTF’s Governance Framework. The Company has no role in deciding which potential projects will receive funding.

The Company issued USD 500,000,000 Series 1 bonds at 4.75 percent due 22 January 2028 under the debt issuance programme on 22 January 2025. These bonds are listed on the International Securities Market (“ISM”) segment of the London Stock Exchange (“LSE”). The net proceeds of the bond issuance were transferred to CTF under a pass-through agreement, following which the net proceeds have formed part of the financial resources of CTF and can be made available to the implementing entities to provide financing in accordance with the decisions of the TFC

The Company has agreed with the CTF Trustee under the terms of the Pass-through Agreement that the Company's payment obligations under the debt issuance programme, as well as obligations arising from operational expenditure and future period treasury activities including the use of derivatives, will be funded by the CTF Trustee making a payment of the corresponding amount to the Company out of the financial resources of CTF. Accordingly, this funding arrangement gives rise to the recognition of a financial asset for the Company.

The Directors of the Company have chosen UK-adopted international accounting standards and in accordance with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, these financial statements have been produced on that basis.

## CIF Capital Markets Mechanism PLC

It is not expected that the role or strategy of the Company will change materially in the foreseeable future as the principal activities of the Company are governed by the transaction documents underlying the debt issuance programme entered into by the Company.

### Results

The Company's profit after tax for the period is USD 1,929,096. The Company's income during this period was primarily attributable to net gains arising from changes in the fair value of both the financial asset at Fair Value through Profit or Loss ("FVTPL") and financial liability at FVTPL.

The Directors do not recommend the payment of a dividend for the period under review.

### Key performance indicators

#### Financial Key Performance Indicators ("KPIs")

The Company, through the parties it has engaged with, monitors a number of key performance indicators to assess its financial performance and ability to meet its obligations as they fall due. Given the nature of the Company's activities, the fair value of financial instruments measured at FVTPL is considered the most relevant indicator of financial health.

#### Fair value of CTF pass-through financial asset

The Company regards the fair value of the CTF pass-through financial asset as a key metric because it directly reflects the value of the underlying cash flows expected to be received and therefore the Company's capacity to service its liabilities. The fair value of the CTF pass-through financial asset at 31 December 2025 is USD 522,067,895. Movements in the fair value of both the CTF pass-through financial asset and the bond designated at FVTPL provide insight into market conditions, changes in expected cash flows, and the Company's exposure to unrealised gains and losses.

#### Fair value of bond liability

The Company regards the fair value of the bond liability as a key metric which must be monitored as it reflects the Company's liability to the bond holders. The Company considers the current and projected interest payments in evaluating the Company's ability to pay its liabilities as they fall due.

#### Non-financial KPIs

The non-financial KPIs considered by the Company are monitoring for breaches of the transaction terms in connection with the bond issuances. These triggers include the insolvency of the counterparties the Company has contracted with.

During the period ended 31 December 2025 and to the date of signing this report, management were not aware of any triggers having been breached.

The Company, through the parties it has engaged with, actively monitors the financial liquidity status of CTF as a KPI that has a direct impact on the Company. The Company, through the parties it has engaged with,

## CIF Capital Markets Mechanism PLC

has assessed as of the date of these financial statements that CTF has sufficient projected financial resources to meet the Company's obligations as they fall due.

### **Principal risks management objectives and policies**

The Directors have been charged with governance in accordance with the programme documents detailing the mechanism and structure of the Company. The structure of the Company is such that the key policies have been predetermined, and the operational roles have been assigned to third parties and these are strictly governed by the programme transaction documents. The Company's activities expose it to a number of financial risks including price risk, currency risk, interest rate risk, credit risk and liquidity risk. A description of these risks and the risk management policies employed by the Company are provided in Note 6.

### **Capital structure**

The capital structure of the Company consists of issued bonds as disclosed in Note 7, and equity attributable to the share trustee, comprising issued share capital as disclosed in Note 8. The Company is not subject to any external capital requirements except the minimum requirement under the Companies Act 2006. The Company is subject to certain covenants as defined by the programme transaction documents which restrict its ability to create or incur indebtedness as long as bonds are outstanding. The Company has not breached this minimum requirement.

### **Future developments**

As described in the "Principal activities and review of business" section above, the Company was established for the sole purpose of entering into a debt issuance programme to enable CTF to access capital markets in order to support clean technology projects. To date, just one bond issuance has occurred. The Directors anticipate that there may be additional bond issuances in the foreseeable future, accepting that the decision to issue new bonds may depend on factors beyond the Company's control, such as interest rates, inflation and other factors.

Geopolitical tensions have affected global markets and exacerbated existing economic challenges such as inflation, cost of living, and supply chain disruptions. Whilst the Directors believe that the Company's performance is not directly affected by these factors, the Company will continue to monitor their impact. The Directors envisage no changes to the nature of the Company's business in the foreseeable future.

### **Streamlined Energy and Carbon Reporting**

The Company is out of scope of the Streamlined Energy and Carbon Reporting ("SECR"), as it does not meet the numerical thresholds in relation to turnover, number of employees, or energy usage.

### **Section 172(1) of the Companies Act 2006 statement**

Section 172(1) of Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

## CIF Capital Markets Mechanism PLC

- a) the likely consequences of any decisions in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct;  
and
- f) the need to act fairly as between members of the Company.

As a special purpose vehicle, the governance structure of the Company is such that the key policies have been predetermined at the time the Company issued the bonds which are debt listed on the LSE International Securities Market. The Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 as follows:

- a) the transaction documents underlying the bond issuance, which cannot be changed without bondholder consent, have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company with a long-term view and as disclosed in notes to the financial statements;
- b) the transaction documents only allow the Company to retain a minimal profit and due to the limited recourse nature of the structure, the returns to bond holders are limited by the cash flows received;
- c) the Company has no employees;
- d) the Company is a securitisation vehicle and therefore the key stakeholders are the bondholders. The key asset of the Company is in the form of a receivable from CTF. The Company is bound by the transaction documents and relationships are fostered with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the transaction documents and fee arrangements agreed in advance and paid strictly in accordance with the transaction documents. The Company has no customers;
- e) as a securitisation vehicle the Company has no physical presence or operations and accordingly has minimal impact on the community. The Company's bond proceeds will be used by CTF to accelerate deployment, diffusion and transfer of low-carbon technologies, which is intended to have a positive impact on the environment;
- f) the Company maintains a reputation for high standards of business conduct via professional third parties who have contracted with the Company to provide specific operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and
- g) the Company has a sole member, CIF Capital Markets Mechanism Holdco Limited.

## CIF Capital Markets Mechanism PLC

In accordance with section 426B of Companies Act 2006 a copy of this statement is available at:  
[www.lawdebenture.com/independent-professional-services/corporate-secretarial-services/investor-reporting-for-clients](http://www.lawdebenture.com/independent-professional-services/corporate-secretarial-services/investor-reporting-for-clients)

Approved by the Board of Directors and signed on behalf of the Board



Mark Filer

Director

14 April 2026

# CIF Capital Markets Mechanism PLC

## Directors' Report

The Directors present their report and the audited financial statements of the Company for the period from 26 July 2024, the date of incorporation, to 31 December 2025.

### Results and dividends

Details of results and dividends can be found in the Strategic Report and form part of this report by cross-reference.

### Directors and secretary

The directors who served throughout the period from 26 July 2024, the date of incorporation, to 31 December 2025 and up to the date of this report are set out on page 2. The Directors have no interest in the shares of the Company, do not receive director fees for their services, and are not subject to retirement by rotation. The secretary of the Company has received fees of \$20,960 during the period.

### Qualifying third party indemnity provisions

Adequate qualifying third-party indemnity provisions for the benefit of the Directors were in place during the period and remain in force at the date of this report as directors are nominated and covered as per the Corporate Services Agreement entered into by the Company with Law Debenture Corporate Services Limited ("Law Debenture").

### Financial risk management objectives and policies

Details of financial risk management objectives and policies are disclosed in Note 6 and form part of this report by cross-reference.

### Future developments and subsequent events

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference. Subsequent events are disclosed in Note 18.

### Going concern

For the period from 26 July 2024 to 31 December 2025, the Company issued only one series of bonds under the debt issuance programme. As a pass-through entity for CTF financing, the Company's ability to repay bondholders is directly linked to the availability of CTF resources. The CTF's obligation to make payment under the terms of the Pass-through Agreement is limited to the financial resources of CTF which are available to it for that purpose. CTF is also not liable for losses incurred by the Company. CTF's policy of maintaining liquid funds of at least 24 months of projected net outflows ensures sufficient resources to meet obligations as they come due.

The Company has evaluated potential going concern trigger events during both the reporting period and the subsequent look-forward period, and no financial or non-financial triggers were identified. Therefore, the Directors have a reasonable expectation that the Company will have sufficient funds to meet its liabilities as

## CIF Capital Markets Mechanism PLC

they fall due for a period of at least twelve months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

### **Corporate Governance**

The Directors have been charged with governance in accordance with the transaction documents underlying the debt issuance programme which detail the mechanism and structure of the Company. The structure of the Company is such that the key policies have been predetermined at the time of issuance of the bonds under the debt issuance programme and the operational roles have been assigned to third parties.

The transaction documents underlying the debt issuance programme provide for procedures that have been designed for maintaining proper accounting records and for the reliability and usefulness of financial information used within the Company or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling the directors to comply with the regulatory obligations.

Due to the nature of the bonds, which have been debt listed on the LSE International Securities Market, the Company is largely exempt from the provisions of UK Corporate Governance Code and the Disclosure and Transparency Rules (“DTR”) of the Financial Conduct Authority. The Directors are therefore satisfied that there is no requirement for an audit committee or to publish a corporate governance statement.

### **Charitable and political donations**

No political or charitable donations or expenditure were paid by the Company during the financial period.

### **Independent auditors**

Deloitte LLP was appointed as auditor of the Company during the period in accordance with section 487 of the Companies Act 2006. Deloitte LLP has indicated their willingness to continue in office as the Company’s auditor. In accordance with Section 489 of the Companies Act 2006, the auditor, Deloitte LLP, will be proposed for reappointment at the forthcoming Annual General Meeting.

# CIF Capital Markets Mechanism PLC

## Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board by:



Mark Filer  
Director  
14 April 2026

# CIF Capital Markets Mechanism PLC

## Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company's financial statements in accordance with International Accounting Standards as adopted by the UK in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies, and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed in these financial statements, confirm that, to the best of their knowledge:

- Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Directors' report, together with the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

This confirmation was approved by the board of Directors on 14 April 2026 and is signed on its behalf by:



Mark Filer  
Director  
14 April 2026

# CIF Capital Markets Mechanism PLC

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIF CAPITAL MARKETS MECHANISM PLC

### Report on the audit of the financial statements

#### 1. Opinion

In our opinion the financial statements of CIF Capital Markets Mechanism PLC (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the period from 26 July 2024 to 31 December 2025;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial position;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

#### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our 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 UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we 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.

# CIF Capital Markets Mechanism PLC

## 3. Summary of our audit approach

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<b>Key audit matters</b>	The key audit matter that we identified in the current period was: <ul style="list-style-type: none"><li>• The valuation of the CTF pass-through financial asset</li></ul>
<b>Materiality</b>	The materiality that we used in the current period was USD 5.2m, which was determined on the basis of 1% of the total assets.
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

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## 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- assessing the liquidity of the company and its ability to meet its obligations, taking into consideration the financial position and forecasted liquidity buffer of the Clean Technology Fund ("CTF") available for at least 12 months from the date of approval of the financial statements;
- Assessing the reasonableness of the liquidity forecast and the buffer size to cover the redemption of the bond principal on its expected maturity date;
- inspecting the transaction documents to identify any financial or non-financial covenants or trigger events that could have an impact on the company's ability to continue as a going concern;
- inspecting the minutes of meetings of the company's Board of Directors;
- evaluating the appropriateness of the assumptions applied by management in reaching their conclusion on going concern; and
- assessing the appropriateness of the going concern disclosures included within the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# CIF Capital Markets Mechanism PLC

## 5. Key audit matters

The key audit matter communicated below is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current year and included the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. This matter had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### 5.1 Valuation of the CTF Pass-through financial asset

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<b>Key audit matter description</b>	<p>The company has entered into an agreement with the CTF through its trustee, the International Bank for Reconstruction and Development (“IBRD”) (the “Pass Through Agreement”), whereby the company has advanced the proceeds of a USD 500 million debt issuance to CTF and in exchange, the company is entitled to receive amounts from the CTF to allow it to meet its obligations when they fall due including principal and interest payments on its debt, operating expenses and any other treasury related payment as part of managing its financial risks. The cash flows due under the Pass-Through Agreement give rise to a financial asset (the “CTF Pass-through financial asset”) which is measured at fair value on initial recognition and subsequent measurement. As at 31 December 2025, the CTF Pass-through financial asset is valued at USD 522.1m.</p> <p>The fair value of the CTF Pass-through financial asset is determined by a third-party specialist. The valuation involves estimates, which include assumptions for the amount and timing of future expenses and the selection of an appropriate discount rate. Given the assumptions and complexity involved in determining the fair value, we consider that the above estimates carry a risk of management bias and we have identified this as an area susceptible to potential fraud, specifically around the discount rate used in the valuation as the valuation is most sensitive to changes in the discount rate.</p> <p>The accounting policy for the CTF pass-through financial asset is disclosed in note 1 and the basis for the estimates is disclosed in the key sources of estimation uncertainty section of note 1. The CTF pass-through financial asset balance is disclosed in note 4.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the relevant controls related to the valuation process;</li><li>• With the involvement of our financial instrument valuation specialists, assessed the reasonableness of the discount rate used in the valuation by performing a benchmarking exercise against publicly available information. In addition, we performed an independent valuation of the CTF pass-through financial asset and assessed any differences identified against our reasonable range;</li><li>• Challenged the credit risk element within the discount rate of the CTF pass-through financial asset by assessing the sufficiency of liquid assets held by the CTF against the obligations of the CTF which are senior in priority to its obligation to the company;</li><li>• Challenged the reasonableness of the future cashflows of the company by tracing</li></ul>

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## CIF Capital Markets Mechanism PLC

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- them to approved budgets and other supporting documentation;
- Evaluated the competence, capability and objectivity of the third-party specialist engaged to perform the valuation;
- Performed a stand-back assessment of the appropriateness of the assumptions, model and input data to evaluate any contradictory evidence; and
- Assessed the appropriateness of disclosures in the notes to the financial statements in accordance with the requirements of IFRS 13- Fair value measurement.

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<b>Key observations</b>	From the work performed, we are satisfied that the estimates involved in the fair value are reasonable and the valuation of the CTF pass-through financial asset and the related disclosures as at 31 December 2025 are appropriate.
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## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

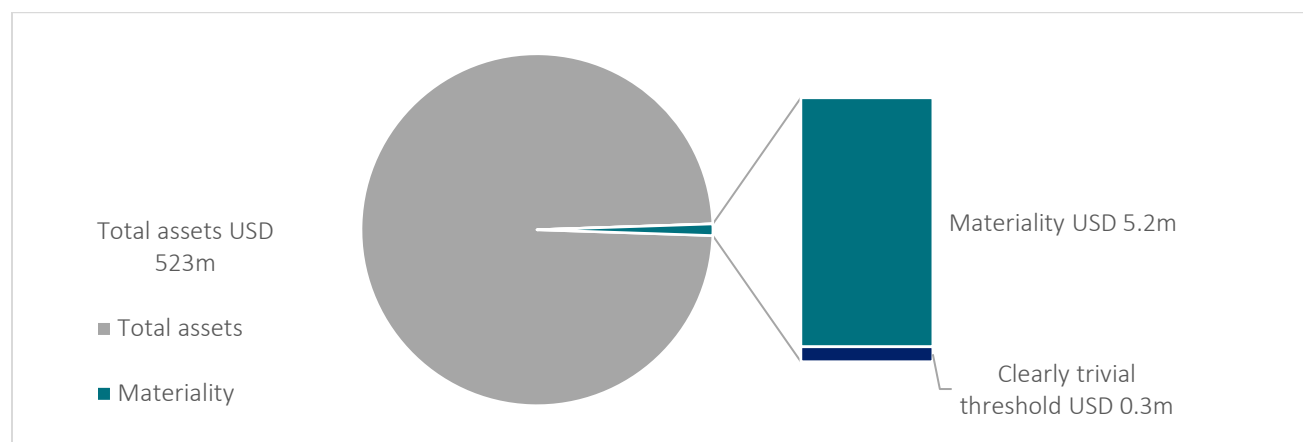
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

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<b>Materiality</b>	USD 5.2m
<b>Basis for determining materiality</b>	1% of total assets
<b>Rationale for the benchmark applied</b>	The CTF pass-through financial asset is the primary mechanism which allows the company to settle its operational expenses and then to make payments of principal and interest owed to bondholders. Cash and other receivables will also be used to settle the company's obligations. As such, we determined the total asset to be the most appropriate benchmark in determining materiality as it is the main focus area for the users of the financial statements.

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## CIF Capital Markets Mechanism PLC



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit. In determining performance materiality, we considered the following factors:

- a. our risk assessment, including our assessment of the quality of the control environment;
- b. our understanding of the business process and the nature of the company's operations as a special purpose vehicle; and
- c. the fact that this is a first-period audit.

### 6.3. Error reporting threshold

We agreed with those charged with governance that we would report to them all audit differences in excess of USD 0.3m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to those charged with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team, which included our internal specialist as well as Deloitte US audit team.

## CIF Capital Markets Mechanism PLC

### 7.2. Our consideration of the control environment

The company has engaged service organisations for the financial reporting process and the treasury management process. We assessed the control environment including the use of service organisations. We obtained an understanding of the relevant controls over financial reporting and the valuation of the CTF pass-through financial asset.

### 7.3. Working with other auditors

The company is reliant upon treasury management and trustee services provided by the IBRD. As such, we instructed Deloitte US to perform certain procedures on our behalf. As part of this work, Deloitte US performed procedures to assist us over the key audit matter set out above in this report and we directed and supervised the work performed by Deloitte US. In discharging this responsibility, we set materiality and the scope of the audit work and actively engaged in determining the nature, timing and extent of audit procedures. We reviewed the Deloitte US audit documentation and held regular meetings with the Deloitte US team to oversee their work.

## 8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the company's ability to

## CIF Capital Markets Mechanism PLC

continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### 10. 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the results of our enquiries of management, and those charged with governance about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

## CIF Capital Markets Mechanism PLC

- the matters discussed among the audit engagement team and relevant internal specialists, including financial instrument valuation specialist regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the CTF pass-through financial asset. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act 2006, UK Listing Rules as applicable to entities with debt listings, and Taxation of Securitisation Companies Regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

### **11.2. Audit response to risks identified**

As a result of performing the above, we identified the valuation of the CTF pass-through financial asset as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of those charged with governance and management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## CIF Capital Markets Mechanism PLC

### Report on other legal and regulatory requirements

## 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## 13. Matters on which we are required to report by exception

### 13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

## CIF Capital Markets Mechanism PLC

### 14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Clacy, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
14 April 2026

# CIF Capital Markets Mechanism PLC

## Statement of financial position

<i>In USD</i>	<i>Note</i>	<b>As of 31 December 2025</b>
<b>Assets</b>		
Cash	13	525
Financial assets at FVTPL	3	522,067,895
Other receivables	14	411,121
<b>Total assets</b>		<b>522,479,541</b>
<b>Equity</b>		
Share capital	8	64,765
Retained earnings		1,929,096
<b>Total equity</b>		<b>1,993,861</b>
<b>Liabilities</b>		
Financial liabilities at FVTPL	3, 7	520,093,126
Other liabilities	12	392,554
<b>Total liabilities</b>		<b>520,485,680</b>
<b>Total equity and liabilities</b>		<b>522,479,541</b>

The accompanying notes 1 to 18 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 14 April 2026.

Signed on behalf of the Board of Directors by:



Mark Filer  
Director  
14 April 2026

CIF Capital Markets Mechanism PLC registered number 15860482

## CIF Capital Markets Mechanism PLC

# Statement of profit or loss and other comprehensive income

<i>In USD</i>	<i>Note</i>	For the period from 26 July 2024 to 31 December 2025
Net gain in financial instruments at FVTPL	5	9,780,232
<b>Total income</b>		<b>9,780,232</b>
Bond issuance expenses	9	500,000
Administration fees	9	7,350,886
<b>Total operating expenses</b>		<b>7,850,886</b>
<b>Operating profit before tax</b>		<b>1,929,346</b>
Tax expense	11	(250)
<b>Profit for the period</b>		<b>1,929,096</b>

All amounts relate to continuing operations.

The profit of the period is consistent with the statement of comprehensive income for the same period, as there is no other comprehensive income.

The accompanying notes 1 to 18 are an integral part of these financial statements.

# CIF Capital Markets Mechanism PLC

## Statement of changes in equity

<i>In USD</i>	For the period from 26 July 2024 to 31 December 2025			
		Issued share capital	Retained earnings	Total equity
	<i>Note</i>			
<b>Balance at 26 July 2024</b>		-	-	-
Share issuance	8	64,765	-	64,765
Profit for the period		-	1,929,096	1,929,096
<b>Balance at 31 December 2025</b>		<b>64,765</b>	<b>1,929,096</b>	<b>1,993,861</b>

The accompanying notes 1 to 18 are an integral part of these financial statements.

# CIF Capital Markets Mechanism PLC

## Statement of cash flows

<i>In USD</i>	<i>Note</i>	<b>For the period from 26 July 2024 to 31 December 2025</b>
<b>Cash flows from operating activities</b>		
Profit for the period		1,929,096
<i>Adjustments for:</i>		
Net gain from financial instruments at FVTPL		(9,780,232)
<b>Changes in:</b>		
Other receivables	14	(362,548)
Other liabilities	12	392,554
<b>Net cash used in operating activities</b>		<b>(7,821,130)</b>
<b>Cash flows from investing activities</b>		
Received from CTF		19,180,464
Transferred to CTF		(498,285,000)
<b>Net cash used in investing activities</b>		<b>(479,104,536)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	8	16,191
Net proceeds from issue of bonds	7	498,785,000
Interest paid on bonds	7	(11,875,000)
<b>Net cash from financing activities</b>		<b>486,926,191</b>
<b>Net increase in cash</b>		<b>525</b>
Cash at 26 July 2024		-
<b>Cash at 31 December 2025</b>		<b>525</b>

The accompanying notes 1 to 18 are an integral part of these financial statements.

# CIF Capital Markets Mechanism PLC

## Notes to the Financial Statements (for the period from 26 July 2024 to 31 December 2025)

### 1. Reporting entity

The Company was incorporated in England and Wales on 26 July 2024 as a public limited company with the registered number 15860482. The registered address of the Company is 8th Floor, 100 Bishopsgate, London, United Kingdom, EC2N 4AG.

The Company is a special purpose financing vehicle established to allow CTF to access capital markets, and issue bonds and make these bond proceeds available to CTF. IBRD serves as the Treasury Manager of the Company and as the trustee of CTF. IBRD, acting on behalf of CTF entered into a pass-through agreement (“Pass-through Agreement”) with the Company. The Pass-through Agreement has two key provisions:

- i. First, it provides that the Company will pay CTF an amount equal to the issue proceeds of the bond less issuance costs. CTF will hold those funds as part of the assets of CTF (see description below). Thus, all of the funding raised by the Company will form part of the general pool of assets of CTF, available to meet all of the liabilities of CTF.
- ii. Secondly, whenever any amount is payable by the Company (whether that be principal or interest on the bond, other amounts payable to hedge counterparties or administrative costs), CTF will be required to pay an amount equal to such amounts to the Company out of the assets of CTF.

The effect of the Pass-through Agreement is, therefore, that the Company has a claim to the assets of CTF at the time payments are due, with the claim limited to the assets that CTF has available for this purpose. The Company will have no recourse against any implementing entity or to any CTF project recipient or to any guarantor of any CTF project recipient. The Pass-through Agreement represents an enforceable obligation of the CTF Trustee. The Pass-through Agreement is not a contribution agreement, and the Company is not a contributor to CTF and has no beneficial interest in the financial resources of CTF. In no circumstances is the CTF Trustee personally liable to make any payment to the extent that there are insufficient financial resources available to make such payment.

### 2. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except as mentioned otherwise.

#### Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standards (“IAS”) as adopted by the United Kingdom to be in compliance with the Companies Act 2006. These are the Company’s first financial statements. The financial statements were authorised for issue by the Company’s board of directors.

# CIF Capital Markets Mechanism PLC

## Going concern

For the period from 26 July 2024 to 31 December 2025, the Company issued only one series of bonds under the debt issuance programme. As a pass-through entity for CTF financing, the Company's ability to repay bondholders is directly linked to the availability of CTF resources. The CTF Trustee's obligation to make payment under the terms of the Pass-through Agreement is limited to the financial resources of CTF which are available to it for that purpose. CTF is also not liable for losses incurred by the Company. CTF's policy of maintaining liquid funds of at least 24 months of projected net outflows ensures sufficient resources to meet obligations as they come due.

The Company has evaluated potential going concern trigger events across both the reporting period and the subsequent look-forward period, and no financial or non-financial triggers were identified. Therefore, the Directors have a reasonable expectation that the Company will have sufficient funds to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

## Basis of preparation and measurement

The financial statements have been prepared on the going concern basis as disclosed in the directors' report and the historical cost basis except for the following material items in the statement of financial position:

- i. Financial assets at FVTPL
- ii. Financial liabilities at FVTPL

Consistent with IAS 1, the statement of financial position has been presented in order of liquidity to provide readers of the financial statements with the most relevant financial information.

## Functional currency

These financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the Company operates. The bonds issued by the Company are denominated in US dollars. The majority of expenses, including administration fees, trustee and treasury manager fees, are denominated and paid in USD. Accordingly, management has determined that the functional currency of the Company is USD. Transactions in foreign currencies are translated into USD at the spot exchange rate at the date of the transaction. The Company recognises the foreign currency differences arising on translation in profit or loss, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains in financial instruments at FVTPL.

## Use of estimates and judgements

### *Use of estimates*

The preparation of the financial statements in conformity with International Accounting Standards as adopted by the United Kingdom involves the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, as of the date of the financial statements and the reported amounts of the expenses during the period. Actual results could differ from these estimates. Significant estimates and judgements are used in determining the fair values of the Company's CTF pass-through financial asset and bond liability. The nature of these significant estimates

## CIF Capital Markets Mechanism PLC

and judgements is described further below and also in Note 3. Fair value of financial instruments. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised prospectively.

### *Critical judgements*

The judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements included determining the appropriate classification of the CTF pass-through financial asset and bond liability. The Company concluded that both financial instruments would be classified as financial instruments through profit and loss. The cash flows of the CTF pass-through financial asset do not represent solely payments of principal and interest, as cash flows will instead be determined based on the Company's aggregated bond liabilities, operating expense obligations, and future period treasury activities including the use of derivatives. This conclusion is based on the contractual structure of the Pass-through Agreement, the nature of cash flows involved, and the business model assessment, which collectively support classification at FVTPL.

The bond liability has been measured at FVTPL to avoid an accounting mismatch between the financial assets and financial liabilities of the Company.

### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is fair valuation. As mentioned above, the CTF pass-through financial asset and bond liability are measured at fair value for financial reporting purposes. Fair value is determined using internally developed valuation models, which are often based on the discounted cash flow technique and use market parameters such as interest rates and currency rates. The most significant input into the valuation model is the discount rate, which reflects market yield assumptions and expected cash flows under the Pass-through Agreement and may be based on current or quoted prices or derived from quoted yields of securities with similar maturities and credit ratings. Refer to Note 3. Fair value of financial instruments for details on the methodologies applied in determining the fair values of the Company's financial assets and liabilities. Additionally, refer to Note 6. Financial risk management for details on the sensitivity analysis performed for the discount rate.

### **Net gains from financial instruments at FVTPL**

Net gains from financial instruments at FVTPL include all realised and unrealised fair value changes, together with foreign exchange differences, and are recognised in profit and loss.

### **Fees and expenses**

Fees and expenses are recognised in profit and loss on an accruals basis.

### **Interest**

Interest expense represents the cost of the Company's bond liability. It is recognised in the statement of profit and loss and other comprehensive income within net gain from financial instruments at FVTPL and reflects the contractual interest payable on the bond over the relevant reporting period. The bond liability is measured at fair value through profit or loss. Interest expense is calculated based on the nominal coupon rate of the bonds.

# CIF Capital Markets Mechanism PLC

## Taxation

For UK corporation tax purposes, the Company has been considered a Securitisation Company under the Taxation of Securitisation Companies Regulations 2006, in accordance with Statutory Instrument No. 3296. Therefore, the Company is not required to pay corporation tax on its accounting profit nor is it able to recover tax on any accounting loss. Instead, the Company is required to pay tax on its retained cash profits as specified in the transaction documents relating to the bond issuance programme to which the Company has entered. The Company, defined as a securitisation company, closely resembles a close investment holding company and therefore, in the interest of prudence, is subject to the main rate of 25%.

## Segment reporting

The Company operates in a single business segment, which involves issuing bonds in the United Kingdom and using the proceeds for the sole purpose of providing funds to the CTF.

## Financial assets and financial liabilities

### *Financial assets*

Financial assets are initially measured at fair value, with transactional costs recognised in the statement of profit and loss. The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

### *Financial assets measured at fair value through profit or loss ("FVTPL")*

A financial asset is measured subsequently at amortised cost only if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows (the "held-to-collect business model"); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the "SPPI criterion").

A debt instrument is measured subsequently at FVOCI only if it meets both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset meet the SPPI criterion.

Investments in equity instruments fail the SPPI criterion and are therefore measured at FVTPL. However, on initial recognition an entity may make an irrevocable election to present in OCI the changes in the fair value of an investment in an equity instrument that is not held for trading on an instrument-by-instrument basis.

A financial asset not measured at amortised cost or at fair value through other comprehensive income is measured at fair value through profit or loss.

The Company's CTF pass-through financial asset is measured at fair value with changes in fair value each period reflected in profit and loss because the CTF pass-through financial asset's cash flows are not composed of payments of principal and interest but instead reflect the right to reimbursement from CTF to meet the Company's obligations which is not predetermined with regards to either amount or timing, and

## CIF Capital Markets Mechanism PLC

the asset is managed on a fair value basis together with the bonds.

### *Financial liabilities*

The Company irrevocably designates a financial liability at fair value through profit or loss if one of the following exists:

- i. It eliminates, or significantly reduces, a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or
- ii. A group of financial liabilities or financial assets and financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

The Company's financial liability held at fair value through profit and loss, is a bond. The bond is irrevocably designated as fair value through profit or loss to avoid any mismatch arising from measurement of the CTF pass-through financial asset at fair value.

Financial liabilities at FVTPL are reported on the statement of financial position at their fair value with subsequent changes in fair value reported in profit or loss on the statement of profit or loss and other comprehensive income. All transaction costs, including interest costs for such instruments, are recognised directly in profit or loss.

### *Derecognition of financial assets and financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. On derecognition of a financial liability, the difference between carrying amount extinguished and the consideration paid is recognised in profit or loss. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- iii. Transferred substantially all of the risks and rewards of the asset; or
- iv. Neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset, or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement with the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### *Reclassification*

Financial asset classification is determined at initial recognition and reclassifications are not expected unless the Company were to change its business model for managing financial assets. Reclassification of financial liabilities is not permitted.

## CIF Capital Markets Mechanism PLC

### Fair value

The Company measures its financial instruments, including its bond and the CTF pass-through financial asset, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company utilises valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company assesses whether transfers have occurred between levels in the hierarchy by re-assessing categorisation, based on the lowest level input that is significant to the fair value measurement as a whole, at the end of each reporting period. For more detailed information on the Company's fair value measurement for these items, refer to Note 3. Fair value of financial instruments.

### Cash

Cash consists of cash balances at bank. Cash is carried at its carrying amount which approximates its fair value.

### Equity

The Company's ordinary shares are classified as equity instruments.

### Recent accounting developments

All new or revised pronouncements that became effective as of July 2024 have been applied and are reflected in these financial statements.

### Future accounting developments

At 31 December 2025, there were no other significant new or revised pronouncements which have been issued but which are not yet effective, or which have otherwise not been early adopted where permitted.

The following standards and amendments are effective on or after 1 January 2026 but are not expected to have a significant impact on these financial statements when effective:

- i. Amendments to the *Classification and Measurement of Financial Instruments – Amendments to*

## CIF Capital Markets Mechanism PLC

*IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures*

- ii. Annual Improvements to IFRS Accounting Standards – Amendments to:
  - *IFRS 1 First-time Adoption of International Financial Reporting Standards*;
  - *IFRS 7 Financial Instruments: Disclosures and accompanying Guidance on implementing IFRS 7*;
  - *IFRS 9 Financial Instruments*;
  - *IFRS 10 Consolidated Financial Statements*; and
  - *IAS 7 Statement of Cash flows*
- iii. *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7*
- iv. *IFRS 18 Presentation and Disclosure in Financial Statements*

### 3. Fair value of financial instruments

#### **Financial instruments measured at fair value**

The Company measures the CTF pass-through financial asset and the bond at fair value, in accordance with IFRS 13.

#### ***Valuation techniques***

The Company holds financial assets and liabilities for which quoted prices as of the valuation date may not be available, such as the CTF pass-through financial asset and the bond. For these financial instruments the Company uses a discounted cash flow (“DCF”) model to estimate fair value. This valuation technique uses as its basis, independently sourced data, and market observable inputs such as interest rate yield curves, foreign exchange rates, basis spreads, funding spreads and option volatilities.

An independent external valuation firm is engaged by the Company to perform the valuation of the Company’s bond and the CTF pass-through financial asset. The valuation methodologies utilised for these financial assets and liabilities are outlined below.

#### ***CTF pass-through financial asset***

This asset represents the Company’s right to receive cash equivalent to the principal and interest repayments to bond holders, as well as payments for the Company’s operating expenses. Accordingly, the value of the asset is comprised of the fair value of the principal and interest payments to bondholders and the fair value of the amounts due for other obligations. The fair value of the CTF pass-through financial asset is determined using a discounted cash flow technique which also considers adjustments based on the quality and liquidity of CTF’s assets. The CTF pass-through financial asset is classified as Level 2 in the fair value hierarchy.

## CIF Capital Markets Mechanism PLC

### *Bond liability*

The fair value of the Company's bond was determined using a discounted cash flow technique, which relies on market observable inputs such as yield curves, basis spreads and funding spreads. Accordingly, the bond is classified as Level 2 in the fair value hierarchy. The following table summarises the financial assets and financial liabilities measured at fair value at the reporting date by the level in the fair value hierarchy.

<i>In USD</i>	31 December 2025			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at FVTPL</b>				
CTF pass-through financial asset	-	522,067,895	-	522,067,895
<b>Total</b>	-	<b>522,067,895</b>	-	<b>522,067,895</b>
<b>Financial liabilities measured at FVTPL</b>				
Bond liability	-	520,093,126	-	520,093,126
<b>Total</b>	-	<b>520,093,126</b>	-	<b>520,093,126</b>

There were no transfers between levels during the period.

### **Financial instruments not measured at fair value**

The financial instruments not measured at FVTPL include cash, other receivables and other liabilities. These are short-term financial assets and liabilities whose carrying amounts approximate fair value because of their short-term nature and the high credit quality of counterparties.

## **4. Financial instruments**

The following table summarises the Company's financial assets and financial liabilities including their classification into categories of financial instruments.

<i>In USD</i>	Financial asset mandatorily at FVTPL	Financial asset at amortised cost	Financial liability at FVTPL	Financial liabilities at amortised cost	Total
Cash	-	525	-	-	525
Financial assets at FVTPL	522,067,895	-	-	-	522,067,895
Other receivables	-	411,121	-	-	411,121
<b>Total</b>	<b>522,067,895</b>	<b>411,646</b>	-	-	<b>522,479,541</b>
Financial liabilities at FVTPL	-	-	520,093,126	-	520,093,126
Other liabilities	-	-	-	392,554	392,554
<b>Total</b>	-	-	<b>520,093,126</b>	<b>392,554</b>	<b>520,485,680</b>

# CIF Capital Markets Mechanism PLC

## 5. Net gains from financial instruments at FVTPL

The following table shows the net gains recognised on the Company's pass-through financial asset and bond liability held at fair value:

<i>In USD</i>	<b>2025</b>
<b>Net gains from financial instruments at FVTPL</b>	
Realised gains from the CTF pass-through financial asset	19,336,260
Realised losses from bond liability	(11,875,000)
Unrealised gains from the CTF pass-through financial asset	23,627,098
Unrealised losses from bond liability	(21,308,126)
<b>Total</b>	<b>9,780,232</b>

Net gains from the CTF pass-through financial asset contains amounts collected to meet expense obligations through the CTF pass-through financial asset as well as the change directly attributable to fair value measurement.

## 6. Financial risk management

### Risk management framework

The Company is exposed to a range of financial risks arising from the issuance of its bonds and from its reliance on CTF under the Pass-Through Agreement. The structure of the Company is such that the key policies have been predetermined and the operational roles have been assigned to third parties and these are strictly governed by the Company's agreements. The Company's risk management framework is designed to identify, measure, manage, and monitor these risks on an ongoing basis. The framework is integrated with the broader risk management, liquidity, and capital adequacy policies of CTF. The Treasury Manager conducts annual reviews of the Company's risk management strategy and reports to the TFC.

The Company has exposure to credit risk, liquidity risk and market risk, specifically interest rate, currency and price risk. The nature of these risks and the nature of the financial instruments used by the Company during the period to manage this exposure are summarised below.

### Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

The Company's exposure to credit risk arises in respect of cash, the CTF pass-through financial asset and its receivables. The Company's cash is held with Citibank N.A.

The Company is exposed to credit deterioration within CTF since its ability to meet its own principal and interest obligations depends on the CTF Trustee's timely pass-through of cash flows funded by CTF project reflows and available financial resources. The payments to the Company under the Pass-through Agreement

## CIF Capital Markets Mechanism PLC

come out of the assets of CTF. The obligations of the CTF Trustee to make payments to the Company under the CTF Pass-through Agreement are limited to the financial resources which are available to the CTF Trustee for that purpose. The bond proceeds are transferred to CTF as part of The Pass-through Agreement where CTF in turn will transfer funds to the Company to pay its liabilities as they fall due. The Company is therefore subject to the risk that CTF will not have sufficient funds to cover the Company's liabilities. As of the date of these financial statements, CTF has sufficient liquid assets to cover the Company's liabilities. CTF's liquid assets were well in excess of the minimum liquidity level of 24 months of projected net outflows and no indicators have been identified that any material change to that fact will occur. CTF has a policy to retain liquid assets in order to meet all anticipated cash outflows over a 24-month look forward period which at the date that these financial statements are approved include the bond biannual interest payments and the principal payment due on the maturity date of 22 January 2028. The Bond holders have no further recourse to the Company or to CTF should the receipts of the CTF pass-through payments be insufficient to meet the Company's obligations associated with the bonds. If CTF project financing losses or liquidity shortfalls occur, the funds available to support the Company's bond liabilities may be reduced or delayed. Although the Company is structurally bankruptcy-remote, it remains economically dependent on the credit performance of the underlying CTF portfolio.

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is the carrying amount. These maximum exposures were:

<i>In USD</i>	2025 Carrying value	2025 Maximum exposure
<b>Assets</b>		
Cash	525	525
CTF pass-through financial asset	522,067,895	522,067,895
<b>At 31 December 2025</b>	<b>522,068,420</b>	<b>522,068,420</b>

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The liquidity of the Company is directly impacted by the liquidity of CTF as the Company does not maintain its own independent liquidity reserves. Instead, it depends on the robustness of CTF's liquidity management framework, including the liquidity policy and related governance processes. Under CTF's policy, all projects are funded under a liquidity policy which focuses on 24-months of projected net cash requirements. This policy acts as a liquidity buffer and requires CTF to maintain sufficient liquid assets to meet projected CTF disbursements and all scheduled payments to loan contributors, to the Company's bondholders from 31 December 2025 until the bond maturity date on 22 January 2028, and to meet the Company's operational expense obligations. CTF's policy is to maintain a minimum liquidity level equivalent to the sum of 100 percent of the next two years' net cash requirements, which includes:

- projected debt-service obligations to loan Contributors and bondholders,
- projected disbursements for climate change projects under CTF loans net of reflows, and
- administrative costs of the Company, CTF Trustee, Climate Investment Fund Administrative Unit, and the MDBs.

The minimum liquidity level is recalculated by the Treasury Manager on a quarterly basis, for 31 December 2025, and as needed, in conjunction with the Treasury Manager's assessment of required funding for the

## CIF Capital Markets Mechanism PLC

period. This assessment is based on information provided by CTF for the relevant period.

The Treasury Manager conducts an annual assessment of the liquidity policy taking into consideration any relevant changes in the risk profile of the Company's cash flows, and the addition of new financial instruments, if any, offered by CTF and recommends modifications when market conditions, regulatory changes, or funding needs indicate potential liquidity pressure. The Company's maximum exposure to liquidity risk corresponds to the timing mismatch between its payment obligations on the bond and the receipt of pass-through Payments from CTF.

The following table shows the undiscounted contractual cash flows of the Company's financial liabilities, including contractual interest payments on the bonds at the reporting date. The amounts shown below will differ from the balances disclosed in the statement of financial position since the amounts in the statement of financial position are at fair value.

31 December 2025

*In USD*

Financial liabilities	In less than 1 month	After 1 month but within 3 months	After 3 months but within 1 year	After 1 year but within 5 years	After 5 years
Bond	-	-	-	500,000,000	-
Bond interest payable	11,875,000	-	11,875,000	35,625,000	-
Other liabilities	392,554	-	-	-	-
<b>Total</b>	<b>12,267,554</b>	<b>-</b>	<b>11,875,000</b>	<b>535,625,000</b>	<b>-</b>

### Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices will affect the Company's income or the value of its holdings of financial instruments. The Treasury Manager, working with the TFC, sets a market risk strategy that involves understanding the components of the Company's market risk and managing that risk. The Company is exposed to market risk which comprises interest rate risk, price risk and currency risk.

### *Interest rate risk*

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company's primary exposure to interest rate risk stems from the fixed rate bond liability. However, this exposure is effectively mitigated through the arrangement with CTF, under which the Company receives matching cash flows from the CTF pass-through financial asset.

### *Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency rates. The Company is exposed to currency risks from currency mismatches as well as timing differences between receipt of CTF pass-through payments and disbursements to service providers. The Company's foreign exchange exposures are mitigated by the fact that the majority of transactions are conducted using USD, and as a result no sensitivity analysis for foreign exchange risk is presented. The net exposure to currency risk is deemed to be immaterial to these financial statements.

## CIF Capital Markets Mechanism PLC

### *Price risk*

Price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its seller, or factors affecting similar financial instruments traded in the market. The Company is exposed to price risk primarily through changes in the fair value of its financial liabilities, which in turn directly impacts the fair value of its financial assets. These changes are driven by movements in interest rates and credit spreads. However, these exposures are already addressed under the respective sections on interest rate risk and credit risk. The Company does not have any other significant exposure to market price fluctuations beyond these components. Accordingly, no separate sensitivity analysis for price risk has been presented.

### *Sensitivity analysis*

The following table outlines the impact to the fair value of the Company's CTF pass-through financial asset and bond liability of a 50-basis point ("bps") change in the discount rate (which is a function of market interest rates) as of 31 December 2025. Management has determined that a fluctuation in interest rates of 50 - 100 bps is reasonably possible, given the economic environment in which the Company operates. This analysis assumes that all other variables, in particular foreign currency rates, remain unchanged. The Company's sensitivity analysis assumes that a change in market interest rates would have an equal impact on the Company's discount rates. The asymmetry between the bond liability and the CTF pass-through financial asset in the below sensitivity analysis is due to the latter including obligations relating to operational expenses of the Company.

31 December 2025 <i>In USD</i>	<b>Increase (decrease) in fair value</b>	
	50 basis point increase	50 basis point decrease
CTF pass-through financial asset	(4,924,597)	4,985,571
Bond liability	4,943,152	(5,004,614)
	100 basis point increase	100 basis point decrease
CTF pass-through financial asset	(9,788,954)	10,032,865
Bond liability	9,825,747	(10,071,608)

## CIF Capital Markets Mechanism PLC

### 7. Bond

The following table provides information about the contractual terms of the Company's bond. The bond constitutes an interest-bearing obligation of the Company. The Company issued the bond on the ISM of the LSE to meet the objective of funding CTF's clean technology investments.

At 31 December 2025, the following bond was outstanding:

Series number of bond	Year of maturity	Coupon rate	CCY	Notional (USD)	Fair value (USD)	Unrealised losses (USD)	Realised losses (USD)
1	2028	4.75% fixed rate	USD	500,000,000	520,093,126	21,308,126	11,875,000
<b>Bond liability</b>				<b>500,000,000</b>	<b>520,093,126</b>	<b>21,308,126</b>	<b>11,875,000</b>

The Company uses the proceeds of its bond issuances to make funding available to CTF for CTF projects, through the use of the Pass-through Agreement. Since the CTF pass-through financial asset must be recognised in the Company's financial statements at fair value, the Company has designated its bond at fair value through profit or loss, including the effects of changes in the Company's own credit risk, to eliminate or significantly reduce the accounting mismatch that would otherwise arise between fair value movements relating to the CTF pass-through financial asset and the bond. The Company's bond liability is measured at fair value with changes in fair value recognised in the statement of profit and loss and other comprehensive income. Bond issuance costs are expensed as incurred.

<i>In USD</i>	<b>2025</b>
<b>Balance at 26 July 2024</b>	-
New issuances	500,000,000
Discount on issuance	(1,215,000)
Realised losses from bond liability	11,875,000
Unrealised losses from bond liability	21,308,126
Interest paid	(11,875,000)
<b>Balance at 31 December 2025</b>	<b>520,093,126</b>

### 8. Equity

The following table outlines the Company's capital structure at 31 December 2025.

<i>In USD</i>	<b>2025</b>
<b>Authorised and issued</b>	
Authorised 50,000 ordinary shares of £1 each, 1 share issued and fully paid, 49,999 issued and partially (25%) paid	64,765

## CIF Capital Markets Mechanism PLC

### 9. Expenses

The following table shows the Company's operating expenses including auditor fees and administration fees for the period from 26 July 2024 to 31 December 2025.

<i>In USD</i>	<b>2025</b>
Bond issuance costs	500,000
<b>Administration fees:</b>	
Treasury Manager expense	5,901,190
Accounting fees	525,000
Credit rating agency expense	320,000
Statutory audit fees	480,389
Other expenses	124,307
<b>Total administration fees</b>	<b>7,350,886</b>
<b>Total expenses</b>	<b>7,850,886</b>

For the period ended 31 December 2025, the statutory audit fees include \$0 related to non-audit services.

### 10. Directors and employees

The Company has no employees.

None of the Directors, all of whom are appointed under the terms of a Corporate Services Agreement entered into by the Company with Law Debenture, received any remuneration for their services during the period.

The Directors had no material interest in any contract of significance in relation to the business of the Company.

# CIF Capital Markets Mechanism PLC

## 11. Tax expense

For UK corporation tax purposes, the Company has been considered as a securitisation company under the Taxation of Securitisation Companies Regulations. Therefore, the Company is not required to pay corporation tax on its accounting profit. Instead, the Company is required to pay tax on its cash retained profits as specified in the documentation governing Company's bond issuance programme, being USD 1,000 p.a.

The following table shows the calculation of the Company's tax expense for the period from 26 July 2024 to 31 December 2025.

<i>In USD</i>	<b>2025</b>
Profit before tax	1,929,346
Eliminations – non-taxable net income	(1,928,346)
<b>Retained profit</b>	<b>1,000</b>
Applicable tax rate for a securitisation company	25%
<b>Tax expense</b>	<b>250</b>

## 12. Other liabilities

The following table shows the components of the Company's other liabilities at 31 December 2025.

<i>In USD</i>	<b>2025</b>
Tax payable	250
Accrued expenses	392,304
<b>Total</b>	<b>392,554</b>

## 13. Cash

The following table shows the Company's cash balance at 31 December 2025.

<i>In USD</i>	<b>2025</b>
Cash	525
<b>Total</b>	<b>525</b>

## 14. Other receivables

The following table shows the components of the Company's other receivables at 31 December 2025.

<i>In USD</i>	<b>2025</b>
Amounts due from IBRD	362,548
Amounts due from CIF Capital Markets Mechanism Holdco Limited	48,573
<b>Total</b>	<b>411,121</b>

## CIF Capital Markets Mechanism PLC

### 15. Related parties and other key contracts

#### Related parties

All transactions with related parties are payable on demand and not secured.

#### *Law Debenture Corporate Services Limited*

Under the terms of the corporate services agreement, Law Debenture is contracted by the Company to provide certain corporate services including the provision of the Directors, the company secretary, administrative services, financial services and other additional services to the Company. Accordingly, Law Debenture is a related party of the Company. During the period ended 31 December 2025, fees of \$20,960 were paid to Law Debenture by the Company.

#### *CTF*

Refer to Note 16. Parent and ultimate controlling party for further information regarding CTF's relationship with the Company through the common oversight and management function provided by the TFC. The table below summarises the Company's related party transactions with CTF for the period from 26 July 2024 through 31 December 2025.

<i>In USD</i>	2025
<b>Balance outstanding at 31 December 2025</b>	
CTF pass-through financial asset	522,067,895

#### Other key contracts

#### *International Bank for Reconstruction and Development*

The World Bank's lending arm, IBRD, serves as the Treasury Manager for the Company, under a Treasury Management Agreement dated 12 November 2024. In this capacity, IBRD provides key treasury management services including the execution of the Company's bond issuance, management of related funding and hedging transactions, administration of the Company's account, implementation of applicable CTF financial policies, and preparation of required reporting packages and annual treasury manager reports. All services are performed on a cost-recovery basis in accordance with the terms of the agreement.

In addition, IBRD serves as the Trustee and administrator for CTF and has entered into a pass-through agreement with the Company, in its capacity as trustee and treasury manager of CTF. The funds held in CTF are legally separate and apart from the own funds of the IBRD. The proceeds of the Company's bond issuances are distributed to the CTF Trustee that the CTF Trustee then holds those net bond issuance proceeds as part of the CTF Assets. Under the same agreement, any time that the Company has to make any payment with respect to its bondholder obligations or other obligations such as payment for administrative expenses, the CTF Trustee shall pay the Company an amount equal to the amount needed to satisfy these obligations. The Company's right to receive cash from the CTF Trustee is recognised as a financial asset. IBRD received fees of \$5,901,190 during the period ended 31 December 2025.

## CIF Capital Markets Mechanism PLC

### **16. Parent and ultimate controlling party**

The issued share capital of the Company is held entirely by the legal parent company, CIF Capital Markets Mechanism Holdco Limited, a company incorporated in England and Wales, United Kingdom.

The issued share capital of CIF Capital Markets Mechanism Holdco Limited is held entirely by The Law Debenture Intermediary Corporation P.L.C, as share trustee, under a Declaration of Trust for discretionary charitable purposes. The Law Debenture Intermediary Corporation P.L.C is a wholly owned subsidiary of The Law Debenture Corporation P.L.C. As the share trustee is not entitled to any economic benefit and the beneficiaries do not have any decision-making power, they are not considered to control the Company.

CTF's TFC exercises collective authority over the day-to-day management and decision-making activities of the Company. No single member country of the TFC has individual control over the Company. The Treasury Manager carries out certain management responsibilities on behalf of the committee. Meetings of the TFC are held at various locations including the IBRD's headquarters in Washington D.C., United States of America.

No legal entity is considered to have control over the Company.

### **17. Commitments and Contingencies**

There are no commitments or contingencies as of 31 December 2025.

### **18. Subsequent events**

There are no significant subsequent events requiring disclosure since the date of the statement of financial position as of 31 December 2025.