

LYDIA YEŐİL ENERJİ KAYNAKLARI ANONİM ŐİRKETİ

**FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025
TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT**

**(CONVENIENCE TRANSLATION INTO ENGLISH OF THE
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

FINANCIAL STATEMENTS AS AT AND FOR THE YEAR 1 JANUARY- 31 DECEMBER 2025

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CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN
TURKISH

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 AND 2024

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 December 2025, unless otherwise indicated.)

		Current period	Prior period
		Audited	Audited
ASSETS	Notes	31 December 2025	31 December 2024
Current Assets		33,322,918	1,818,218,458
Cash and Cash Equivalents	5	78,604	17,671,425
Financial Investments	6	21,443,791	1,780,384,228
Trade Receivables	7	6,626,221	5,337,022
<i>Trade Receivables Due from Third Parties</i>	7	6,626,221	5,337,022
Other Receivables	8	-	893,026
<i>Other Receivables Due from Third Parties</i>	8	-	893,026
Prepaid Expenses	9	990,313	375,433
Other Current Assets	10	4,183,989	13,557,324
Total		33,322,918	1,818,218,458
Non-Current Assets		4,580,021,225	691,521,057
Financial Investments	6	4,099,992,000	-
Other Receivables	8	5,088	-
<i>Other Receivables Due from Third Parties</i>	8	5,088	-
Investment Properties	13	-	351,693
Property, Plant and Equipment	11	480,024,137	690,439,461
Intangible Assets	12	-	729,903
<i>Other Intangible Assets</i>	12	-	729,903
TOTAL ASSETS		4,613,344,143	2,509,739,515

The accompanying notes form an integral part of these financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 AND 2024

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 December 2025, unless otherwise indicated.)

	Notes	Current period	Prior period
		Audited	Audited
LIABILITIES		31 December 2025	31 December 2024
Current Liabilities		3,427,210	54,373,986
Trade Payables	7	1,054,767	1,363,839
<i>Trade Payables Due to Related Parties</i>	7-4	-	360,703
<i>Trade Payables Due to Third Parties</i>	7	1,054,767	1,003,136
Employee Benefits	14	-	143,255
Other Payables	8	-	1,604,503
<i>Other Payables Due to Related Parties</i>	8-4	-	99,146
<i>Other Payables Due to Third Parties</i>	8	-	1,505,357
Deferred Income	9	-	8,853
Current Income Tax Liabilities	22	-	49,420,269
Short-Term Provisions	15	1,929,894	1,658,109
<i>Short-Term Provisions for Employee Benefits</i>	15	-	4,699
<i>Other Short-Term Provisions</i>	15	1,929,894	1,653,410
Other Current Liabilities	10	442,549	175,158
Total		3,427,210	54,373,986
Non-Current Liabilities		1,061,469,345	544,151,307
Long-Term Provisions	15	-	418,495
<i>Long-Term Provisions for Employee Benefits</i>	15	-	418,495
Deferred Tax Liabilities	22	1,061,469,345	543,732,812
Equity Attributable to Owners of Parent		3,548,447,588	1,911,214,222
Paid-in Share Capital	16	1,891,070	1,891,070
Adjustment to Share Capital	16	16,835,435	16,835,435
Share Premium	16	155,880,311	155,880,311
Additional Capital Contributions of the Shareholders	16	12,283,767	12,283,767
Business Combinations	16	-	324,490,323
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	16	110,694,289	204,126,595
<i>Actuarial gains/(losses) on Employee Benefits</i>	16	-	(650,358)
<i>Gains/(losses) on revaluation and reclassifications</i>	16	110,694,289	204,776,953
Retained Earnings	16	1,195,706,721	(61,401,538)
Profit for the Period	16	2,055,155,995	1,257,108,259
TOTAL LIABILITIES AND EQUITY		4,613,344,143	2,509,739,515

The accompanying notes form an integral part of these financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED 31 DECEMBER 2025 AND 2024

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 December 2025, unless otherwise indicated.)

		Current period	Prior period
		<i>Audited</i>	<i>Audited</i>
	Notes	1 January - 31 December 2025	1 January - 31 December 2024
Profit or loss			
Revenue	17	53,229,195	71,532,332
Cost of Sales (-)	17	(34,002,465)	(48,369,738)
GROSS PROFIT		19,226,730	23,162,594
Marketing, Sales and Distribution Expenses (-)	18	-	(139,806)
General Administrative Expenses (-)	18	(20,557,197)	(34,702,736)
Other Operating Income	19	18,964,859	10,389,200
Other Operating Expenses (-)	19	(60,059,501)	(6,053,206)
OPERATING PROFIT		(42,425,109)	(7,343,954)
Gains from investment activities	20	2,340,981,702	1,775,531,196
Losses from investment activities (-)	20	(7,049,710)	(382,263)
Operating profit before financial income/(expense)		2,291,506,883	1,767,804,979
Financial Income	21	19,887,350	-
Financial Expense (-)	21	(16,024,229)	(50,191,888)
Net monetary position gains/(losses)	23	313,020,625	816,932
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		2,608,390,629	1,718,430,023
Tax income/(expense)		(553,234,634)	(461,321,764)
- Current period tax income/(expense)	22	-	(51,805,796)
- Deferred tax income/(expense)	22	(553,234,634)	(409,515,968)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		2,055,155,995	1,257,108,259
PROFIT FOR THE PERIOD		2,055,155,995	1,257,108,259
Attributable to			
Non-Controlling Interests		-	-
Equity Attributable to Owners of Parent		2,055,155,995	1,257,108,259
Earnings per share from continuing operations	24	1,086.77	664.76
OTHER COMPREHENSIVE INCOME/(EXPENSE)		40,337,847	204,916,594
Items not to be reclassified to profit or loss		-	139,641
Actuarial gains/(losses) on Employee Benefits		-	111,713
Tax effect		-	27,928
Items to be reclassified to profit or loss		40,337,847	204,776,953
- Gains/losses on revaluation and reclassifications		49,646,582	273,035,937
- Tax effect		(9,308,735)	(68,258,984)
TOTAL COMPREHENSIVE INCOME		2,095,493,842	1,462,024,853

The accompanying notes form an integral part of these financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2025 AND 2024

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 December 2025, unless otherwise indicated.)

						<u>Items not to be reclassified to profit or loss</u>	<u>Retained earnings</u>			
	Paid-in share capital	Adjustment to share capital	Share premium	Capital contribution fund (Advance)	Business combinations under common control	Actuarial (losses)	Gains/(losses) on revaluation and reclassifications	Prior year's income	Profit/(loss) for the period	Total equity
Audited prior period										
Balances at 1 January 2024 (Beginning of the period)	1,118,203	16,636,161	155,880,311	12,283,767	-	(566,574)	-	(149,100,658)	87,699,120	123,950,330
Transfers	-	-	-	-	-	-	-	87,699,120	(87,699,120)	-
Total comprehensive income	-	-	-	-	-	(83,784)	204,776,953	-	1,257,108,259	1,461,801,428
Business combinations under common control	772,867	199,274	-	-	324,490,323	-	-	-	-	325,462,464
Balances at 31 December 2024 (End of the period)	1,891,070	16,835,435	155,880,311	12,283,767	324,490,323	(650,358)	204,776,953	(61,401,538)	1,257,108,259	1,911,214,222
Audited current period										
Balances at 1 January 2025 (Beginning of the period)	1,891,070	16,835,435	155,880,311	12,283,767	324,490,323	(650,358)	204,776,953	(61,401,538)	1,257,108,259	1,911,214,222
Transfers	-	-	-	-	(324,490,323)	650,358	(134,420,511)	1,257,108,259	(1,257,108,259)	(458,260,476)
Total comprehensive income	-	-	-	-	-	-	40,337,847	-	2,055,155,995	2,095,493,842
Balances at 31 December 2025 (End of the period)	1,891,070	16,835,435	155,880,311	12,283,767	-	-	110,694,289	1,195,706,721	2,055,155,995	3,548,447,588

The accompanying notes form an integral part of these financial statements.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
LYDIA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2025 AND 2024

(Amounts on tables expressed in Turkish Lira ("TL") in terms of purchasing power of TL on 31 December 2025, unless otherwise indicated.)

		Current period Audited	Prior period Audited
	Notes	1 January - 31 December 2025	1 January - 31 December 2024
A, CASH FLOWS FROM OPERATING ACTIVITIES			
		(68,428,761)	75,381,594
Profit for the period from continuing operations	16	2,055,155,995	1,257,108,259
Adjustments to reconcile profit for the period to cash generated from operating activities		260,319,321	(1,101,810,763)
Adjustments for depreciation and amortisation		16,483,547	32,544,934
Adjustments for tax income and expenses	22	553,234,634	461,321,764
Adjustments for provisions		(146,710)	1,342,313
Adjustments for impairment (reversal)		902,501	1,181,305
Adjustments for discount income and expenses	19	90,399	-
Adjustments for interest expenses		16,024,229	50,100,781
Adjustments for interest income		(19,887,350)	-
Adjustments for fair value losses/(gains)		-	(1,644,107,024)
Adjustments for gains/(losses) on disposal of property, plant and equipment and intangible assets	11-12	158,893,604	382,263
Gains/(losses) on disposal of a subsidiary (Business combinations under common control)		(324,490,323)	-
Adjustments for net monetary position gains/losses		(140,785,210)	(4,577,099)
Other adjustments to reconcile profit for the period		260,319,321	(1,101,810,763)
Changes in working capital		(2,334,483,808)	(77,386,245)
Adjustments for changes in financial investments	6	(2,341,051,563)	(9,790,484)
Adjustments for increase (decrease) in trade receivables	7	(1,289,199)	5,151,676
Adjustments for increase (decrease) in inventories		-	9,738,652
Adjustments for increase (decrease) in trade payables	7	(309,072)	(16,008,497)
Adjustments for increase (decrease) in prepaid expenses	9	(614,880)	1,010,388
Changes in payables due to employee benefits	14	(143,255)	(663,587)
Changes in other assets and liabilities	10	9,640,726	-
Adjustments for losses/(gains) on Other Receivables	8	887,938	3,801,439
Adjustments for losses/(gains) on Other Payables	8	(1,604,503)	(70,625,832)
Total cash flows from operating activities		(2,383,904,077)	(79,915,902)
Payments withing provisions for employee benefits		-	(123,086)
Tax payments (-)		(49,420,269)	(2,406,571)
B, CASH FLOWS FROM INVESTING ACTIVITIES			
		51,143,510	114,752
Cash inflows from sales of property, plant and equipment	11	50,767,158	-
Cash inflows from sales of intangible assets	12	318,225	325,894
Cash inflows from sales of investment properties	13	351,693	-
Cash outflows from purchases of property, plant and equipment (-)	11	(293,566)	(211,142)
C, CASH FLOWS FROM FINANCING ACTIVITIES			
		3,863,121	(49,982,455)
Interest paid		(16,024,229)	(49,982,455)
Interest received		19,887,350	-
D, NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES			
		-	-
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS			
		(4,170,691)	(16,789,009)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)			
		(17,592,821)	8,724,882
E, CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
	5	17,671,425	8,946,543
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)			
	5	78,604	17,671,425

The accompanying notes form an integral part of these financial statements.

NOTE 1- COMPANY'S ORGANISATION AND NATURE OF OPERATIONS

Lydia Yeşil Enerji Kaynakları Anonim Şirketi ("Lydia Yeşil Enerji" or the "Company"), was established with the title of "Taze Kuru Gıda İnş. İth. İhr. San. Tic. Ltd. Şti." in Ankara in 2009. The Company has been converted from a "limited liability company" to a "joint stock company", as announced in Official Gazette on 30 May 2012.

The Board of Directors has prepared a draft amendment to the Articles of Association regarding the change in the nature of business to "Energy Company" and the change in its title to "Lydia Yeşil Enerji Kaynakları Anonim Şirketi" pursuant to the decision on 19 February 2024. In order to commence operations in the energy production sector and in accordance with the long-term strategies and competitive objectives on 19 February 2024, and in order to ensure that the Company also contributes in positive manner to the nature of business, in accordance with the Capital Markets Board's (the "CMB") Merger and Division Circular No. II-23.2, the Turkish Commercial Code No. 6102 (the "TCC"), the Corporate Tax Law numbered 5520 ("CTL"), and the provisions of other relevant legislation, it has been decided that "MYK2 Enerji Elektrik İnşaat Taah. San. ve Tic. A.Ş." ("MYK2") will be acquired, including all its assets and liabilities, by Lydia Yeşil Enerji, resulting in the business combination of the two entities. An application was submitted to the Capital Markets Board (the "CMB") for the amendment of the Articles of Association and the approval of the business combination, and it was announced that the relevant transactions were approved by the the CMB on 25 July 2024.

In accordance with the decision of the "General Assembly" of Lydia Yeşil Enerji on 27 August 2024, the amendment to the articles of association regarding the change in the scope of nature of business and the title of Lydia Yeşil Enerji, as well as the business combination through the acquisition of MYK2, has been approved. The General Assembly Resolution was registered in the Commercial Registry on 4 September 2024, and published in the Official Gazette on 9 September 2024 and numbered 11160.

Lydia Yeşil Enerji's business activities include ensuring the compliance with energy market regulations and upon obtaining the necessary permits and licenses from the Energy Market Regulatory Authority, to produce electricity and heat energy by utilizing all types of underground and above-ground energy sources, as well as energy sources such as solar, hydrogen, wind, and other energy resources and to produce electricity and heat energy, sell the electricity and heat energy produced, establish, operate, take over, or lease any facilities for the purpose of producing electricity, and engage in other activities specified in the articles of association.

The registered address of Lydia Yeşil Enerji is as follows:

Levazım Mahallesi Vadi Caddesi Zorlu Center No:2 İç Kapı No:141 Beşiktaş/İstanbul

The shareholding structure of Lydia Yeşil Enerji is disclosed in Note 16.

The information regarding the subsidiaries consolidated in the financial statements of Lydia Yeşil Enerji prior to the business combination on 30 June 2025 is as follows:

Subsidiaries

Taze Kuru Net Gıda Pazarlama A.Ş. ("Taze Kuru Net")

Taze Kuru Net Gıda Pazarlama A.Ş. was established on 23 June 2020 in İstanbul, Türkiye. Taze Kuru's business activities include ensuring the production, packaging, and packing of all types of food products, particularly fresh vegetables and fruits, fresh or dried products, semi-finished products, and all raw and auxiliary materials related to these products and semi-finished products.

NOTE 1- COMPANY’S ORGANISATION AND NATURE OF OPERATIONS (*Continued*)

Subsidiaries (Continued)

Birinci Enerji Üretim A.Ş. (“Birinci Enerji”)

Birinci Enerji Üretim A.Ş. was established in 2015. Birinci Enerji’s nature of business includes ensuring the establishment, commissioning, operation, and leasing of all types of electrical energy production facilities, and the production of electrical energy.

With the acquisition of MYK2, which is owned by Birinci Enerji, Lydia Holding has become a subsidiary and has been included in the scope of consolidation of Lydia Yeşil Enerji.

In accordance with the decision of the Board of Directors on 13 March 2025, in order to adapt to the Company's structural transformation and reduce operational burdens and costs, it has been decided to merge Birinci Enerji and Taze Kuru Net, of which the Company has 100% effective ownership interest, into the Company through a simplified procedure by acquiring all of their assets and liabilities as a whole, and to carry out the relevant applications and other necessary procedures. The announcement regarding the relevant business combination was approved by the Capital Markets Board on 30 May 2025, and notified to our Company on 2 June 2025. The business combination was registered in the trade register on 30 June 2025, and announced in the Official Gazette on 30 June 2025, and numbered 11361. As indicated in the material disclosure on 22 July 2025, since there are no subsidiaries that need to be consolidated under TAS/TFRS, the preparation of non-consolidated financial statements has commenced instead of consolidated financial statements as of 30 June 2025.

As of 31 December 2025, Lydia Yeşil Enerji has no personnel employed during the annual reporting period and Lydia Yeşil Enerji’s operational, technical and regulatory personnel requirements are satisfied through external service procurement, primarily from its parent company, Lydia Holding (31 December 2024: 3).

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Financial reporting standards

The financial statements of the Company have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting in Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676. The accompanying financial statements as at and for the year ended 31 December 2025 have been prepared following “TFRS/TAS” with additions and interpretations as issued by POA.

The accompanying financial statements are presented in accordance with the “Announcement regarding TAS Taxonomy” issued by POA and “Illustrative Examples of Financial Statements and User Guide” issued by CMB including the format and mandatory information.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.1 Financial reporting standards (*Continued*)

The Company maintains its statutory records in accordance with the Turkish Commercial Code No. 6102 ("TCC"), tax legislation, and the Uniform Chart of Accounts published by the Ministry of Treasury and Finance of the Republic of Türkiye. However, in order to ensure proper presentation in accordance with TAS/IFRS, the financial statements have been prepared in accordance with the accounting policies disclosed in Note 2.9, including those related to changes in the purchasing power of the Turkish Lira ("TL").

Approval of the financial statements

These financial statements as at and for the year ended 31 December 2025 have been approved for issue by the Board of Directors ("BOD") on 6 February 2026. These financial statements will be finalised following the approval by the General Assembly.

Functional and reporting currency

The financial statements are presented in TL, which is Lydia Yeşil Enerji's functional and presentation currency.

2.2 Going concern

As of 31 December 2025, the Company has prepared its financial statements with the assumption of the Company's ability to continue its operations in the foreseeable future as a going concern basis of accounting.

2.3 Adjustments of financial statements in hyperinflationary periods

In accordance with the announcement realised by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the annual reporting period ending on or after 31 December 2023. TAS 29 is applied to the financial statements, including the financial statements, of entities whose functional currency is the currency of a hyperinflationary economy. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. For comparative purposes, comparative information in the prior period financial statements is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has also presented its financial statements as at and for the year ended 31 December 2025 and 2024 in terms of the purchasing power on 31 December 2025.

In accordance with the CMB's resolution No: 81/1820 on 28 December 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 beginning with the annual financial statements for the accounting periods ending on 31 December 2023.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.3 Adjustments of financial statements in hyperinflationary periods (Continued)**

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2025, the indices and adjustment factors used in the restatement of the financial statements are as follows:

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31 December 2025	3,513.87	1.00000	211%
31 December 2024	2,684.55	1.30892	291%
31 December 2023	1,859.38	1.88981	268%

The main components of the Company's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- The financial statements for the current period presented in TL are expressed in terms of the purchasing power of TL at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power of TL at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the purchasing power at the balance sheet date. Where the inflation-adjusted carrying amounts of non-monetary items exceed their recoverable amounts or net realisable values, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the statement of financial position date are restated by using the relevant adjustment factors.
- All items in the statement of comprehensive income, except for the non-monetary items in the statement of financial position that have an effect on the statement of comprehensive income, are restated by applying the coefficients calculated over the periods in which the income and expense accounts were initially recognised in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period is recognised in the gains/(losses) on net monetary position in the statement of profit or loss.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.4 Group accounting and basis of consolidation

The Group has prepared consolidated financial statements for its two subsidiaries prior to the business combination effective from 30 June 2025.

The consolidated financial statements include the financial statements of Lydia Yeşil Enerji and its subsidiaries. The principles for the preparation of the consolidated financial statements are as follows:

- Subsidiary is company over which Lydia Yeşil Enerji has the power to control the financial and operating policies for the benefit of Lydia Yeşil Enerji, either (a) through the power to exercise more than 50% of voting rights relating to the shares in the companies as a result of the ownership interest owned directly and indirectly by itself, and/or by certain Lydia Yeşil Enerji members and companies owned by them where by Lydia Yeşil Enerji exercises control over the ownership interest of the shares held by them and shares to be used according to Lydia Yeşil Enerji preferences; or (b) although not having the power to exercise more than 50% of the ownership interest, Lydia Yeşil Enerji has power to control the investee due to the dispersed capital structure of the investee and/or Lydia Yeşil Enerji has rights or is exposed to variable returns from its involvement with the investee and when at the same time it has the power to affect these returns through its power over the investee.
- Subsidiaries are included in the scope of consolidation from the date control over their operations is transferred to the Group and excluded from consolidation when control ceases. The accounting policies applied by subsidiaries have been made consistent with those applied by the Group to ensure consistency.
- The financial statements of subsidiaries have been consolidated using the full consolidation method. In this context, the carrying value and equity of subsidiaries have been netted, and the carrying value of the shares owned by the Company and the dividends arising therefrom have been offset against the related equity and income statement accounts.
- The receivables and payables of subsidiaries within the scope of consolidation, as well as the sales of goods and services realised with each other, and the income and expense items arising from transactions realised with each other, have been offset against each other.
- Amounts attributable to non-controlling interests in the equity of the subsidiaries within the scope of consolidation, including paid-in/issued share capital, are deducted and presented in the consolidated statement of financial position under the "Non-Controlling Interests".

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.4 Group accounting and basis of consolidation (Continued)**

As of 31 December 2024, the subsidiaries (“Subsidiaries”) included in the consolidation scope of Lydia Yeşil Enerji; their, voting rights, direct and indirect ownership interests are as follows:

Subsidiaries	Direct and indirect ownership interests held by Lydia Yesil Enerji (%)
	31 December 2024
Taze Kuru Net Gıda Pazarlama A.Ş. (*-**)	100%
Birinci Enerji Üretim A.Ş. (*-**)	100%

(*) Birinci Enerji became a subsidiary with 100% effective ownership interest of MYK2, which acquired 100% of Birinci Enerji, and was included in the scope of consolidation. Birinci Enerji realised a business combination with Lydia Yeşil Enerji.

(**) Taze Kuru and Birinci Enerji became a subsidiary with 100% effective ownership interest of Lydia Yeşil Enerji, and was included in the scope of consolidation. Taze Kuru and Birinci Enerji realised a business combination with Lydia Yeşil Enerji on 30 June 2025.

2.5 Comparatives and adjustment of prior period’s financial statements

Any change in accounting policies resulting from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements of standard. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. If changes in accounting estimates are related to only one period, they are recognised in the period when the changes are applied; if changes in estimates are related to future periods, they are recognised both in the period where the change is applied and in future periods prospectively.

2.6 Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in the current period if the change affects only that period, or in the current and future periods if the change affects both. Identified significant accounting errors are applied retrospectively, and the prior period financial statements are restated.

2.7 New and Revised Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the financial statements as at and for the year ended 31 December 2025 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TFRS/TAS”) and interpretations effective as of 1 January 2026 and thereafter. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.7 New and Revised Turkish Financial Reporting Standards (Continued)**

i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 1 January 2026 are as follows:

Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments

On 10 August 2025, the POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. The Company is in the process of assessing the material influence of the amendments on financial position or performance of the Company.

Contracts Referencing Nature-dependent Electricity—Amendments to TFRS 9 and TFRS 7

On 10 August 2025, the POA issued the amendment "Contracts for Electricity Generated from Natural Resources" (related to TFRS 9 and TFRS 7). The amendment clarifies the application of the "own use" exception and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements to help investors understand the impact of these contracts on an entity's financial performance and cash flows. The amendment is not applicable for the Company and has no material influence on the financial position or performance of the Company.

Annual Improvements to TAS/TFRS Accounting Standards - Amendment 11

On 27 September 2025, the POA issued "Annual Improvements to TAS/TFRS Accounting Standards /Amendment 11" published in the Official Gazette with the following amendments:

- TFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge accounting by a first-time adopter: The amendment is intended to eliminate potential confusion caused by the inconsistency between the wording in TFRS 1 and the hedge accounting requirements in TFRS 9.
- TFRS 7 Financial Instruments: Disclosures - Gains or losses on derecognition: TFRS 7 amends the wording of unobservable inputs and adds a reference to TFRS 13.
- TFRS 9 Financial Instruments - Transaction price when the lease liability is derecognized by the lessee: TFRS 9 has been amended to clarify that when the lease liability is extinguished for the lessee, the lessee is required to apply the derecognition provisions in TFRS 9 and the resulting gain or loss is recognized in profit or loss. TFRS 9 has also been amended to remove the reference to "transaction price".
- TFRS 10 Consolidated Financial Statements - Identifying the "de facto agent": Amendments to TFRS 10 to remove inconsistencies in paragraphs.
- TAS 7 Statement of Cash Flows - Cost method: The wording in the Standard has been deleted following the removal of "cost method" in previous amendments.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, and early application permitted.

The Company is in the process of assessing the material influence of the amendments on financial position or performance of the Company.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.7 New and Revised Turkish Financial Reporting Standards (Continued)****ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10/TAS 28 — Sales or contributions of assets between an investor and its associate/joint venture

In December 2017, the POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Company will assess the effects of the amendments after the new standards have been finalized.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2026 with the announcement made by the POA. The standard is not applicable for the Company and the standard has no material influence on the financial position or performance of the Company.

TFRS 18 Presentation and Disclosure in Financial Statements

The standard is effective from annual periods beginning on or after 1 January 2027 and published in the Official Gazette on 8 May 2025. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is in the process of assessing the material influence of the standard on financial position or performance of the Company.

TFRS 19 – Subsidiaries without Public Accountability: Disclosures

TFRS 19 – Subsidiaries without Public Accountability: Disclosures ("TFRS 19") was published in the Official Gazette on 10 August 2025. It is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. The standard aims to reduce the disclosure requirements in TAS/TFRS for subsidiaries covered by its scope. Under TFRS 19, businesses that are not subject to public accountability and are themselves subsidiaries are expected to apply the simplified disclosure provisions set out in TFRS 19 instead of the disclosure provisions in other TAS/TFRS. This aims to reduce the reporting obligations of these businesses in terms of disclosure provisions. The application of TFRS 19 is not mandatory and is left to the discretion of the entity.

A subsidiary meets the relevant conditions in the following circumstances:

- It is a non-public subsidiary or a subsidiary whose capital market instruments are not traded on a stock exchange, or
- It has a parent or intermediate parent that produces financial statements in accordance with TAS/TFRS that are available to the public.

The standard has no material influence on the financial position or performance of the Company.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.8 Offsetting

Financial assets and liabilities are presented net when there is a legal right to do so, when there is an intention to evaluate the assets and liabilities net, or when the acquisition of the assets and the settlement of the liabilities are near-simultaneous.

The items of significant content and amount, even if similar in nature, are presented separately in the financial statements. Items that are not significant are aggregated and presented together based on their nature or function.

If the nature of the transaction or event requires offsetting, the presentation of such transactions or events at net amounts or the recognition of assets at their amounts after impairment, rather than their original amounts, does not constitute a violation of the offsetting prohibition.

Income earned by the Company outside of the income defined under the “Revenue” as a result of the transactions realised within the ordinary course of business is presented at its net value, provided that it is consistent with the nature of the transaction or event.

2.9 Summary of significant accounting policies

The accounting policies used in the preparation of the financial statements are as follows:

Financial assets

A financial asset or a financial liability is recognized in the statement of financial position only when it is a party to the contractual provisions of the instrument. Normal purchases or sales of financial instruments are recognized in the financial statements or excluded from the financial statements by using one of the accounting methods on the transaction date or delivery date. Trading transactions of the marketable securities are accounted for at the date of delivery with the initial recognition and classification of financial instruments depends on the contractual terms and the relevant business model.

Financial assets and liabilities under TFRS 9 (“Financial Instruments”) are as follows:

Financial assets

Financial investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Investments are recorded or derecognized on the date of the transaction on the basis of a contract with the condition of delivery of the investment instruments in accordance with the period determined by the relevant market.

Financial assets classified as “financial assets at fair value through profit or loss”, “financial assets at amortized cost” and” financial assets at fair value through other comprehensive income”.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Financial assets (*Continued*)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss; are financial assets held for trading and not acquired for trading purposes but recognized in this category at initial recognition. When a financial asset is acquired for the purpose of disposal in the short term, it is classified in that category. Derivative financial instruments which are not designated as effective hedging instruments are also classified as financial assets measured at fair value through profit or loss. Financial assets are carried at fair value and any gains or losses arising from the valuation are recognized in profit or loss.

Financial assets at amortized cost

"Financial assets at amortised cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortised cost are accounted for under the statement of income. Interest income from financial assets held-to-maturity recognized in the statement of profit or loss.

Financial assets at fair value through other comprehensive income

"Financial assets at fair value through other comprehensive income" are assets that are either equity securities or debt securities. The Company measures related financial assets at fair value. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for foreign exchange gains and losses. When an equity security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings. When a debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Subsequent valuation of financial assets measured at fair value through other comprehensive income is carried at fair value. However, if the fair value cannot be determined reliably, for those with a fixed maturity, discounted price is calculated using the internal rate of return method; for those who do not have a fixed maturity, fair value is valued using pricing models or discounted cash flow techniques. Unrealized gains or losses arising from changes in the fair values of financial assets at fair value through other comprehensive income and expressing the difference between the amortized cost and fair value of the securities calculated using the effective interest method, are included in the "Financial Assets Under Management Fund" which is recognized in equity. When the financial assets at fair value through profit or loss are disposed of, the value in equity resulting from the application of fair value is reflected to the period profit/loss.

Repurchase and resale transactions

Funds attributed to financial assets as reverse repo are recorded as receivables from reverse repo under cash and cash equivalents in the financial statements. A discount income is calculated by using the internal discount rate method for the current year portion of the difference between the sale and purchase price of these reverse repo agreements and accounted by adding to the cost of the reverse repo.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Financial assets (*Continued*)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held in banks with maturities of 3 months or less, government bonds/treasury bills classified as available for sale financial assets with original maturities of 3 months or less, other short-term liquid investments and blocked deposits. Cash and cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of financial assets/expected credit loss

At each reporting date, it is evaluated whether there is a significant increase since the financial instrument within the scope of the impairment has been included in the financial statements for the first time. When making this assessment, the change in the risk of default of the financial instrument is taken into consideration. The expected credit loss estimate is unbiased, weighted according to probabilities, and includes information that can be supported about past events, current conditions, and forecasts for future economic conditions.

In all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of a provision account, the impairment is offset directly from the carrying amount of the related financial asset. In the event that the trade receivable cannot be collected, the said amount is offset from the provision account. Fair value difference other than equity instruments reflected in other comprehensive income, if the impairment loss is reduced in the subsequent period and if the impairment can be attributed to an event that occurred after the recognition of the impairment loss, an impairment loss recognized in advance if the impairment of the investment has never been recognized at the time the impairment loss is reversed will not exceed the amount of amortized cost in the statement of profit or loss is reversed.

An increase in the fair value of the equity instruments reflected in other comprehensive income after the impairment loss, recognized directly in equity.

Trade receivables and provision for doubtful receivables

Trade receivables that the Company does not expect to have cash flow for the future are written off from the assets.

It accounted for at amortized cost in the financial statements and do not contain a significant financing component (less than 1 year as short term) value within the scope of trade receivables impairment calculations applied "simplified approach". In cases where trade receivables are not impaired due to certain reasons (except for realized impairment losses), provisions for losses related to trade receivables "is measured from an equal amount of lifetime expected credit losses".

In case of collecting all or part of the receivable amount that is impaired following the provision for impairment, the collected amount is deducted from the main activities to other income by offset the amount deducted from the provision for impairment.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Financial assets (*Continued*)

Financial liabilities

The Company's financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all the liabilities. Accounting policies determined for the financial liabilities and the financial instruments based on equity are explained below. Financial liabilities are classified as either "Financial liabilities at fair value through profit or loss" or "Other financial liabilities".

Other financial liabilities

Other financial liabilities are initially recognized with their fair values free from transaction costs.

Other financial liabilities are recognized over their amortized costs using the effective interest method and with interest costs calculated over effective interest rate in subsequent periods.

The effective interest method is the calculation of the amortized costs of the financial liabilities and the distribution of the related interest expenses to related periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net present value of the financial liability.

Recognition and derecognition of financial assets and liabilities

The Company reflects the financial assets or liabilities in the statement of financial position when it becomes a party to the related financial instrument contracts. The Company writes off a financial asset or a portion of its financial asset only when it loses its control over the rights arising from the contract. The Company derecognizes a financial liability only if the obligation defined in the contract is eliminated, cancelled or expired.

Trade payables

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business representing the fair value of the future invoiced or uninvoiced amount. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Inventories

Inventories are evaluated at either the lower of acquisition cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory costs are determined using the "weighted average cost method." Those costs also include systematically distributed costs from fixed and variable general production expenses incurred in covering direct raw material to the goods. The cost of inventories is determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of the inventory below its cost, the inventories are reduced to their net realizable value arising from operating activities and the expense is recognised in the statement of profit or loss in the year in which the impairment incurred.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.9 Summary of significant accounting policies (Continued)****Property, plant and equipment**

The property, plant and equipment, except for machinery, plant, and equipment, are carried at their acquisition cost less accumulated depreciation and impairment losses. The cost of a property, plant and equipment consists of the purchase price, non-refundable taxes, and expenses incurred to bring the asset to a condition ready for use. Except for land, buildings and construction in progress, the cost of property, plant and equipment are subject to depreciation on a straight-line basis based on their expected useful lives. The expected useful life, residual value, and depreciation method are reviewed annually to assess the potential effects of changes in estimates, and any changes in estimates are accounted for prospectively. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

Depreciation	Economic useful lives (year)
Plant, machinery and equipment	5-25
Motor vehicles	4-10
Furniture and fixtures	4-15
Leasehold improvements	5-10

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell.

The Company has revalued its plant, machinery, and equipment. The accumulated depreciation as of the revaluation date of 31 December 2025, has been offset against the gross carrying amount of the asset, and the net amount has been adjusted to the revalued amount.

Recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilisation of this property, plant and equipment or its fair value less cost to sell. Property, plant and equipment are reviewed for possible impairment losses and where the carrying amount of the property, plant and equipment is greater than the estimated recoverable amount, it is written down to its recoverable amount.

Intangible assets

Intangible assets comprise of rights and computer software, and are initially carried at their acquisition cost. Intangible assets are capitalized when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. After initial recognition, intangible assets are carried at their carrying amount, which is the cost less any accumulated amortization and, if any, accumulated impairment losses. Intangible assets are subject to amortization on a straight-line basis based on their estimated useful lives.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.9 Summary of significant accounting policies (Continued)****Intangible assets (Continued)**

The depreciation periods for intangible assets, which approximate the economic useful lives of such assets, are as follows:

Depreciation	Economic useful lives (year)
Rights	5 years

Investment properties

Land and buildings that are held for rental yields or for capital appreciation or both (by the owner or the lessee under a financial lease agreement) rather than held in the production or supply of goods or services or for administrative purposes or for the sale in the ordinary course of business are classified as "investment property".

An investment property is recognized as an asset when it is probable that future economic benefits associated with the property will flow to the entity and the cost of the investment property can be measured reliably.

The Company recognises investment properties at cost. Cost refers to the amount of cash or cash equivalents paid during the acquisition or construction of an asset, or the fair value of other payments made, or, if applicable, the amount attributed to the asset at initial recognition.

Impairment of assets

The Company assesses whether there is any indication of impairment of an asset at each financial statement date. If such an indication exists, the recoverable amount of the asset is estimated. If the carrying amount of the asset or any cash-generating unit to which the asset belongs exceeds the amount recoverable from its disposal or use, impairment has occurred. The recoverable amount is determined by selecting the higher of the net selling price and the value in use of the asset. The value in use is the estimated present value of the cash flows expected to be generated from the continued use of an asset and from its disposal at the end of its useful life. Impairment losses are recognized in the statement of profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the related qualifying asset. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Bank borrowings

Bank borrowings are carried at their value less transaction costs. Long-term borrowings are carried at their discounted cost using the effective interest method. The difference between the amount remaining less discount transaction fees and the discounted cost is recognised in the statement of profit or loss as financing costs over the period. Financing costs arising from borrowings are recognised in the statement of profit or loss when they arise.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Share capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity less retained earnings in the period in which they are approved and declared.

Revenue

In accordance with "IFRS 15 Revenue from Contracts with Customers" is that the entity reflects the proceeds to the financial statements from an amount that reflects the cost that the Company expects to qualify for the transfer of the goods or services it commits to its customers.

Revenue is accounted for in the financial statements within the scope of the five-step model below in accordance with the IFRS 15:

- a) Identification of customer contracts,
- b) Identification of performance obligations,
- c) Determination of the transaction price in the contracts,
- d) Allocation of transaction price to the performance obligations,
- e) Recognition of revenue when the performance obligations are satisfied.

Accordingly, the goods or services promised in each contract with customers are first evaluated, and each promise to transfer the goods or services is identified as a separate performance obligation. Subsequently, it is determined whether the performance obligations will be satisfied over time or at a specific point in time. If the company transfers control of a good or service over time and therefore satisfies the performance obligations related to the relevant sales over time, it recognizes revenue over time in the financial statements by measuring the progress toward the complete satisfaction of the performance obligations.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow. In case of the cash outflow is probable, provision is allocated in the financial statements of the year the probability of contingent liability accounts is changed. A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount of provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are not included in the financial statements and considered as contingent assets or liabilities.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Events after the reporting period

Events after the reporting period include all events up to the date when the financial statements are authorised for issue, even if those events occur after the public announcement of profit or of other selected financial information.

The Company shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting period.

Related parties

Within the scope of this report, the Company's shareholders, its subsidiaries and associates with which the Company's shareholders have direct or indirect capital and management relationships, and entities other than its subsidiaries, including the management personnel, such as the Company or the Company's board of directors members and general managers, who are directly or indirectly authorised and responsible for the planning, execution and supervision of the operating activities, the close family members of these persons, and companies directly or indirectly controlled by these persons are considered related parties. The transactions with related parties are disclosed in the notes to the financial statements.

Employee benefits

Defined benefit plans

The provision for employment termination benefits, as required by Turkish Labour Law represents the present value of the future probable obligation of the Company arising from the retirement of its employees based on the actuarial projections. TAS 19 "Employee Benefits" requires actuarial assumptions (net discount rate, turnover rate to estimate the probability of retirement etc.) to estimate the entity's obligation for employment termination benefits. The effects of differences between the actuarial assumptions and the actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses and recognised under other comprehensive income.

Defined contribution plans

The Company has to pay contributions to the Social Security Institution on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. These contributions are recognised as an employee benefit expense when they are accrued.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Taxes on income

Income tax expense (or income) is the sum of the current tax expense and the deferred tax expense (or income).

Deferred tax assets and liabilities are determined by calculating the temporary differences between the amounts presented in the financial statements and the amounts considered in the statutory tax base in accordance with the balance sheet method. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax liability or asset is not calculated in respect of temporary timing differences arising from the initial recognition of assets or liabilities other than goodwill or business combinations and which do not affect both commercial and financial profit /loss.

Deferred tax liabilities are calculated for all taxable temporary differences related to the investments in subsidiaries and associates and shares in joint ventures, except in cases where the Company is able to control the discontinuation of temporary differences and in the near future it is unlikely that such difference will be eliminated. Deferred tax assets resulting from taxable temporary differences related to such investments and shares are calculated on the condition that it is highly probable that future taxable profit will be available and that it is probable that future differences will be eliminated.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that financial profit will be available to allow the benefit of some or that entire amount.

Deferred tax assets and liabilities are calculated over the tax rates that are expected to be valid in the period when the assets are realized or the liabilities are fulfilled and legalized or substantially legalized as of the balance sheet date (tax regulations). During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects to recover or settle the carrying amount of the assets as of the balance sheet date are taken into consideration.

Earnings per share

Earnings per share disclosed in the statement of profit or loss are determined by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding during the period concerned.

In Türkiye, companies can increase their share capital through a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and inflation adjustment to equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier period as if the event had occurred at the beginning of the earliest period reported.

Statement of cash flow

In the statement of cash flows, cash flows are classified according to operating, investing and financing activities. The cash and cash equivalents included in the statement of cash flows include cash on hand and bank deposits.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (*Continued*)

2.9 Summary of significant accounting policies (*Continued*)

Operating segments

Lydia Yeşil Enerji's business activities include ensuring to generate electricity and heat energy by utilizing all types of underground and above-ground energy sources, as well as energy sources such as solar, hydrogen, wind, other energy resources and, to sell the electricity and heat energy produced, and to establish, operate, take over, lease, and engage in other activities specified in the articles of association for the purpose of generating electricity. The Company has a single operating segment.

2.10 Significant accounting estimates and assumptions

The accounting estimates that have a significant material influence on the carrying amounts of assets and liabilities are as follows:

Discount on notes receivables/payables

In calculating the amortized cost of trade receivables and payables using the effective interest method, the expected collection and payment dates based on the current information available for receivables and payables have been taken into consideration.

Economic useful lives

Property, plant and equipment and intangible assets are subject to amortization and depreciation over their estimated useful lives.

Employment termination benefits

Provision for employment termination benefits is calculated considering the turnover rate based on past experience and expectations, and the value was reduced to its balance sheet date.

Provision for lawsuits

When provisions for lawsuits are allocated, the possibility of losing the relevant litigations are assessed in accordance with the opinions of the Company's legal counsel, and provisions are allocated by the Company management using the data at its disposal.

Provision for unused vacation

Liabilities arising from unused vacations of the employees are accrued in the period when the unused vacations are qualified.

Provision for doubtful receivables

The Company management allocates provisions for receivables that are past due and have collection risk, as well as receivables in litigation and collection proceedings.

The accounting estimates are disclosed in the relevant accounting policies or in notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTE 3 –BUSINESS COMBINATIONS

In accordance with the decision of the Board of Directors on 13 March 2025, in order to adapt to the Company's structural transformation and reduce operational burdens and costs, it has been decided to merge Birinci Enerji and Taze Kuru Net, of which the Company has 100% effective ownership interest, into the Company through a simplified procedure by acquiring all of their assets and liabilities as a whole, and to carry out the relevant applications and other necessary procedures. The announcement regarding the relevant business combination was approved by the Capital Markets Board on 30 May 2025, and notified to our Company on 2 June 2025. The business combination was registered in the trade register on 30 June 2025, and announced in the Official Gazette on 30 June 2025, and numbered 11361. As indicated in the material disclosure on 22 July 2025, since there are no subsidiaries that need to be consolidated under TAS/IFRS, the preparation of non-consolidated financial statements has commenced instead of consolidated financial statements as of 30 June 2025.

NOTE 4 – RELATED PARTY DISCLOSURES**a) Receivable/payable balances**

As of 31 December 2025 and 2024, the Company has no trade receivables due from related parties.

As of 31 December 2025 and 2024, the details of trade payables due to related parties are as follows:

	31 December 2025	31 December 2024
	Short-term	Short-term
Lydia Holding A.Ş.	-	80,707
EC Gayrimenkul Yatırımları Sanayi ve Ticaret A.Ş.	-	279,996
Total	-	360,703

As of 31 December 2025 and 2024, the Company has no other receivables due from related parties.

As of 31 December 2025 and 2024, the details of other payables due to related parties are as follows:

	31 December 2025	31 December 2024
	Short-term	Short-term
Lydia Yatırım Holding A.Ş.	-	99,146
Total	-	99,146

b) Purchases/sales

As of 31 December 2025 and 2024, the details of purchases and sales realised with the related parties are as follows:

1 January- 31 December 2025	Sales	Purchases	Rent expenses
Lydia Holding A.Ş.	-	3,924,637	-
EC Gayrimenkul Yatırımları Sanayi ve Ticaret A.Ş.	-	-	1,148,732
Birinci Enerji Üretim A.Ş.	891,624	-	282,710
Taze Kuru Net Gıda Pazarlama A.Ş.	11,569,373	-	-
Total	12,460,997	3,924,637	1,431,442

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 4 – RELATED PARTY DISCLOSURES (Continued)**b) Purchases/sales (Continued)**

1 January- 31 December 2024	Sales	Purchases	Rent expenses
Lydia Holding A.Ş.	129,582,188	50,388,161	-
EC Gayrimenkul Yatırımları Sanayi ve Ticaret A.Ş.	-	-	1,368,720
Total	129,582,188	50,388,161	1,368,720

c) Key management compensation

As of 31 December 2025 and 2024, the detailed analysis of key management compensation is as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Key management compensation	3,059,808	1,988,698
Total	3,059,808	1,988,698

NOTE 5- CASH AND CASH EQUIVALENTS

As of 31 December 2025 and 2024, the breakdown and details of cash and cash equivalents are as follows:

	31 December 2025	31 December 2024
Banks	78,604	17,671,425
<i>Demand deposits</i>	78,604	316,659
<i>Time deposits up to 3 months</i>	-	17,354,766
Cash and cash equivalents, net	78,604	17,671,425

As of 31 December 2025 and 2024, the detailed analysis of time deposits is as follows:

As of 31 December 2025, the Company has no time deposits.

Currency	Annual effective interest rate (%)	Maturity	31 December 2024
TL	43%	2 days	3,906,925
TL	50%	24 days	13,447,841
Total			17,354,766

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTE 6 – FINANCIAL INVESTMENTS

	31 December 2025	31 December 2024
Short-term financial investments at fair value through profit or loss		
Equities (*)	-	1,759,010,299
Mutual funds	21,443,791	21,373,929
Total	21,443,791	1,780,384,228
	31 December 2025	31 December 2024
Long-term financial investments at fair value through profit or loss		
Mutual funds (*)	4,099,992,000	-
Total	4,099,992,000	-

(*) As of 31 December 2024, the equities of Lydia Yeşil Enerji comprise of 2,319,000 nominal shares quoted and traded on Borsa İstanbul owned by Ufuk Yatırım Yönetim ve Gayrimenkul Anonim Şirketi.

The short and long-term financial investments of the Company are carried at fair value in the accompanying financial statements (Note 20). The fair value of shares subject to purchase and sale is determined based on market prices due to their trading in an active market and is classified as “Level 1” input under TFRS 13 “Fair Value Measurement” standard (“TFRS 13”). As of 31 December 2025 and 2024, the shares are classified as held-for-trading and are valued at the best estimated selling price.

NOTE 7 – TRADE RECEIVABLES AND PAYABLES

As of 31 December 2025 and 2024, the functional breakdown of trade receivables is as follows:

	31 December 2025	31 December 2024
Short-term		
Trade receivables	6,623,941	6,656,943
- Trade receivables due from third parties	6,623,941	6,656,943
Advances given	2,280	-
	6,626,221	6,656,943
Provision for doubtful trade receivables (-)	-	(1,181,305)
Deferred financial income (-)	-	(138,616)
Trade receivables due from third parties	6,626,221	5,337,022

As of 31 December 2025 and 2024, the movement of doubtful receivables is as follows:

	31 December 2025	31 December 2024
Beginning of the period- 1 January	1,181,305	3,361,303
Reversals	(902,501)	(2,328,111)
Additions	-	1,181,305
Net monetary position gains/(losses)	(278,804)	(1,033,192)
End of the period – 31 December	-	1,181,305

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 7 – TRADE RECEIVABLES AND PAYABLES (Continued)

As of 31 December 2025 and 2024, the functional breakdown of trade payables is as follows:

	31 December 2025	31 December 2024
Short-term		
Trade payables	1,054,767	1,384,130
- Trade payables due to related parties (Note 4)	-	360,703
- Trade payables due to third parties	1,054,767	1,023,427
	1,054,767	1,384,130
Deferred financial income (-)	-	(20,291)
Total	1,054,767	1,363,839

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

As of 31 December 2025 and 2024, the functional breakdown of short-term other receivables and payables is as follows:

	31 December 2025	31 December 2024
Short-term		
Deposits and guarantees given	-	69,862
Other	-	823,164
Total	-	893,026

	31 December 2025	31 December 2024
Short-term		
Other payables due to related parties	-	99,146
Other short-term payables	-	1,505,357
Total	-	1,604,503

As of 31 December 2025 and 2024, the details of long-term other receivables are as follows:

	31 December 2025	31 December 2024
Long-term		
Deposits and guarantees given	5,088	-
Total	5,088	-

As of 31 December 2025 and 2024, the Company has no long-term other payables.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 9 – PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2025 and 2024, the details of short-term prepaid expenses are as follows:

	31 December 2025	31 December 2024
Short-term		
Short-term prepaid expenses	990,313	375,433
Total	990,313	375,433

As of 31 December 2025 and 2024, the details of short-term deferred income are as follows:

	31 December 2025	31 December 2024
Short-term		
Advances received	-	8,853
Total	-	8,853

NOTE 10 – OTHER ASSETS AND LIABILITIES

As of 31 December 2025 and 2024, the details of other current assets are as follows:

	31 December 2025	31 December 2024
Other current assets		
Prepaid taxes	4,183,989	-
VAT refund	-	13,557,324
Total	4,183,989	13,557,324

As of 31 December 2025 and 2024, the details of other current liabilities are as follows:

	31 December 2025	31 December 2024
Other current liabilities		
Taxes payable	442,549	94,574
Social security premiums payable	-	80,584
Total	442,549	175,158

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

As of 31 December 2025 and 2024, the movements for property, plant and equipment, and related depreciation are as follows:

	Opening balance – 1 January 2025	Additions	Revaluation surplus /Impairment (*)	Disposals (*)	Closing balance – 31 December 2025
Cost					
Land	12,489,636	-	48,510,364	-	61,000,000
Plant, machinery and equipment	741,795,456	293,566	(185,576,322)	(49,838,962)	506,673,738
Furniture and fixtures	4,500,509	-	(1,006,650)	(928,196)	2,565,663
Leasehold improvements	17,447,264	-	(14,343,519)	-	3,103,745
Total property, plant and equipment	776,232,865	293,566	(152,416,127)	(50,767,158)	573,343,146
Accumulated depreciation					
Plant, machinery and equipment	77,373,645	35,040,848	(3,839,305)	(16,879,487)	91,695,701
Furniture and fixtures	2,042,183	643,044	(872,974)	(769,748)	1,042,505
Leasehold improvements	6,377,576	5,003,294	(10,800,067)	-	580,803
Total accumulated depreciation	85,793,404	40,687,186	(15,512,346)	(17,649,235)	93,319,009
Net book value	690,439,461				480,024,137

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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Continued)

	Opening balance – 1 January 2024	Additions	Disposals	Business combinations ^(*)	Revaluation surplus ^(**)	Transfers	Closing balance – 31 December 2024
Cost							
Land	-	-	-	12,489,636	-	-	12,489,636
Plant, machinery and equipment	25,550,247	-	(203,818)	442,576,242	273,035,937	836,848	741,795,456
Furniture and fixtures	4,389,731	-	(2,454,884)	2,565,662	-	-	4,500,509
Leasehold improvements	9,470,176	-	-	3,103,727	-	4,873,361	17,447,264
Constructions in progress	5,710,209	-	-	-	-	(5,710,209)	-
Total property, plant and equipment	45,120,363	-	(2,658,702)	460,735,267	273,035,937	-	776,232,865
Accumulated depreciation							
Plant, machinery and equipment	4,890,822	27,198,808	(54,721)	45,338,736	-	-	77,373,645
Furniture and fixtures	2,372,786	1,314,433	(1,895,824)	250,788	-	-	2,042,183
Leasehold improvements	2,628,637	3,455,527	-	293,412	-	-	6,377,576
Total accumulated depreciation	9,892,245	31,968,768	(1,950,545)	45,882,936	-	-	85,793,404
Net book value	35,228,118						690,439,461

^(*) The effect of business combination is attributable to the acquisition of MYK2 (Note 3).

^(**) In order to determine the fair value of the Company's Solar Power Plants (“SPPs”) and the land on which they are located, the fair value of the land determined based on the appraisal report prepared by Vera Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, authorised by the Capital Markets Board (the “CMB”), for the period ending on 31 December 2025. The valuation was performed using the income approach (“Discounted Cash Flow- DCF method”), and the gross revaluation increase amounting to TL 430,000,000 has been recognised in the accompanying financial statements. After adjusting for deferred tax effects, the remaining amount has been recognized in other comprehensive income and recognised under equity in the “Revaluation surplus” account. The DCF method is calculated based on future cash flow projections and market assumptions and is classified as “Level 3 input” under TFRS 13.

As of 31 December 2025 and 2024, the Company has no mortgages, pledges and restrictions on property, plant and equipment.

As of 31 December 2025 and 2024, the functional breakdown of depreciation and amortisation charges on property, plant and equipment is disclosed in Note 18.

As of 31 December 2025, the Company has the insurance coverage on plant, machinery and equipment amounting to USD 5,000,000.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 12 – INTANGIBLE ASSETS

As of 31 December 2025 and 2024, the movements for intangible assets, and related depreciation are as follows:

	Opening balance – 1 January 2025	Additions	Impairment (-)	Disposals	Closing balance – 31 December 2025
Cost					
Rights	2,927,386	-	(2,609,161)	(318,225)	-
Total intangible assets	2,927,386	-	(2,609,161)	(318,225)	-
Accumulated depreciation					
Rights	2,197,483	-	(2,023,562)	(173,921)	-
Total accumulated depreciation	2,197,483	-	(2,023,562)	(173,921)	-
Net book value	729,903				-
		Opening balance – 1 January 2024	Additions		Closing balance – 31 December 2024
Cost					
Rights		2,529,353	398,033		2,927,386
Total intangible assets		2,529,353	398,033		2,927,386
Accumulated depreciation					
Rights		928,003	1,269,480		2,197,483
Total accumulated depreciation		928,003	1,269,480		2,197,483
Net book value		1,601,350			729,903

As of 31 December 2025 and 2024, the functional breakdown of depreciation and amortisation charges on intangible assets is disclosed in Note 18.

NOTE 13 – INVESTMENT PROPERTIES

	31 December 2025	31 December 2024
Cost		
Land	-	351,693
Net book value	-	351,693

NOTE 14 – EMPLOYEE BENEFITS

As of 31 December 2025 and 2024, the functional breakdown and detailed analysis of employee benefits are as follows:

	31 December 2025	31 December 2024
Short-term		
Other	-	143,255
Total	-	143,255

NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

15.1 Short-term provisions

As 31 December 2025 and 2024, the breakdown of short-term provisions is as follows:

	31 December 2025	31 December 2024
Short-term provisions		
Provision for unused vacation	-	4,699
Provision for lawsuits	1,929,894	1,653,410
Total	1,929,894	1,658,109

As of 31 December 2025 and 2024, the movement of provision for unused vacation is as follows:

	31 December 2025	31 December 2024
Beginning of the period – 1 January	4,699	-
Additions	(3,590)	4,699
Net monetary position gains/(losses)	(1,109)	-
End of the period – 31 December	-	4,699

15.2 Litigation and contingencies

As of 31 December 2025 and 2024, the movement of provision for lawsuits is as follows:

	31 December 2025	31 December 2024
Beginning of the period – 1 January	1,653,410	412,488
Additions	666,710	1,367,712
Net monetary position gains/(losses)	(390,226)	(126,790)
End of the period – 31 December	1,929,894	1,653,410

15.3 Collaterals/Pledges/Mortgages/Bill of Guarantees position

	31 December 2025	31 December 2024
Collaterals, Pledges, Mortgages and Bill of Guarantees Given by the Company		
A. Total amount of CPMB's given in the name of its own legal personality (*)	4,907,477	4,071,765
B. Total amount of CPMB's given on behalf of the fully consolidated subsidiaries	-	-
C. Total amount of CPMB's given on behalf of third parties for ordinary course of business	-	-
D. Total amount of other CPMB's given (**)	-	-
i) Total amount of CPMB's given on behalf of the majority shareholder	-	-
ii) Total amount of CPMB's given to on behalf of other group companies which are not in scope of B and C	-	-
iii) Total amount of CPMB's given on behalf of third parties which are not in scope of C	-	-
Total CPMB's, net	4,907,477	4,071,765

(*) As of 31 December 2025, the letter of guarantee amounting to TL 2,977,583 includes guarantees issued to BEDAŞ (under the distribution agreement) due to unlicensed energy production and letter of guarantee amounting to TL 1,929,894 issued to Ankara Enforcement Directorate.

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NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS
(Continued)

As of 31 December 2025 and 2024, the details of collaterals/pledges/mortgages/bill of guarantees are as follows:

Guarantees	Type	Given/Received	Currency	31 December 2025	31 December 2024
Collaterals	Given	Bank	TL	4,907,477	4,071,765
Guarantee (*)	Received	Lydia Holding A.Ş.	TL	20,000,000	22,437,287
Guarantee (**)	Received	Ufuk Yatırım Yönetim ve Gayrimenkul A.Ş.	TL	20,000,000	-

(*) A guarantee amounting to TL 20,000,000 was provided by Lydia Holding through Vakıfbank on 23 September 2024.

(**) A guarantee amounting to TL 20,000,000 was provided by Ufuk Yatırım Yönetim ve Gayrimenkul through Vakıfbank on 11 September 2025.

15.4 Long-term provisions for employee benefits

As of 31 December 2025 and 2024, the details of the long-term provisions for employee benefits are as follows:

	31 December 2025	31 December 2024
Long-term		
Provision for employment termination benefits	-	418,495
Total	-	418,495

Under Turkish Labour Law, Lydia Yeşil Enerji incorporated in Türkiye is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). As of 31 December 2025, the amount payable consists of one month’s salary limited to a maximum of TL 64,948,77 for each year of service effective from 1 January 2026.

The liability is not funded as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the entity’s obligation under defined benefit plans.

The principal assumption is that the maximum liability for each year of service will increase in accordance with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2025, the provisions in the accompanying financial statements are calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Accordingly, the following actuarial assumptions are used in the calculation of total liabilities:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS
(Continued)**15.4 Long-term provisions for employee benefits (Continued)**

As of 31 December 2025 and 2024, the movements of provision for employment termination benefits are as follows:

	31 December 2025	31 December 2024
Beginning of the period- 1 January	418,495	333,177
Payments during the period (-)	(335,003)	(123,085)
Interest costs	-	5,429
Service costs	-	193,672
Actuarial (gains)/losses	-	111,713
Net monetary position gains/(losses)	(83,492)	(102,411)
End of the period – 31 December	-	418,495

NOTE 16 – EQUITY

As of 31 December 2025 and 2024, the principal shareholders and their respective shareholding rates in Lydia Yeşil Enerji are as follows:

	31 December 2025		31 December 2024	
	Share (%)	Amount	Share (%)	Amount
Lydia Holding A.Ş.	64.89%	1,227,078	64.89%	1,227,078
Other shareholders	35.11%	663,992	35.11%	663,992
	100%	1,891,070	100%	1,891,070
Adjustment to share capital		16,835,435		16,835,435
		18,726,505		18,726,505

Additional capital contributions of the shareholders

The Company management has classified the balance amounting to TL 12,283,767 as a capital advance to be used in a capital increase. The details of the capital advances are as follows:

	31 December 2025	31 December 2024
Additional capital contributions of the shareholders	12,283,767	12,283,767
Total	12,283,767	12,283,767

Share premium

As of 31 December 2025 and 2024, the details of share premium are as follows:

	31 December 2025	31 December 2024
Share premium	155,880,311	155,880,311
Total	155,880,311	155,880,311

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(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 16 – EQUITY (Continued)**Restricted reserves**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

Actuarial gains/(losses) on provision for employment termination benefits

The amendment to TAS 19 does not permit the actuarial gains and losses considered in calculating termination benefits to be recognized in the statement of profit or loss. Gains and losses arising from changes in actuarial assumptions have been recognized in equity.

As of 31 December 2025 and 2024, the details of the actuarial gains and losses on defined benefit plans are as follows:

	31 December 2025	31 December 2024
Actuarial gains/(losses) on defined benefit plans	-	(650,358)
Total	-	(650,358)

Gains/(losses) on revaluation and remeasurements

The plant, machinery and equipment of Lydia Yeşil Enerji is carried at fair value and the revaluation surplus are recognised under "Property, plant and equipment revaluation surplus" account in the statement of financial position.

As of 31 December 2025 and 2024, the details of the property, plant and equipment revaluation surplus are as follows:

	31 December 2025	31 December 2024
Gains/losses on revaluation and reclassifications	143,455,171	273,035,937
Gains/losses on revaluation and reclassifications, tax effect	(32,760,882)	(68,258,984)
Total	110,694,289	204,776,953

NOTE 16 – EQUITY (Continued)

Additional disclosures regarding equity items

As of 31 December 2025 and 2024, the other details of the equity items are as follows:

	31 December 2025	31 December 2024
Paid-in share capital	1,891,070	1,891,070
Adjustment to share capital	16,835,435	16,835,435
Share premium	155,880,311	155,880,311
Additional contribution of the shareholders	12,283,767	12,283,767
Business combinations	-	324,490,323
Actuarial gains/(losses) on employee benefits	-	(650,358)
Gains/(losses) on revaluation and reclassifications	110,694,289	204,776,953
Retained earnings	1,195,706,721	(61,401,538)
Profit for the period	2,055,155,995	1,257,108,259
Total	3,548,447,588	1,911,214,222

In accordance with the decision of the Capital Markets Board on 7 March 2024 and numbered 14/382,

- Although it is indicated in the notes to the financial statements disclosed in Bulletin numbered 2013/19 of the Board that the amount of the "Legal Reserves" under "Restricted Reserves" will be presented in the financial statements based on the amount recognised in the statutory records, considering the index difference used in inflation adjustment, with the aim of presenting the financial statements under a single index, "Adjustment to Share Capital", "Share Premium", "Legal Reserves", and "Other Reserves", including statutory reserves and special reserves and other reserves.

- The difference between the amounts adjusted for inflation in the statutory records and the adjusted amounts in the financial statements prepared in accordance with TAS/IFRS shall be recognised in the "Retained Earnings or Losses", and accordingly, the notes to the financial statements should include an explanation of the "Adjustment to Share Capital" and reserve amounts recognised under equity in the financial statements in accordance with TAS/IFRS, detailing the amounts of these items in the statutory records and the difference recognised in "Retained Earnings".

As of 31 December 2025, the comparison of the relevant equity items presented in the financial statements adjusted for inflation with the amounts adjusted for inflation in the financial statements prepared in accordance with Tax Procedure Law numbered 213, including the "Retained Earnings" arising in the statement of financial position and the indexed amount of the aforementioned amount for the relevant period are as follows:

	Statutory records calculated according with the PPI	Statutory records in the financial statements under TAS	Retained earnings, net
Adjustment to Share Capital	17,110,514	16,835,435	275,079
Restricted reserves	122,063,172	-	(122,063,172)

b) It has been decided that the "Retained Earnings" arising in the statement of financial position prepared in accordance with TAS/IFRS as part of the initial transition to inflation, and the indexed amount of the aforementioned amount for the relevant financial statement period, shall be disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 16 – EQUITY (Continued)

	31 December 2025	31 December 2024
Beginning of the period – 1 January	1,195,706,721	(61,401,538)
Transfers from profit for the period	2,055,155,995	1,257,108,259
Transfers during the period	(1,257,108,259)	(87,699,120)
Retained earnings amount on the current period purchasing power	(798,047,736)	(1,169,409,139)
End of the period – 31 December	1,195,706,721	(61,401,538)

NOTE 17 – REVENUE AND COST OF SALES

As of 31 December 2025 and 2024, the details of revenue and cost of sales are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
Domestic sales	53,229,195	71,532,332
Cost of services sold	(34,002,465)	(48,369,738)
Gross profit	19,226,730	23,162,594

NOTE 18 – GENERAL ADMINISTRATIVE EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES AND MARKETING, SALES AND DISTRIBUTION EXPENSES

As of 31 December 2025 and 2024, the details of the general administrative expenses are as follows:

	1 January – 31 December 2025	1 January – 31 December 2024
General administrative expenses		
Personnel expenses (*)	(4,402,347)	(9,390,920)
Depreciation and amortisation charges	(2,949,214)	(10,468,160)
Rent expenses	(2,887,814)	(5,668,767)
Consultancy expenses	(2,083,324)	(3,749,108)
Management contribution costs	(1,809,601)	-
Subscription costs	(1,704,574)	-
Litigation costs, fees and charges	(940,642)	-
IT expenses	(900,027)	(1,011,274)
Grants and donations	(838,238)	-
Provision for employment termination benefits	(335,003)	-
Taxes, duties and charges	(309,428)	(644,090)
Advertisement and promotion expenses	(291,535)	-
Insurance expenses	(275,434)	(467,773)
Representation and hospitality expenses	(64,800)	-
Provision for unused vacation	(30,405)	-
Communication expenses	(21,502)	-
Stationery expenses	(12,002)	(101,849)
Travel and accommodation expenses	(752)	-
Other general administrative expenses	(700,555)	(3,200,795)
General administrative expenses, net	(20,557,197)	(34,702,736)

(*) As of the reporting date, the human capital and resources required for Lydia Yeşil Enerji to carry out its operations in accordance with operational, technical and regulatory requirements are predominantly satisfied through outsourced services, primarily from its parent company Lydia Holding. The amount of the balance recognized under personnel expense amounting to TL 3,059,808 is arising from the allowance provided to the Board of Directors (attendance fees), while the remaining amount represents salaries and similar employee-related costs accrued to personnel under the Company's payroll records for the period 1 January - 31 July 2025.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 18 – GENERAL ADMINISTRATIVE EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES AND MARKETING, SALES AND DISTRIBUTION EXPENSES (Continued)

As of 31 December 2025 and 2024, the details of the marketing, sales and distribution expenses are as follows:

Marketing, sales and distribution expenses	1 January – 31 December 2025	1 January – 31 December 2024
Other	-	(139,806)
Total	-	(139,806)

NOTE 19 – OTHER OPERATING INCOME/(EXPENSES)

As of 31 December 2025 and 2024, the details of the other operating income are as follows:

Other operating income	1 January – 31 December 2025	1 January – 31 December 2024
Foreign exchange gains	-	5,234,290
Gain on sale of non-current assets	13,719,297	-
Provision for doubtful receivables	902,501	-
Reversal of discount income	105,901	247,575
Rent income	2,993,736	3,589,593
Income from scrap sales	65,634	139,623
Income from grants and incentives	22,085	103,274
Other	1,155,705	1,074,845
Total	18,964,859	10,389,200

As of 31 December 2025 and 2024, the details of the other operating expenses are as follows:

Other operating expenses (-)	1 January – 31 December 2025	1 January – 31 December 2024
Expenses from sales of non-current assets (-)	(46,891,811)	-
Foreign exchange losses (-)	(68,781)	(269,177)
Interest expenses (-)	(15,502)	-
Rent expenses (-)	(105,801)	-
Discount expenses (-)	-	(204,316)
Expenses from provision for lawsuits (-)	(666,710)	(1,653,411)
Expenses from provision for doubtful receivables (-)	-	(1,181,305)
Other (-) ^(*)	(12,310,896)	(2,744,997)
Total	(60,059,501)	(6,053,206)

^(*) The Company recognised as an expense the VAT receivables acquired through the business combination, based on the assessment that they could not be utilised (deducted/refunded) due to the difference in their nature of business during the period ending on 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 20 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITIES

As of 31 December 2025 and 2024, the details of the gains from investment activities are as follows:

Gains from investment activities	1 January – 31 December 2025	1 January – 31 December 2024
Gain on equities	2,340,981,702	1,642,996,203
Gain on sale of marketable securities	-	129,582,188
Interest income	-	1,841,985
Gain on revaluation of marketable securities	-	1,110,820
Total	2,340,981,702	1,775,531,196

As of 31 December 2025 and 2024, the details of the losses from investment activities are as follows:

Losses from investment activities (-)	1 January – 31 December 2025	1 January – 31 December 2024
Provision for impairment of non-current assets	(7,049,710)	(382,263)
Total	(7,049,710)	(382,263)

NOTE 21 – FINANCIAL INCOME/(EXPENSES)

As of 31 December 2025 and 2024, the details of the financial income are as follows:

Financial income	1 January – 31 December 2025	1 January – 31 December 2024
Interest income	19,887,350	-
Total	19,887,350	-

As of 31 December 2025 and 2024, the details of the financial expenses are as follows:

Financial expenses (-)	1 January – 31 December 2025	1 January – 31 December 2024
Interest expenses	(16,024,229)	-
Other interest expenses	-	(49,982,455)
Bank commissions, fees and charges	-	(209,433)
Total	(16,024,229)	(50,191,888)

NOTE 22 - INCOME TAXES**Corporate tax**

The corporate tax to be accrued on the taxable income is calculated on the basis of the deduction of the expenses that cannot be deducted from the tax base expense in the determination of the earnings, and the amount of dividends received from domestic companies is calculated over taxable income and investment allowances. As of 31 December 2025, the effective corporate tax rate applied in Türkiye is 25% (2024: 25%).

The “Minimum Corporate Tax” was introduced by Law No. 7524, published on 2 August 2024. The minimum corporate tax rate of 10% will apply effective from 1 January 2025. The minimum corporate tax is based on the principle that it must not be less than 10% of the corporate income calculated in accordance with general rules, before any deductions or exemptions specified in the law numbered 7524 are applied.

Advance tax in Türkiye is calculated and accrued on a quarterly basis. Accordingly, the Company has been calculated tax in accordance with the 2025 earnings in the first advance tax period, an advance tax rate of 25% was calculated on corporate earnings (2024: 25%).

NOTE 22 - INCOME TAXES (Continued)**Corporate tax (Continued)**

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits. According to corporate tax law article numbered 24, the corporate tax is imposed by the taxpayer's tax returns. In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns between 1-25 April following the close of the accounting year. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years. Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

In addition to the corporate tax, it is required to calculate income tax withholding on any dividends, except for those distributed to all taxpayer entities and Turkish branches of foreign companies gaining dividend for such distribution and declaring these dividends within the corporate profit. The rate of income withholding tax implemented as 15%.

As of 31 December 2025 and 2024, the details of the current income tax liabilities recognised in the statement of financial position are as follows:

Current income tax liabilities	1 January – 31 December 2025	1 January – 31 December 2024
Current income tax liabilities		
Provision for corporate tax	-	51,805,796
Prepaid taxes	-	(2,385,527)
Corporate tax payable, net	-	49,420,269

As of 31 December 2025 and 2024, the details of tax expenses recognised in the statement of profit or loss are as follows:

Tax income/expenses	1 January – 31 December 2025	1 January – 31 December 2024
- Current period tax income/(expense)	-	(51,805,796)
- Deferred tax income/(expense)	(553,234,634)	(409,515,968)
Total	(553,234,634)	(461,321,764)

Lydia Yeşil Enerji recognises deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with TFRS and the Turkish tax legislations. These differences usually result in the recognition of revenue and expenses in different reporting periods for tax purposes and for the purposes of the Turkish Financial Reporting Standards and disclosed below. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date. Lydia Yeşil Enerji calculated its deferred tax and liabilities as 25% for 2025 accounting period (31 December 2024: 25%).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 22 - INCOME TAXES (Continued)

Deferred tax (Continued)

	Cumulative temporary differences	Deferred tax assets /(liabilities)	Cumulative temporary differences	Deferred tax assets /(liabilities)
	31 December 2025	31 December 2025	31 December 2024	31 December 2024
Adjustments for property, plant and equipment and intangible assets	553,792,550	138,448,137	(261,903,893)	(65,475,975)
Property, plant and equipment revaluation surplus	(129,580,764)	(32,395,190)	(273,035,937)	(68,258,984)
Provision for doubtful receivables	-	-	1,181,305	295,326
Provision for lawsuits	-	-	1,653,411	413,353
Deferred financial income	-	-	138,616	34,654
Provision for employment termination benefits	-	-	418,494	104,624
Provision for unused vacation	-	-	4,699	1,175
Deferred financial expenses	-	-	(20,291)	(5,073)
Adjustments for prepaid expenses	(1,929,894)	(482,474)	23,635	5,910
Adjustments for financial investments	4,011,358,773	1,002,839,693	(1,642,996,203)	(410,749,051)
Other	(187,763,288)	(46,940,821)	(395,087)	(98,771)
Deferred tax assets/(liabilities), (net)		1,061,469,345		(543,732,812)

As of 31 December 2025 and 2024, the movements in deferred tax liabilities are as follows:

Deferred tax liabilities	1 January- 31 December 2025	1 January - 31 December 2024
Beginning of the period - 1 January (-)	(543,732,812)	(18,866,143)
Charge to the equity	(32,760,882)	(68,231,056)
Business combinations	-	(52,660,413)
Monetary (losses)/gains	(128,328,167)	5,540,768
Net monetary position gains/ (loses)	(356,647,484)	(409,515,968)
End of the period – 31 December	(1,061,469,345)	(543,732,812)

NOTE 23- NET MONETARY POSITION GAINS/(LOSSES)

As of 31 December 2025, the details of net monetary position gains/(losses) arising from non-monetary items recognised in the statement of profit or loss are as follows:

Non-monetary items	31 December 2025	31 December 2024
Statement of financial position	311,117,685	219,008
Marketable securities	415,149,798	-
Property, plant and equipment	141,233,965	154,927,200
Capital contributions	(41,335,723)	-
Adjustment to share capital	(4,419,704)	(6,913,921)
Share premium	(36,789,824)	(47,717,667)
Restricted reserves	(2,899,132)	-
Retained earnings	16,836,553	(30,960,691)
Revaluation of property, plant and equipment	(48,330,081)	(69,115,913)
Deferred tax	(128,328,167)	-
Statement of profit or loss	1,902,940	597,924
Revenue	(2,352,558)	(8,772,136)
Cost of goods sold	1,183,392	3,593,443
General administrative expenses	2,086,313	3,047,112
Financial income and (expenses)	(412,663)	3,554,657
Other income and (expenses)	1,398,456	(825,152)
Net monetary position losses	313,020,625	816,932

NOTE 24 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	31 December 2025	31 December 2024
Profit for the period from continuing operations	2,055,155,995	1,257,108,259
Weighted average number of shares	1,891,070	1,891,070
Earnings per share from continuing operations	1,086.769	664.760

NOTE 25 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS**Capital risk management**

The Company, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and equity on the other hand. The capital structure of the Company consists of borrowings including the loans, cash and cash equivalents and equity items containing respectively issued share capital, capital reserves, profit reserves and retained earnings.

General strategy based on the Company's equity does not differ from the prior period. The analysis of the main risks to which the Company is exposed are as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk arises from trade receivables. Trade receivables of the Company is trying to be managed as the credit risk by limiting the transactions with certain parties and continuously evaluating the reliability of the related parties. Trade receivables are evaluated by taking into consideration the Company's accounting policies and procedures and past experiences and performances. Total credit risk of the Company is presented in the statement of financial position less provision for doubtful receivables. The Company management has not estimated any additional risks regarding its trade receivables.

NOTE 25 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

31.12.2025

	Receivables				Bank Deposits	Total
	Trade Receivables		Other Receivables			
	Related Party	Other	Related Party	Other (*)		
Maximum exposure to credit risk as of reporting date (*) (A+B+C+D+E)	--	6,626,221	--	5,088	78,604	6,709,913
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
A, Net book value of neither past due nor impaired financial assets	--	6,626,221	--	5,088	78,604	6,709,913
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
B, Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	--	--	--	--	--	--
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
C, Net book value of past due but not impaired financial assets	--	--	--	--	--	--
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
D, Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross book value)	--	-	--	--	--	-
- Impairment (-)	--	-	--	--	--	-
- Secured with guarantees and collaterals	--	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured with guarantees and collaterals	--	--	--	--	--	--
E, Off-balance sheet expected credit losses (-)	--	--	--	--	--	--

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 31 December 2025, unless otherwise indicated.)

NOTE 25 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

31.12.2024

	Receivables				Bank Deposits	Total
	Trade Receivables		Other Receivables			
	Related Party	Other	Related Party	Other (*)		
Maximum exposure to credit risk as of reporting date (*)	--	5,337,022	--	893,026	17,671,425	23,901,473
(A+B+C+D+E)	--	5,337,022	--	893,026	17,671,425	23,901,473
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
A, Net book value of neither past due nor impaired financial assets	--	5,337,022	--	893,026	17,671,425	23,901,473
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
B, Conditions are renegotiated otherwise, net book value of past due but not impaired financial assets	--	--	--	--	--	--
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
C, Net book value of past due but not impaired financial assets	--	--	--	--	--	--
- Maximum risk secured with guarantees and collaterals	--	--	--	--	--	--
D, Net book value of impaired assets	--	--	--	--	--	--
- Past due (gross book value)	--	1,181,305	--	--	--	1,181,305
- Impairment (-)	--	(1,181,305)	--	--	--	(1,181,305)
- Secured with guarantees and collaterals	--	--	--	--	--	--
- Not past due (gross book value)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- Secured with guarantees and collaterals	--	--	--	--	--	--
E, Off-balance sheet expected credit losses (-)	--	--	--	--	--	--

NOTE 25 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS
(Continued)**Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its funding needs. Prudent liquidity risk management is to provide sufficient cash and cash equivalents, to enable funding with the support of credit limits provided by reliable credit institutions and to close funding deficit. The Company provides funding by balancing cash inflows and outflows through the provision of credit lines in the business environment.

As of 31 December 2025 and 2024, the analysis of liquidity risk statement is as follows:

31 December 2025	Carrying value	Total contractual cash outflows	3-12 months	1-5 years
Non-derivative financial liabilities				
Trade payables	1,054,767	1,054,767	1,054,767	-
Total	1,054,767	1,054,767	1,054,767	--

31 December 2024	Carrying value	Total contractual cash outflows	3-12 months	1-5 years
Non-derivative financial liabilities				
Trade payables	1,363,839	1,363,839	1,363,839	--
Other payables	1,604,503	1,604,503	1,604,503	--
Total	2,968,342	2,968,342	2,968,342	--

Market risk

Market risk is the risk of adverse changes in interest rates, exchange rates, and the value of other financial contracts that could adversely affect the Company.

Foreign exchange risk

As of 31 December 2025 and 2024, the Company has no foreign currency denominated balances.

NOTE 26 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

Fair value is the amount for which a financial instrument could be exchanged, or a liability settled between, willing parties during current transaction, other than in a forced sale or liquidation, and is best evidenced through a quoted market price, if one exists.

The Company determined fair value of financial instruments by using available market information and appropriate valuation methods. However, evaluating the market information and forecasting the real values requires interpretation. As a result, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2025

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NOTE 26 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING) (Continued)**Financial assets**

The fair values of certain financial assets carried at cost including cash and cash equivalents and other financial assets are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables less provision for doubtful receivables are considered to approximate their respective carrying values. Monetary items denominated in foreign currencies have been translated using the exchange rates prevailing at the end of the reporting period.

Financial liabilities

Monetary items denominated in foreign currencies have been translated using the exchange rates prevailing at the end of the reporting period. The fair value of trade payables and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. When long-term fixed-rate bank borrowings are valued at the fixed interest rate valid as of the balance sheet date, their fair value is considered to approximate their respective carrying values. For short-term borrowings, due to their short-term nature, it is assumed that their carrying amounts are considered to approximate their fair value.

NOTE 27– FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS

As of 31 December 2025 and 2024, the details of the fees and expenses relating to other services received from independent auditors and independent audit firms are as follows:

	1 January – 31 December 2025
Audit fee for the reporting period	940,000
Total	940,000

NOTE 28- EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 29– OTHER MATTERS

None.