

LYDİA YEŞİL ENERJİ KAYNAKLARI A.Ş.

**FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY- 30 SEPTEMBER 2025**

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

FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY- 30 SEPTEMBER 2025

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LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025 AND 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

		Current period		Prior period
		Unreviewed		Audited
ASSETS	Notes	30 September 2025	31 December 2024	
Current Assets		44,505,605	1,742,335,815	
Cash and Cash Equivalents	5	7,282	16,933,915	
Financial Investments	6	19,516,044	1,706,080,583	
Trade Receivables	7	11,839,322	5,114,283	
<i>Trade Receivables Due from Third Parties</i>	7	11,839,322	5,114,283	
Other Receivables	8	-	855,756	
<i>Other Receivables Due from Third Parties</i>	8	-	855,756	
Prepaid Expenses	9	265,812	359,764	
Other Current Assets	10	12,877,145	12,991,514	
Total		44,505,605	1,742,335,815	
Non-Current Assets		3,029,973,628	662,660,694	
Financial Investments	6	2,411,760,000	-	
Other Receivables	8	41,227	-	
<i>Other Receivables Due from Third Parties</i>	8	41,227	-	
Investment Properties	13	-	337,015	
Property, Plant and Equipment	11	617,833,816	661,624,238	
Intangible Assets	12	-	699,441	
<i>Other Intangible Assets</i>	12	-	699,441	
Prepaid Expenses	9	338,585	-	
TOTAL ASSETS		3,074,479,233	2,404,996,509	

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

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025 AND 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

		Current period	Prior period
		Unreviewed	Audited
LIABILITIES	Notes	30 September 2025	31 December 2024
Current Liabilities		8,302,324	52,100,179
Trade Payables	7	346,074	1,306,920
<i>Trade Payables Due to Related Parties</i>	7	-	345,649
<i>Trade Payables Due to Third Parties</i>	7	346,074	961,271
Employee Benefits	14	-	137,277
Other Payables	8	4,551,446	1,537,539
<i>Other Payables Due to Related Parties</i>	8	3,489,208	95,008
<i>Other Payables Due to Third Parties</i>	8	1,062,238	1,442,531
Deferred Income	9	-	8,483
Current Income Tax Liabilities		-	47,357,734
Short-Term Provisions	15	1,263,184	1,588,909
<i>Short-Term Provisions for Employee Benefits</i>	15	-	4,503
<i>Other Short-Term Provisions</i>	15	1,263,184	1,584,406
Other Current Liabilities	10	2,141,620	163,317
Total		8,302,324	52,100,179
Non-Current Liabilities		715,791,074	521,441,364
Long-Term Provisions	15	-	401,029
<i>Long-Term Provisions for Employee Benefits</i>	15	-	401,029
Deferred Tax Liabilities	22	715,791,074	521,040,335
Equity Attributable to Owners of Parent		2,350,385,835	1,831,454,966
Paid-in Share Capital	16	1,891,070	1,891,070
Adjustment to Share Capital	16	16,058,395	16,058,395
Share Premium	16	149,374,707	149,374,707
Additional Capital Contributions of the Shareholders	16	11,771,109	11,771,109
Business Combinations	16	-	310,947,845
Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss	16	196,230,665	195,607,474
<i>Actuarial gains/(losses) on Employee Benefits</i>	16	-	(623,191)
<i>Gains/(losses) on revaluation and reclassifications</i>	16	196,230,665	196,230,665
Retained Earnings	16	1,456,752,211	(58,838,968)
Profit for the Period	16	518,307,678	1,204,643,334
TOTAL LIABILITIES AND EQUITY		3,074,479,233	2,404,996,509

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

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025 AND 31 DECEMBER 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

		Current period	Current period	Prior period	Prior period
		Unreviewed	Unreviewed	Unreviewed	Unreviewed
	Notes	1 January - 30 September 2025	1 July - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2024
Profit or loss					
Revenue	17	42,813,790	15,543,005	54,385,190	44,923,842
Cost of Sales (-)	17	(26,215,482)	(10,705,238)	(31,447,663)	(21,895,513)
GROSS PROFIT		16,598,308	4,837,767	22,937,527	23,028,329
Marketing, Sales and Distribution Expenses (-)	18	-	-	(133,971)	-
General Administrative Expenses (-)	18	(16,625,430)	(2,084,523)	(27,505,093)	(13,812,188)
Other Operating Income	19	16,683,921	4,162,973	5,139,741	3,459,386
Other Operating Expenses (-)	19	(40,381,063)	(37,266,503)	(3,899,784)	354,034
OPERATING PROFIT		(23,724,264)	(30,350,286)	(3,461,580)	13,029,561
Gains from investment activities	20	726,161,314	(163,593,280)	156,319,171	(33,774,290)
Losses from investment activities (-)	20	(17,309,351)	4,987,530	-	-
Operating profit before financial income/(expense)		685,127,699	(188,956,036)	152,857,591	(20,744,729)
Financial Income	21	18,767,013	2,787,145	-	-
Financial Expense (-)	21	(14,366,200)	(1,324,668)	(30,405,998)	(22,310,384)
Net monetary position gains/(losses)	23	23,529,905	34,580,631	(2,692,035)	11,943,079
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		713,058,417	(152,912,928)	119,759,558	(31,112,034)
Tax income/(expense)		(194,750,739)	27,103,021	(61,743,282)	(21,142,503)
- Current period tax income/(expense)	22	-	-	(3,954,675)	(3,954,675)
- Deferred tax income/(expense)	22	(194,750,739)	27,103,021	(57,788,607)	(17,187,828)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		518,307,678	(125,809,907)	58,016,276	(52,254,537)
PROFIT/(LOSS) FOR THE PERIOD		518,307,678	(125,809,907)	58,016,276	(52,254,537)
Attributable to					
Non-Controlling Interests		-	-	-	-
Equity Attributable to Owners of Parent		518,307,678	(125,809,907)	58,016,276	(52,254,537)
Earnings per share from continuing operations		274	317	31	(28)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		-	(125,780)	(56,006)	(14,428)
Items not to be reclassified to profit or loss		-	(125,780)	(56,006)	(14,428)
Actuarial gains/(losses) on Employee Benefits		-	(167,707)	(74,674)	(19,236)
Tax effect		-	41,927	18,668	4,808
TOTAL COMPREHENSIVE INCOME		518,307,678	(125,935,687)	57,960,270	(52,268,965)

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

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30 SEPTEMBER 2025 AND 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 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 Combination under Common Control	Actuarial (losses)	Gains/(losses) on revaluation and reclassifications	Prior year's income	Profit/(loss) for the period	Total equity
Unreviewed prior period										
Balances at 1 January 2024 (Beginning of the period)	1,891,070	16,058,395	149,374,096	11,771,061	314,248,339	(501,579)	-	(142,918,737)	84,038,689	433,961,334
Transfers	-	-	-	-	-	-	-	84,038,689	(84,038,689)	-
Total comprehensive income	-	-	-	-	-	(60,579)	-	-	58,016,276	57,955,697
Balances at 30 September 2024 (End of the period)	1,891,070	16,058,395	149,374,096	11,771,061	314,248,339	(562,158)	-	(58,880,048)	58,016,276	491,917,031
Unreviewed current period										
Balances at 1 January 2025 (Beginning of the period)	1,891,070	16,058,395	149,374,707	11,771,109	310,947,845	(623,216)	196,230,665	(58,838,968)	1,204,643,334	1,831,454,941
Transfers	-	-	-	-	(310,947,845)	623,216	-	1,515,591,179	(1,204,643,334)	623,216
Total comprehensive income	-	-	-	-	-	-	-	-	518,307,678	518,307,678
Balances at 30 September 2025 (End of the period)	1,891,070	16,058,395	149,374,707	11,771,109	-	-	196,230,665	1,456,752,211	518,307,678	2,350,385,835

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

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED 30 SEPTEMBER 2025 AND 2024

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

		Current period	Prior period
		Unreviewed	Unreviewed
	Notes	1 January - 30 September 2025	1 January - 30 September 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		(31,318,737)	99,025,925
Profit for the period from continuing operations	16	518,307,678	58,016,276
Adjustments to reconcile profit for the period to cash generated from operating activities		225,003,137	(28,978,728)
Adjustments for depreciation and amortisation		12,672,627	19,351,914
Adjustments for tax income and expenses	22	194,750,739	57,788,607
Adjustments for provisions		(321,222)	1,348,393
Adjustments for discount income and expenses	19	105,901	-
Adjustments for interest expenses		14,366,200	30,358,067
Adjustments for interest income		(18,872,914)	-
Adjustments for fair value losses/(gains)		-	(152,667,202)
Adjustments for non-cash items		-	-
Adjustments for gains/(losses) on disposal of property, plant and equipment and intangible assets	11-12	34,242,047	-
Gains/(losses) on disposal of a subsidiary (Business combinations under common control)		(310,947,845)	-
Adjustments for net monetary position gains/losses		299,007,604	14,841,493
Other adjustments to reconcile profit for the period		225,003,137	(28,978,728)
Changes in working capital		(727,271,818)	72,403,241
Adjustments for changes in financial investments	6	(725,195,461)	(20,615,638)
Adjustments for increase (decrease) in trade receivables	7	(6,725,039)	25,708
Adjustments for increase (decrease) in inventories		-	9,332,175
Adjustments for increase (decrease) in trade payables	7	(960,846)	(14,639,877)
Adjustments for increase (decrease) in prepaid expenses	9	93,952	854,305
Changes in payables due to employee benefits	14	(405,532)	(569,091)
Changes in other assets and liabilities	10	1,978,303	-
Adjustments for losses/(gains) on Other Receivables	8	928,898	2,392,053
Adjustments for losses/(gains) on Other Payables	8	3,013,907	95,623,606
Adjustments for increase (decrease) in changes in working capital			
Total cash flows from operating activities		(774,629,552)	69,988,377
Tax payments (-)		(47,357,734)	(2,414,864)
B. CASH FLOWS FROM INVESTING ACTIVITIES		9,885,390	(202,338)
Cash inflows from sales of property, plant and equipment	11	9,130,248	-
Cash outflows from purchases of intangible assets (-)	12	699,441	-
Cash inflows from sales of investment properties	13	337,015	-
Cash outflows from purchases of property, plant and equipment (-)	11	(281,314)	(202,338)
C. CASH FLOWS FROM FINANCING ACTIVITIES		4,506,714	(30,310,301)
Interest received		18,872,914	-
Cash inflows from borrowings		(14,366,200)	(30,310,301)
D. NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-	-
Inflation effect on cash and cash equivalents		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(16,926,633)	68,513,286
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	16,933,915	6,310,266
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	7,282	74,823,552

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

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

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 scope 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 Energy, 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 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 Anonim Şirketi 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.

Birinci Enerji Üretim A.Ş. ("Birinci Enerji")

Birinci Enerji Üretim Anonim Şirketi 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

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

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, As of 30 June 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.

Lydia Yeşil Enerji has no personnel employed during the reporting period (31 December 2024: None).

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 (“IFRS”) 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 period ended 30 September 2025 have been prepared following Turkish Financial Reporting Standards (“IFRS/TAS”) with additions and interpretations as issued by POA.

In accordance with the Turkish Accounting Standard No: 34 “Interim Financial Reporting” and provisions of the CMB, entities are allowed to prepare a complete or condensed set of interim financial statements as at and for the period ended 30 September 2025. In this respect, the Company has preferred to prepare complete financial statements in the interim periods.

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.

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, to ensure proper presentation in accordance with 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 currency.

Approval of the financial statements

These financial statements as at and for the period ended 30 September 2025 have been approved for issue by the Board of Directors (“BOD”) on 27 October 2025. 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 30 September 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.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**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 2024 and as at for the period ended 30 September 2024 in terms of the purchasing power on 30 September 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.

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 30 September 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
30 September 2025	3,367.22	1.00000	222%
31 December 2024	2,684.55	1.25430	291%
30 September 2024	2,526.16	1.33294	343%

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 impact 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 netted 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".

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.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**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**New and revised standards and interpretations**

The accounting policies adopted in preparation of the financial statements as at and for the period ended 30 September 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 2025 and thereafter. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations and interpretations to the existing previous standards which are effective as of 1 January 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

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

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.

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

2.7 New and Revised Turkish Financial Reporting Standards *(Continued)*

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)**2.7 New and Revised Turkish Financial Reporting Standards (Continued)****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 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)**2.8 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" because 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 summarised below:

Cash and cash equivalents

Cash comprises cash on hand and demand deposits and time deposits up to 3 months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. The cash and cash equivalents are carried at acquisition costs and accrued interests. Bank balances denominated in foreign currencies are valued at the exchange rate prevailing at the end of the period.

Trade receivables

Trade receivables that are created by way of providing goods or services directly to a debtor are carried at amortised cost. Trade receivables, net of unearned financial income, are measured at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the original invoice amount unless the effect of imputing interest is significant.

If there is a situation indicating that the Company will be unable to collect the amounts due, a provision is allocated for trade receivables. The amount of this provision is the difference between the recorded value of the receivable and the amount that can be collected. The collectible amount is the discounted value of all cash flows, including amounts collectible from collateral and guarantees, discounted using the effective interest rate of the trade receivables. If the impairment amount decreases due to a matter arising after the impairment loss is recognized, the amount is recognised in the statement of profit or loss for the current period.

The Company measures the expected credit loss for trade receivables that have not been impaired for specific reasons at an amount equal to the lifetime expected credit losses. In calculating expected credit losses, the Company considers both past credit loss experience and its future expectations.

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. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.9 Summary of significant accounting policies (Continued)****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 and the expense is reflected in the statement of profit or loss in the year in which the impairment incurred.

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 30 September 2024, 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.

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

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 "TFRS 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 TFRS 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 because 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) because 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, considering 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 treated 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 are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. The Company adjusts the amounts recognised in its financial statements to reflect the adjusting events after the balance sheet date. If non-adjusting events after the balance sheet date have material influence on the economic decisions of users of the financial statements, they 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.

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.

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

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 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.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**2.10 Significant accounting estimates and assumptions (Continued)**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.

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, As of 30 June 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.

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

As of 30 September 2025, and 31 December 2024, the Company has no trade receivables due from related parties.

As of 30 September 2025, and 31 December 2024, the details of trade payables due to related parties are as follows:

	30 September 2025	31 December 2024
	Short-term	Short-term
Lydia Holding Anonim Şirketi	-	77,339
EC Gayrimenkul Yatırımları Sanayi ve Ticaret A.Ş.	-	268,310
Total	-	345,649

As of 30 September 2025, and 31 December 2024, the Company has no other receivables due from related parties.

As of 30 September 2025, and 31 December 2024, the details of other payables due to related parties are as follows:

	30 September 2025	31 December 2024
	Short-term	Short-term
Lydia Holding Anonim Şirketi	3,489,208	-
Lydia Yatırım Holding Anonim Şirketi	-	95,008
Total	3,489,208	95,008

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 4 – RELATED PARTY DISCLOSURES (*Continued*)

b) Purchases/sales

As of 30 September 2025, and 2024, the details of purchases and sales realised with the related parties are as follows:

1 January- 30 September 2025	Sales	Purchases	Rent expenses
Lydia Holding Anonim Şirketi	-	1,114,399	-
EC Gayrimenkul Yatırımları Sanayi ve Ticaret A.Ş.	-	-	810,775
Birinci Enerji Üretim Anonim Şirketi	854,413	-	-
Taze Kuru Net Gıda Pazarlama A.Ş.	11,086,529	-	-
Total	11,940,942	1,114,399	810,775

1 January- 30 September 2024	Sales	Purchases	Rent expenses
Lydia Holding Anonim Şirketi	-	21,894,265	-
EC Gayrimenkul Yatırımları Sanayi ve Ticaret A.Ş.	-	712,391	-
Total	-	22,606,656	-

c) Key management compensation

As of 30 September 2025, and 2024, the detailed analysis of key management compensation is as follows:

	1 January - 30 September 2025	1 July - 30 September 2025	1 January - 30 September 2024	1 July - 30 September 2024
Key management compensation	2,045,417	953,285	1,232,984	650,292
Total	2,045,417	953,285	1,232,984	650,292

NOTE 5- CASH AND CASH EQUIVALENTS

As of 30 September 2025, and 31 December 2024, the breakdown and details of cash and cash equivalents are as follows:

	30 September 2025	31 December 2024
Banks	7,282	16,933,915
<i>Demand deposits</i>	7,282	303,443
<i>Time deposits up to 3 months</i>	-	16,630,472
Cash and cash equivalents, net	7,282	16,933,915

As of 30 September 2025, and 31 December 2024, the detailed analysis of time deposits is as follows:

Currency	Annual effective interest rate (%)	Maturity	31 December 2024
TL	43%	1 day	4,474,046
TL	50%	1 day	12,156,426
Total			16,630,472

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 6 – FINANCIAL INVESTMENTS

	30 September 2025	31 December 2024
Short-term financial investments at fair value through profit or loss		
Equity securities (*)	-	1,685,598,688
Mutual funds	19,516,044	20,481,895
Total	19,516,044	1,706,080,583
	30 September 2025	31 December 2024
Long-term financial investments at fair value through profit or loss		
Mutual funds (*)	2,411,760,000	-
Total	2,411,760,000	-

(*) As of 31 December 2024, the equity securities 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 30 September 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 30 September 2025, and 31 December 2024, the functional breakdown of trade receivables is as follows:

	30 September 2025	31 December 2024
Short-term		
Trade receivables	11,799,322	6,379,118
- Trade receivables due from third parties	11,799,322	6,379,118
Doubtful trade receivables	456,737	-
Advances given	40,000	-
	12,296,059	6,379,118
Provision for doubtful trade receivables (-)	(456,737)	(1,132,004)
Deferred financial income (-)	-	(132,831)
Trade receivables due from third parties	11,839,322	5,114,283

As of 30 September 2025, and 31 December 2024, the movement of doubtful receivables is as follows:

	30 September 2025	30 September 2024
Beginning of the period- 1 January	1,132,004	3,221,007
Reversals	-	-
Additions	456,737	-
Net monetary position gains/(losses)	(1,132,004)	(850,179)
End of the period – 30 September	456,737	2,370,828

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 7 – TRADE RECEIVABLES AND PAYABLES (Continued)

As of 30 September 2025, and 31 December 2024, the functional breakdown of trade payables is as follows:

	30 September 2025	31 December 2024
Short-term		
Trade payables	346,074	1,326,364
- Trade payables due to related parties	-	345,649
- Trade payables due to third parties	346,074	980,715
	346,074	1,326,364
Deferred financial income (-)	-	(19,444)
Total	346,074	1,306,920

NOTE 8 – OTHER RECEIVABLES AND PAYABLES

As of 30 September 2025, and 31 December 2024, the functional breakdown of short-term other receivables and payables is as follows:

	30 September 2025	31 December 2024
Short-term		
Deposits and guarantees given	-	66,947
Other	-	788,809
Total	-	855,756

	30 September 2025	31 December 2024
Short-term		
Other payables due to related parties	3,489,208	95,008
Other short-term payables	1,062,238	1,442,531
Total	4,551,446	1,537,539

As of 30 September 2025, and 31 December 2024, the functional breakdown of long-term other receivables is as follows:

	30 September 2025	31 December 2024
Long-term		
Deposits and guarantees given	41,227	-
Total	41,227	-

As of 30 September 2025, and 31 December 2024, the Company has no long-term other payables.

NOTE 9 – PREPAID EXPENSES AND DEFERRED INCOME

As of 30 September 2025, and 31 December 2024, the details of short-term prepaid expenses are as follows:

	30 September 2025	31 December 2024
Short-term		
Short-term prepaid expenses	265,812	359,764
Total	265,812	359,764

As of 30 September 2025, and 31 December 2024, the details of long-term prepaid expenses are as follows:

	30 September 2025	31 December 2024
Long-term		
Long-term prepaid expenses	338,585	-
Total	338,585	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

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NOTE 9 – PREPAID EXPENSES AND DEFERRED INCOME (Continued)

As of 30 September 2025, and 31 December 2024, the details of short-term deferred income are as follows:

	30 September 2025	31 December 2024
Short-term		
Advances received	-	8,483
Total	-	8,483

NOTE 10 – OTHER ASSETS AND LIABILITIES

As of 30 September 2025, and 31 December 2024, the details of other current assets and liabilities are as follows:

	30 September 2025	31 December 2024
Other current assets		
Prepaid taxes	4,182,649	-
VAT refund	8,694,496	12,991,514
Total	12,877,145	12,991,514

	30 September 2025	31 December 2024
Other current liabilities		
Taxes payable	722,921	86,097
Social security premiums payable	-	77,220
Expense accruals	1,418,699	-
Total	2,141,620	163,317

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

As of 30 September 2025, and 31 December 2024, the movements for property, plant and equipment, and related depreciation are as follows:

	Opening balance – 1 January 2025	Additions	Impairment (-)	Disposals	Transfers	Closing balance – 30 September 2025
Cost						
Land	11,968,385	-	-	-	-	11,968,385
Plant, machinery and equipment	710,836,911	281,314	(16,592,074)	(7,935,846)	-	686,590,305
Furniture and fixtures	4,312,682	-	(964,638)	(889,458)	-	2,458,586
Leasehold improvements	16,719,110	-	(15,275,553)	-	-	1,443,557
Total property, plant and equipment	743,837,088	281,314	(32,832,265)	(8,825,304)	-	702,460,833
Accumulated depreciation						
Plant, machinery and equipment	74,144,486	17,568,977	(4,635,858)	(4,493,363)	-	82,584,242
Furniture and fixtures	1,956,953	437,849	(722,123)	(737,623)	-	935,056
Leasehold improvements	6,111,411	6,130,770	(11,134,462)	-	-	1,107,719
Total accumulated depreciation	82,212,850	24,137,596	(16,492,443)	(5,230,986)	-	84,627,017
Net book value	661,624,238					617,833,816

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

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	-	-	-	11,968,385	-	-	11,968,385
Plant, machinery and equipment	24,483,917	-	(195,312)	424,105,495	261,640,888	801,923	710,836,911
Furniture and fixtures	4,206,527	-	(2,352,430)	2,458,585	-	-	4,312,682
Leasehold improvements	9,074,943	-	-	2,974,194	-	4,669,973	16,719,110
Constructions in progress	5,471,896	-	-	-	-	(5,471,896)	-
Total property, plant and equipment	43,237,283	-	(2,547,742)	441,506,659	261,640,888	-	743,837,088
Accumulated depreciation							
Plant, machinery and equipment	4,686,705	26,063,676	(52,437)	43,446,542	-	-	74,144,486
Furniture and fixtures	2,273,759	1,259,575	(1,816,703)	240,322	-	-	1,956,953
Leasehold improvements	2,518,932	3,311,312	-	281,167	-	-	6,111,411
Total accumulated depreciation	9,479,396	30,634,563	(1,869,140)	43,968,031	-	-	82,212,850
Net book value	33,757,887						661,624,238

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

(**) The revaluation surplus is determined in accordance with the appraisal report on 30 September 2024 which was prepared by Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi authorized by the Capital Markets Board of Türkiye to determine the fair value of the Solar Power Plants ("SPP"). The valuation was performed using the income approach ("Discounted Cash Flow- DCF method"), and the gross revaluation increase amounting to TL 261,640,888 has been recognised in the accompanying financial statements (Recalculated according to inflation accounting on 30 September 2025). 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 30 September 2025, and 31 December 2024, the Company has no mortgages, pledges and restrictions on property, plant and equipment.

As of 30 September 2025, and 2024, the functional breakdown of depreciation and amortisation charges on intangible assets is disclosed in Note 18.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 12 – INTANGIBLE ASSETS

As of 30 September 2025, and 31 December 2024, the movements for intangible assets, and related depreciation are as follows:

	Opening balance – 1 January 2025	Additions	Impairment (-)	Disposals	Closing balance – 30 September 2025
Cost					
Rights	2,805,213	-	(2,500,269)	(304,944)	-
Total intangible assets	2,805,213	-	(2,500,269)	(304,944)	-
Accumulated depreciation					
Rights	2,105,772	208,297	(2,147,406)	(166,663)	-
Total accumulated depreciation	2,105,772	208,297	(2,147,406)	(166,663)	-
Net book value	699,441				-

	Opening balance – 1 January 2024	Additions	Closing balance – 31 December 2024
Cost			
Rights	2,602,882	202,331	2,805,213
Total intangible assets	2,602,882	202,331	2,805,213
Accumulated depreciation			
Rights	1,553,652	552,120	2,105,772
Total accumulated depreciation	1,553,652	552,120	2,105,772
Net book value	1,049,230		699,441

As of 30 September 2025, and 31 December 2024, the functional breakdown of depreciation and amortisation charges on intangible assets is disclosed in Note 18.

NOTE 13 – INVESTMENT PROPERTIES

	30 September 2025	31 December 2024
Cost		
Land	-	337,015
Net book value	-	337,015

The Company has not generated rent income arising from the land included in the investment properties.

NOTE 14 – EMPLOYEE BENEFITS

As of 30 September 2025, and 31 December 2024, the functional breakdown and detailed analysis of employee benefits are as follows:

	30 September 2025	31 December 2024
Short-term		
Other	-	137,277
Total	-	137,277

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**15.1 Short-term provisions**

As of 30 September 2025, and 31 December 2024, the breakdown of short-term provisions is as follows:

	30 September 2025	31 December 2024
Short-term provisions		
Provision for unused vacation	-	4,503
Provision for lawsuits	1,263,184	1,584,406
Total	1,263,184	1,588,909

The movement of provision for unused vacation is as follows:

	30 September 2025	30 September 2024
Beginning of the period – 1 January	4,503	-
Reversals	(3,590)	47,895
Monetary gains/(losses)	(913)	23,732
End of the period – 30 September	-	71,627

15.2 Litigations and contingencies

As of 30 September 2025, the Company allocated provision for lawsuits amounting to TL 1,263,184 and the Company management has allocated a provision for lawsuits within the amount of the related litigation (31 December 2024: TL 1,584,406).

The movement of provision for lawsuits is as follows:

	30 September 2025	30 September 2024
Beginning of the period – 1 January	1,584,406	395,270
Additions	-	1,392,809
Monetary gains/(losses)	(321,222)	(104,331)
End of the period – 30 September	1,263,184	1,683,749

15.3 Collaterals/Pledges/Mortgages/Bill of Guarantees position

	30 September 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 (*)	4,907,478	3,901,831
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	4,907,478	3,901,831

(*) As of 30 September 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 1,929,895 issued to Ankara Enforcement Directorate.

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NOTE 15 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)**15.3 Collaterals/Pledges/Mortgages/Bill of Guarantees position (Continued)**

As of 30 September 2025, and 31 December 2024, the details of collaterals/pledges/mortgages/bill of guarantees are as follows:

Guarantees	Type	Given/Received	Currency	30 September 2025	31 December 2024
Collaterals	Given	Bank	TL	4,907,478	3,901,831
Pledges (*)	Received	Lydia Holding A.Ş.	TL	20,000,000	21,500,876
Pledges (*)	Received	Ufuk Yatırım Yönetim Ve Gayrimenkul A.Ş.	TL	20,000,000	-

(*) The pledge amounting to TL 20,000,000 was received from Vakıfbank on 23 September 2024 from Lydia Holding Anonim Şirketi. The pledge amounting to TL 20,000,000 was received from Vakıfbank on 11 September 2025 from Ufuk Yatırım Yönetim ve Gayrimenkul Anonim Şirketi.

As of 30 September 2025, and 31 December 2024, the details of the long-term provisions for employee benefits are as follows:

	30 September 2025	31 December 2024
Long-term		
Provision for employment termination benefits	-	401,029
	-	401,029

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 30 September 2025, the amount payable consists of one month's salary limited to a maximum of TL 53,919.68 for each year of service effective from 1 October 2025.

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 30 September 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:

As of 30 September 2025, and 2024, the movements of provision for employment termination benefits are as follows:

	30 September 2025	30 September 2024
Beginning of the period- 1 January	401,029	319,272
Payments during the period (-)	(498,163)	-
Interest costs	-	5,424
Service costs	-	196,423
Actuarial (gains)/losses	-	(74,674)
Net monetary position gains/(losses)	97,134	(84,271)
End of the period – 30 September	-	362,174

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NOTE 16 – EQUITY

As of 30 September 2025, and 31 December 2024, the principal shareholders and their respective shareholding rates in Lydia Yeşil Enerji are as follows:

	30 September 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		16,058,395		16,058,395
		17,949,465		17,949,465

Additional capital contributions of the shareholders

The Company management has classified the balance amounting to TL 11,771,109 as a capital advance to be used in a capital increase. The details of the capital advances are as follows:

	30 September 2025	31 December 2024
Additional capital contributions of the shareholders	11,771,109	11,771,109
Total	11,771,109	11,771,109

Share premium

As of 30 September 2025, and 31 December 2024, the details of share premium are as follows:

	30 September 2025	31 December 2024
Share premium	149,374,707	149,374,707
Total	149,374,707	149,374,707

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 if historical general reserve is exhausted.

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

The amendment to TAS 19 "Employee Benefits" 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 30 September 2025, and 31 December 2024, the details of the actuarial gains and losses on defined benefit plans are as follows:

	30 September 2025	31 December 2024
Actuarial gains/(losses) on defined benefit plans	-	(623,191)
Total	-	(623,191)

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NOTE 16 – EQUITY (Continued)**Gains/(losses) on revaluation**

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

As of 30 September 2025, and 31 December 2024, the details of the property, plant and equipment revaluation surplus are as follows:

	30 September 2025	31 December 2024
Gains/(losses) on revaluation and reclassifications	196,230,665	196,230,665
Total	196,230,665	196,230,665

Additional disclosures regarding equity items

As of 30 September 2025, and 31 December 2024, the details of the other equity items are as follows:

	30 September 2025	31 December 2024
Paid-in Share Capital	1,891,070	1,891,070
Adjustment to Share Capital	16,058,395	16,058,395
Share Premium	149,374,707	149,374,707
Additional Contribution of the Shareholders	11,771,109	11,771,109
Business Combinations	-	310,947,845
Actuarial gains/(losses)	-	(623,191)
Gains/(losses) on revaluation and reclassifications	196,230,665	196,230,665
Retained Earnings	1,456,752,211	(58,838,968)
Profit for the Period	518,307,678	1,204,643,334
Total	2,350,385,835	1,831,454,966

NOTE 17 – REVENUE AND COST OF SALES

As of 30 September 2025, and 2024, the functional breakdown of revenue and cost of sales is as follows:

	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Domestic sales	42,813,790	15,543,005	54,385,190	44,923,842
Cost of services sold	(26,215,482)	(10,705,238)	(31,447,663)	(21,895,513)
Gross profit	16,598,308	4,837,767	22,937,527	23,028,329

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

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

General administrative expenses	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Personnel expenses	(3,614,894)	(897,299)	(7,443,163)	(3,737,721)
Provision for employment termination benefits	(498,163)	(467,254)	-	-
Provision for unused vacation	(29,136)	(29,136)	-	-
Depreciation and amortisation charges	(2,521,878)	(24,549)	(8,296,974)	(4,166,478)
Advertisement and promotion expenses	(213,780)	(61,428)	-	-
Subscription costs	(1,465,898)	(98,023)	-	-
Travel and accommodation expenses	(720)	-	-	-
Consultancy expenses	(1,509,277)	(410,096)	(2,971,511)	(1,492,199)
Stationery expenses	(11,502)	(11,502)	(831,626)	(417,616)
IT expenses	(591,617)	(235,682)	(801,527)	(402,502)
Rent expenses	(2,475,398)	(358,182)	(4,493,017)	(2,256,251)
Insurance expenses	(50,884)	(1)	(370,753)	(186,180)
Communication expenses	(19,610)	2,452	-	-
Taxes, duties and charges	(264,198)	(145,727)	(510,500)	(256,357)
Representation and hospitality expenses	(62,003)	(1,171)	-	-
Grants and donations	(621,993)	(213,476)	-	-
Litigation costs, fees and charges	(696,168)	(216,085)	-	-
Management contribution costs	(1,296,597)	(299,999)	-	-
Other general administrative expenses	(681,714)	1,382,635	(1,786,022)	(896,884)
General administrative expenses, net	(16,625,430)	(2,084,523)	(27,505,093)	(13,812,188)

Marketing, sales and distribution expenses	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Other	-	-	(133,971)	-
Total	-	-	(133,971)	-

NOTE 19 – OTHER OPERATING INCOME/(EXPENSES)

Other operating income	1 January – 30 September 2025	1 July - 30 September 2025	1 January – 30 September 2024	1 July - 30 September 2024
Provision for doubtful receivables	445,764	(45,247)	-	-
Foreign exchange gains	-	-	2,589,506	1,742,909
Reversal of discount income	105,901	-	122,480	82,437
Rent income	340,830	69,919	1,775,842	1,195,259
Income from scrap sales	62,894	-	69,074	46,491
Income from grants and incentives	21,163	3,718	51,092	34,388
Gain on sale of non-current assets	13,146,728	3,903,930	-	-
Other	2,539,564	211,194	531,747	357,902
Other extraordinary gains	21,077	19,459	-	-
Total	16,683,921	4,162,973	5,139,741	3,459,386

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

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NOTE 19 – OTHER OPERATING INCOME/(EXPENSES) (Continued)

Other operating expenses (-)	1 January – 30 September 2025	1 July - 30 September 2025	1 January – 30 September 2024	1 July - 30 September 2024
Foreign exchange losses (-)	(63,722)	(8,732)	(178,181)	(24,146)
Interest expenses (-)	(15,502)	1,163	-	-
Rent expenses (-)	(101,385)	(101,385)	-	-
Discount expenses (-)	-	-	(132,638)	(361,267)
Loss on sale of non-current assets (-)	(37,249,641)	(37,066,955)	-	-
Expenses from provision for doubtful receivables (-)	-	-	(1,392,809)	(58,627)
Other (-)	(6,063)	455	-	-
Other extraordinary expenses and losses (-)	(2,944,750)	(91,049)	(2,196,156)	798,074
Other operating expenses, net (-)	(40,381,063)	(37,266,503)	(3,899,784)	354,034

NOTE 20 – GAINS/(LOSSES) FROM INVESTMENT ACTIVITES

Gains from investment activities	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Gain on equity securities	726,161,314	(163,593,280)	156,319,171	(33,774,290)
Gains from investment activities, net	726,161,314	(163,593,280)	156,319,171	(33,774,290)

Losses from investment activities (-)	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Provision for impairment of non-current assets	(17,309,351)	4,987,530	-	-
Losses from investment activities, net	(17,309,351)	4,987,530	-	-

NOTE 21 – FINANCIAL INCOME/(EXPENSES)

Financial income	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Interest income	18,767,013	2,787,145	-	-
Total	18,767,013	2,787,145	-	-

Financial expenses (-)	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
Interest expenses	(14,366,200)	(1,324,668)	(30,405,998)	(22,310,384)
Total	(14,366,200)	(1,324,668)	(30,405,998)	(22,310,384)

NOTE 22 - INCOME TAXES

Corporate tax

The corporate tax to be accrued on the taxable income is calculated based on 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 30 September 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 Law No. 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%).

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%.

LYDİA YEŞİL ENERJİ KAYNAKLARI ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

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

As of 30 September 2025, and 31 December 2024, the Company has no current income tax assets.

As of 30 September 2025, and 31 December 2024, the details of current income tax liabilities recognised in the statement of financial position are as follows:

As of 30 September 2025, and 2024, the details of tax expenses recognised in the statement of profit or loss are as follows:

Tax income/expenses	1 January – 30 September 2025	1 July – 30 September 2025	1 January – 30 September 2024	1 July – 30 September 2024
- Current period tax income/(expense)	-	-	(3,954,675)	(3,954,675)
- Deferred tax income/(expense)	(194,750,739)	27,103,021	(57,788,607)	(17,187,828)
Total	(194,750,739)	27,103,021	(61,743,282)	(21,142,503)

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%).

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	Cumulative temporary differences	Deferred tax assets /(liabilities)	Cumulative temporary differences	Deferred tax assets /(liabilities)
	30 September 2025	30 September 2025	31 December 2024	31 December 2024
Adjustments for property, plant and equipment and intangible assets	(541,757,447)	(135,439,362)	(250,973,436)	(62,743,361)
Property, plant and equipment revaluation surplus	-	-	(261,640,889)	(65,410,222)
Provision for doubtful receivables	456,737	114,184	1,132,003	283,001
Provision for lawsuits	1,263,184	315,796	1,584,406	396,102
Deferred financial income	-	-	132,831	33,207
Provision for employment termination benefits	-	-	401,028	100,257
Provision for unused vacation	-	-	4,503	1,126
Deferred financial expenses	-	-	(19,444)	(4,862)
Adjustments for prepaid expenses	-	-	22,649	5,663
Adjustments for accruals from time deposits	-	-	-	(94,649)
Adjustments for financial investments	(2,323,126,773)	(580,781,692)	(1,574,426,395)	(393,606,597)
Deferred tax assets/(liabilities), (net)		(715,791,074)		(521,040,335)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

NOTE 22 - INCOME TAXES (Continued)

The movements in deferred tax assets/(liabilities) are as follows:

Deferred tax

Deferred tax liabilities	1 January- 30 September 2025	1 January - 30 September 2024
Beginning of the period - 1 January (-)	(521,040,335)	(18,078,697)
Charge to the equity	-	(18,668)
Business combinations	-	(53,626,655)
Monetary (losses)/gains	-	4,526,157
Deferred income tax during the period	(194,750,739)	(57,788,607)
End of the period – 30 September	(715,791,074)	(124,986,470)

NOTE 23- NET MONETARY POSITION GAINS/(LOSSES)

As of 30 September 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	30 September 2025
Statement of financial position	22,943,961
Marketable securities	341,738,186
Property, plant and equipment and intangible assets	6,109,382
Capital contributions	(41,335,723)
Adjustment to share capital	(3,642,664)
Share premium	(30,284,220)
Restricted reserves	(2,386,474)
Retained earnings	(100,807,978)
Property, plant and equipment revaluation surplus	(39,783,795)
Deferred tax	(105,635,689)
Other	(1,027,064)
Statement of profit or loss	585,944
Revenue	(1,790,242)
Cost of goods sold	840,425
General administrative expenses	1,398,269
Financial income and (expenses)	(207,431)
Other income and (expenses)	344,923
Net monetary position gains/(losses)	23,529,905

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL on 30 September 2025, unless otherwise indicated.)

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.

	30 September 2025	30 September 2024
Profit for the period from continuing operations	518,307,678	58,016,276
Weighted average number of shares	1,891,070	1,891,070
Earnings per share from continuing operations	274.082	30.679

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.

As of 30 September 2025, and 31 December 2024, the exposure of financial assets to credit risk is as follows:

NOTE 25 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Continued)**Credit risk (Continued)****CREDIT RISK DETAILS IN RESPECT OF FINANCIAL INSTRUMENT TYPES****30.09.2025**

	Receivables				Bank Deposits	Total
	Trade Receivables		Other Receivables			
	Related Party	Other	Related Party	Other (*)		
Maximum exposure to credit risk as of reporting date (*)	-	11,839,322	-	-	7,282	11,846,604
(A+B+C+D+E)						
- Maximum risk secured with guarantees and collaterals	-	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	-	11,839,322	-	-	7,282	11,846,604
- 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)	-	(456,737)	-	-	-	(456,737)
- Impairment (-)	-	456,737	-	-	-	456,737
- 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)**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 (*)	-	5,114,283	-	855,757	16,933,915	22,903,955
(A+B+C+D+E)						
- Maximum risk secured with guarantees and collaterals	-	-	-	-	-	-
A. Net book value of neither past due nor impaired financial assets	-	5,114,283	-	855,757	16,933,915	22,903,955
- 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)	-	(1,132,004)	-	-	-	(1,132,004)
- Impairment (-)	-	1,132,004	-	-	-	1,132,004
- 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 30 September 2025, and 31 December 2024, the analysis of liquidity risk statement is as follows:

30 September 2025	Carrying value	Total contractual cash outflows	3-12 months	1-5 years
Non-derivative financial liabilities				
Trade payables	346,074	346,074	346,074	-
Other payables	4,551,446	4,551,446	4,551,446	-
Total	4,897,520	4,897,520	4,897,520	-

31 December 2024	Carrying value	Total contractual cash outflows	3-12 months	1-5 years
Non-derivative financial liabilities				
Trade payables	1,306,920	1,306,920	1,306,920	-
Other payables	1,537,539	1,537,539	1,537,539	-
Total	2,844,459	2,844,459	2,844,459	-

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 30 September 2025, and 31 December 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:

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- EVENTS AFTER THE REPORTING PERIOD

None.

NOTE 28 – OTHER MATTERS

None.