

**(CONVENIENCE TRANSLATION OF THE INDEPENDENT
AUDITOR'S' REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

**1 JANUARY – 31 DECEMBER, 2025
CONSOLIDATED FINANCIAL STATEMENTS TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT**

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AT 31 DECEMBER 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2025, unless otherwise indicated.)

	Notes	USD	Audited	
			31 December 2025	31 December 2024
ASSETS				
Current Assets		482,988	20,701,906	16,498,493
Cash and cash equivalents	5	115,663	4,957,588	4,139,334
Financial investments	6	6,568	281,537	-
Trade receivables				
- Due from third parties	9	76,638	3,284,878	2,013,722
- Due from related parties	30	61,904	2,653,288	3,053,273
Other receivables				
- Due from third parties	10	681	29,169	1,109
Derivative financial assets	20	482	20,660	148,561
Inventories	11	178,260	7,640,640	5,892,398
Prepaid expenses	19	5,949	254,969	131,600
Current income tax assets	28	1,974	84,602	160,828
Other current assets	19	34,869	1,494,575	957,668
Non-current assets		1,114,536	47,771,553	30,142,172
Financial investments	6	1,062	45,516	23,718
Investment accounted for using equity method	7	-	-	2,762,671
Investment properties	12	18,664	799,967	754,963
Property, plant and equipment	14	891,859	38,227,147	24,779,350
Right of use assets	13	5,935	254,387	174,194
Intangible assets and goodwill				
- Goodwill	16	55,658	2,385,629	151,034
- Other intangible assets	15	131,025	5,616,032	1,147,714
Prepaid expenses	19	10,333	442,875	348,528
Total assets		1,597,524	68,473,459	46,640,665

These financial statements at 31 December 2025 have been reviewed by the Audit Committee and approved for issue by the Board of Directors on 19 February 2026. These consolidated financial statements will be finalised after approval in the General Assembly.

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AT 31 DECEMBER 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2025, unless otherwise indicated.)

	Notes	USD	Audited	
			31 December 2025	31 December 2024
Current liabilities		569,767	24,421,489	12,993,396
Current borrowings				
- Current borrowing to related parties	8, 30	68,720	2,945,513	3,386,294
- Current borrowing to other parties	8	299,270	12,827,419	3,157,987
Current portions of non-current borrowings				
- Bank loans	8	62,592	2,682,848	679,305
- Lease liabilities	8	369	15,804	35,103
Trade payables				
- Due to third parties	9	106,740	4,575,125	4,388,951
- Due to related parties	30	10,606	454,614	413,379
Payables related to employee benefits	18	2,007	86,009	54,536
Other payables				
- Other payables to third parties	10	2,175	93,169	1,537
Deferred income other than contract liabilities	19	11,046	473,459	718,249
Current income tax liability	28	381	16,337	-
Current provisions				
- Current provisions for employee benefits	18	5,858	251,072	157,898
- Other current provisions	17	3	120	157
Non-current liabilities		242,969	10,414,186	2,394,257
Long term borrowings				
- Bank loans	8	176,658	7,571,951	1,130,568
- Lease liabilities	8	3,261	139,781	38,439
Non-current provisions				
- Non-current provisions for employee benefits	18	7,931	339,940	200,408
Deferred tax liabilities	28	50,781	2,176,586	1,019,913
Other non-current liabilities	19	4,338	185,928	4,929
Total liabilities		812,736	34,835,675	15,387,653
EQUITY		784,788	33,637,784	31,253,012
Equity attributable to owners of parent		763,473	32,724,193	31,253,012
Paid-in capital	21	90,639	3,885,000	3,885,000
Inflation adjustments on capital		179,906	7,711,177	7,711,177
The impact of mergers involving joint control of enterprises or businesses		1,504	64,456	-
Other accumulated comprehensive income/(loss) that will not be reclassified in profit or loss				
- Gains/(losses) on remeasurement of defined benefit plans	(4,039)		(173,127)	(148,407)
- Share of other comprehensive income of investments accounted for using equity method		-	-	58,627
- Other revaluation and measurement gains/losses	72		3,091	2,230
Other comprehensive income/loss that will be reclassified in profit or loss				
- Currency translation differences		1,278	54,782	1,824,871
- Gains/(losses) on hedge		-	-	(1,310,507)
Restricted reserves	21	104,553	4,481,366	4,158,877
Retained earnings		295,855	12,681,030	13,583,389
Net profit for the period		93,705	4,016,418	1,487,755
Non-controlling interests		21,315	913,591	-
Total liabilities and equity		1,597,524	68,473,459	46,640,665

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

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

(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2025, unless otherwise indicated.)

Profit or loss	Notes	USD	Audited	
			31 December 2025	31 December 2024
Revenue	22	822,223	32,444,223	37,122,843
Cost of sales (-)	22, 23	(697,329)	(27,516,031)	(31,552,351)
Gross profit		124,894	4,928,192	5,570,492
General administrative expenses (-)	23	(34,848)	(1,375,057)	(902,063)
Marketing expenses (-)	23	(32,747)	(1,292,150)	(960,610)
Research and development expenses (-)	23	(5,272)	(208,009)	(123,765)
Other income from operating activities	24	98,989	3,906,033	1,776,122
Other expense from operating activities (-)	24	(32,246)	(1,272,411)	(1,761,920)
Profit from operating activities		118,770	4,686,598	3,598,256
Investment activity income	25	77,145	3,044,088	52,264
Share of gain/(loss) from investments accounted for using equity method	7	(1,027)	(40,510)	49,082
Profit before financing income/(expense)		194,888	7,690,176	3,699,602
Finance income	26	50,385	1,988,135	1,559,301
Finance expense (-)	26	(156,945)	(6,192,933)	(3,347,541)
Monetary gain/(loss), net	27	10,650	420,242	627,970
Profit from continuing operations, before tax		98,978	3,905,620	2,539,332
Tax (expense)/income from continuing operations				
- Current period tax expense	28	(3,097)	(122,223)	(450,141)
- Deferred tax income	28	3,505	138,306	(601,436)
Profit from continuing operations		99,386	3,921,703	1,487,755
Attributable to:				
Owners of parent		101,787	4,016,418	1,487,755
Non-controlling interests		(2,400)	(94,715)	-
		99,387	3,921,703	1,487,755
Basic earnings per share from continuing operations (Kr)	29		1.03	0.38

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2025, unless otherwise indicated.)

Other comprehensive income	Notes	USD	Audited	
			2025	2024
Profit from continuing operations		99,386	3,921,703	1,487,755
Other comprehensive income that will not be reclassified to profit or loss				
Gains/(losses) on remeasurements of defined benefit plans	18	(824)	(32,526)	51,445
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss				
Gains/(losses) on remeasurement of defined benefit plans of associates and joint ventures accounted for using equity method	7	(139)	(5,470)	(13,782)
Other revaluation and measurement gains/losses		22	861	62
Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	28	198	7,806	(12,348)
Other comprehensive income that will be reclassified to profit or loss				
Other comprehensive (loss)/income related with cash flow hedges		43,700	1,724,351	1,257,341
Reclassification adjustments in foreign currency translation differences relating to the translation of foreign operations		(44,859)	(1,855,158)	-
Currency translation differences			85,069	(182,087)
Taxes relating to other comprehensive income to be reclassified to profit/loss	28	(10,488)	(413,844)	(301,762)
Total comprehensive income		86,996	3,432,792	2,286,624
Attributable to:				
Owners of parent		89,396	3,527,507	2,286,624
Non-controlling interests		(2,400)	(94,715)	-
		86,996	3,432,792	2,286,624

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

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

(Amounts expressed in thousands of Turkish Lira (“TRY”) based on the purchasing power of the Turkish Lira (“TRY”) as of 31 December 2025, unless otherwise indicated.)

Equity of the parent company												
Audited	Paid-in capital	Inflation adjustments on capital	Other revaluation and measurement gain/losses ⁽¹⁾	Restricted reserves	Income from investments accounted for using equity method ⁽²⁾	Other Revaluation Gains/Losses ⁽²⁾	Currency differences ⁽¹⁾	Gains/(losses) on remeasurement of defined benefit plans ⁽²⁾	Retained earnings	Net profit for the period	Non Controlling Interest	Total Equity
1 January 2024	323,750	11,272,427	(2,266,086)	3,895,672	72,408	2,168	2,006,958	(227,081)	13,422,885	3,121,926	-	31,625,027
Capital Increase (Note 21)	3,561,250	(3,561,250)	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	263,205	-	-	-	39,578	2,819,143	(3,121,926)	-	-
Dividends paid	-	-	-	-	-	-	-	-	(2,658,639)	-	-	(2,658,639)
Total comprehensive income	-	-	955,579	-	(13,781)	62	(182,087)	39,096	-	1,487,755	-	2,286,624
31 January 2024	3,885,000	7,711,177	(1,310,507)	4,158,877	58,627	2,230	1,824,871	(148,407)	13,583,389	1,487,755	-	31,253,012

Equity of the parent company														
Audited	Paid-in capital	Inflation adjustments on capital	The impact of mergers involving joint control investments of enterprises or businesses	Other revaluation and measurement gain/losses ⁽¹⁾	Restricted reserves	Income from investments accounted for using equity method ⁽²⁾	Other Revaluation Gains/Losses ⁽²⁾	Currency differences ⁽¹⁾	Gains/(losses) on remeasurement of defined benefit plans ⁽²⁾	Retained earnings	Net profit for the period	Total	Non Controlling Interest	Total Equity
1 January 2025	3,885,000	7,711,177	-	(1,310,507)	4,158,877	58,627	2,230	1,824,871	(148,407)	13,583,389	1,487,755	31,253,012	-	31,253,012
Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	164,117	164,117
Acquisition of subsidiary (Note 2)	-	-	64,456	-	-	-	-	-	-	-	-	64,456	844,189	908,645
Increase / (decrease) due to other changes	-	-	-	-	-	-	-	(53,157)	-	-	-	53,157	-	-
Transfers	-	-	-	-	-	322,489	-	-	-	-	1,165,266	(1,487,755)	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(2,120,782)	-	(2,120,782)	-	(2,120,782)
Total comprehensive income	-	-	-	1,310,507	-	(5,470)	861	(1,770,089)	(24,720)	-	4,016,418	3,527,507	(94,715)	3,432,792
31 January 2025	3,885,000	7,711,177	64,456	-	4,481,366	-	3,091	54,782	(173,127)	12,681,030	4,016,418	32,724,193	913,591	33,637,784

(1) Items to be reclassified to profit and loss

(2) Items not to be reclassified to profit and loss

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2025, unless otherwise indicated.)

	Notes	2025	2024
A. Cash flows from/(used in) operating activities		5,064,708	2,684,546
Profit for the period		3,921,703	1,487,755
Adjustments to reconcile profit/(loss):		2,712,541	5,088,764
- Adjustments for depreciation and amortization expense	23	3,676,654	2,284,559
- Adjustments for impairment loss/(reversal of impairment loss)		367,110	80,456
- Adjustments for provisions		241,812	83,038
- Adjustments for interest income and expense	24, 26	1,059,803	211,203
- Adjustments related to income from government incentives		(334,504)	-
- Adjustments for unrealised foreign exchange losses/(gains)		2,187,161	588,343
- Adjustments for fair value gains/(losses)		127,901	(137,856)
- Adjustments for undistributed profits of investments accounted for using equity method	7	40,510	(49,082)
- Adjustments for tax expense	28	(16,083)	1,051,577
- Adjustments for losses/(gains) on disposal of non-current assets		8,597	(2,272)
- Adjustments for losses/(gains) on disposal of subsidiaries	24, 25	(4,825,546)	-
- Adjustments for monetary losses/(gains)		179,126	978,798
Changes in working capital		(1,831,787)	(3,675,734)
- Adjustments for (increase)/decrease in inventories		(133,715)	648,693
- Adjustments for (increase)/decrease in trade receivables		2,703,889	1,467,465
- Adjustments for increase/(decrease) in other operating payables		(3,939,716)	(5,046,929)
- Adjustments for (increase)/decrease in other operating receivables		91,632	(1,120)
- Adjustments for increase/(decrease) in trade payables		(28,010)	(79)
- Other adjustments for other increase/(decrease) in working capital		(525,867)	(743,764)
Cash flows from/ (used in) operations		4,802,457	2,900,785
Interest paid		(115,450)	(256,698)
Interest received		270,110	301,025
Payments related with provisions for employee benefits		(143,847)	(190,968)
Income taxes paid/refunds		251,438	(69,598)
B. Cash flows from/(used in) investing activities		(8,971,522)	(4,458,622)
Cash outflows from acquisition of control of subsidiaries	2	(973,353)	-
Cash outflows resulting from share acquisitions in business partnerships	3	(4,684,380)	-
Proceeds from sales of property, plant, equipment and intangible assets		14,631	2,372
Cash outflows from purchase of property, plant, equipment and intangible assets		(3,114,154)	(4,425,055)
Cash advances and loans made to other parties		93,279	(92,973)
Other cash inflows		(307,545)	76,750
Other cash outflows		-	(19,716)
C. Cash flows from/(used in) financing activities		5,936,127	837,883
Cash inflows from the issuance of shares and other equity-based instruments		164,117	-
Cash inflows resulting from the merger effect of jointly controlled entities		84,301	-
Proceeds from borrowings	8	17,620,667	7,755,634
Repayments of borrowings	8	(8,569,004)	(3,709,953)
Dividends paid	21	(2,120,782)	(2,658,639)
Payments of lease liabilities	8	(14,418)	(10,997)
Interest received		1,239,033	985,221
Interest paid		(2,467,787)	(1,523,383)
D. Effect of monetary gain losses on cash and cash equivalents		(2,003,178)	(1,686,146)
Net increase/(decrease) in cash and cash equivalents before effect of exchange rate changes		26,135	(2,622,339)
E. Effect of exchange rate changes on cash and cash equivalents		797,753	368,385
Net increase/(decrease) in cash and cash equivalents		823,888	(2,253,954)
F. Cash and cash equivalents at the beginning of the period	5	4,132,145	6,386,099
Cash and cash equivalents at the end of the period	5	4,956,033	4,132,145

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira ('TRY') based on the purchasing power of the Turkish Lira ('TRY') as of 31 December 2025, unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Aksa Akrilik Kimya Sanayii A.Ş. ('Aksa' or the 'Company') was established on 21 November 1968 and registered in Türkiye.

The primary business activities of Aksa and its subsidiaries (collectively referred to as the "Group") include the production, processing, storage, import, export, marketing, and trading of products and all types of raw materials, auxiliary materials, and intermediates used in textiles, chemicals, and other industrial sectors, as well as artificial, synthetic, and natural fibers, carbon fibers, filaments, yarns, and polymers. Additionally, the Group is involved in the production, supply, and trading of machinery, equipment, facilities, and spare parts used in these productions; the establishment, operation, leasing of power generation facilities, production of electricity, and sale of generated electricity and/or capacity to customers. Furthermore, the Group engages in the production, supply, trading, import, export, and research and development activities related to aircraft, helicopters, display aircraft, gliders, motorized and non-motorized parachutes, and other equipment for the aviation and defense industries.

Aksa is registered with the Capital Markets Board ("CMB") and its shares have been quoted in the Borsa İstanbul A.Ş. ("BİST") since 1986. As of 31 December 2024, the principal shareholders and their respective shareholding rates in the Company are as follows:

	%
Akkök Holding A.Ş. ("Akkök Holding")	39.95
Emniyet Ticaret ve Sanayi A.Ş.	25.00
Other (*)	35.05
Total	100.00

(*) As of 31 December 2025, 31.70% of the Aksa shares are traded on BIST.

Akkök Holding, which is the main shareholder of the Company, is controlled by Dinçkök family members. As of 31 December 2025, the number of employees employed by the Company is 2,579 (2024: 1,418).

The address of the registered office of the Company is as follows:

Merkez Mahallesi Ali Raif Dinçkök Caddesi No : 2 Taşköprü Çiftlikköy Yalova

Main operations of the Company are in Türkiye and for the purpose of segment reporting, the operations are summarized in three operational segments as (Note 4):

- Fibers
- Energy
- Advanced materials
- Other

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2024, unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

The group owns the following subsidiaries and financial assets. The countries in which these companies operate and their fields of activity are listed below:

Joint Ventures	Shareholding rate	Country	Nature of business
Aksa İleri Kompozit Teknolojileri ve Havacılık Sanayi Anonim Şirketi ("Aksa İleri Kompozit") (*)	54%	Türkiye	Advanced materials
Aksa Carbon and Advanced Composite Materials Holdings B.V. ("Aksa Carbon") (**)	100%	Netherlands	Advanced materials
Akset Enerji Üretim A.Ş. ("Akset") (***)	100%	Türkiye	Energy
Financial non-current assets	Shareholding rate	Country	Nature of business
Akkök Next Yatırım Holding A.Ş. ("Akkök Next")	8.25%	Türkiye	Investment

* In line with the company's strategy to 'become a leader with innovative solutions in advanced materials,' all shares of BTB—which holds 49% of Aksa İleri Kompozit shares and has no other activity—and a 5% stake in Aksa İleri Kompozit (formerly known as Epsilon Kompozit Teknoloji ve Savunma Sanayi A.Ş.) from NDC Holding A.Ş. were purchased on January 28, 2025, for a total consideration of 973,353 TRY. The former name of Aksa İleri Kompozit was Aksa İleri Kompozit Teknoloji ve Savunma Sanayi A.Ş. (Note 2).

** On August 8, 2025, the company acquired the remaining 50% stake in Aksa Carbon (formerly known as DowAksa Advanced Composites Holdings B.V.) from the other partner, Dow Europe Holding B.V., for a total consideration of 5,577,776 TRY (125 million USD). As of that date, it has been included in the consolidation as a subsidiary (Note 3).

*** To enhance the strategic focus and growth potential of the energy and auxiliary services division within the Company, Akset was established on July 1, 2025, by transferring all assets and liabilities of the energy division through a partial division method. As of this date, Akset has been included in the consolidation.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

2.1.1 Financial reporting standards applied

The financial statements of the Company have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Türkiye ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial Reporting Standards ("IFRS") by the communiqués.

The financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2025, unless otherwise indicated.)

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

2.1 Basis of preparation (Continued)

Pursuant to the decision of the Capital Markets Board (SPK) dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on 31 December 2023.

As of 31 December 2024, adjustments have been made for changes in the general purchasing power of the Turkish Lira in accordance with the requirements of TAS 29 ("Financial Reporting in Hyperinflationary Economies"). TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. One of the requirements to apply TAS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexation process is performed by using the coefficient obtained from the Consumer Price Index in Türkiye published by the Turkish Statistical Institute ("TÜİK").

Year End	Index	Conversion Factor	Three – year Inflation Rate
31 December 2025	3,513.87	1,00000	211%
31 December 2024	2,684.55	1,30892	291%
31 December 2023	1,859.38	1,88981	268%

The main elements of the Company's adjustment process for financial reporting in hyperinflationary economies are as follows:

- The financial statements of the current period in TRY are expressed in terms of the purchasing power of the currency at the balance sheet date and the amounts of the previous reporting periods are restated in accordance with the purchasing power of the currency at the latest balance sheet date.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 and TAS 2 are applied.
- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.
- All items in the statements of income and other comprehensive income, except cost of sales, depreciation expense and gain/loss on sale of assets, have been restated by applying the relevant monthly restatement factors. Cost of sales, depreciation expense and gain/loss on sale of assets have been recalculated based on the adjusted balance sheet items using the adjustment factors.
- All items in the statement of cash flows are expressed in the unit of measurement in effect at the end of the reporting period.
- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the statement of income in the net monetary position loss account.

Comparative Figures

- Figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the currency of the reporting period end. Information disclosed for prior periods is also expressed in the currency of the reporting period.

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

2.1.2 Principles of Consolidation

- a) The consolidated financial statements include the accounts of the parent company, Akxa, along with its subsidiaries as per the considerations outlined in paragraph (b) below. The financial statements of the companies included within the scope of consolidation have been prepared in accordance with IFRS, by making the necessary adjustments and classifications in accordance with uniform accounting principles and practices as of the date of the consolidated financial statements. The operating results of subsidiaries are included or excluded in line with the effective dates of acquisition or disposal transactions.
- b) Subsidiaries are entities controlled by Akxa. Control is established by Akxa over an investee only when all of the following indicators are present:
- It has power over the investee
 - It is exposed to, or has rights to, variable returns from its involvement with the investee,
 - It has the ability to use its power over the investee to affect the amount of its returns.

The companies within the Group maintain their accounting records and prepare their statutory financial statements in accordance with the principles and conditions issued by the Capital Markets Board (CMB), the Turkish Commercial Code (TCC), the tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries operating in foreign countries prepare their statutory financial statements in accordance with the laws and regulations applicable in the countries where they operate. The financial statements are prepared on the historical cost basis, except for financial assets and liabilities that are presented at fair value, and necessary adjustments and classifications have been made to the statutory records for the purpose of fair presentation in accordance with IFRS.

The financial statements have been prepared on the historical cost basis, except for derivative instruments, which are measured at fair value, and the revaluations of tangible and intangible fixed assets arising from business combinations where there is a difference between the carrying value and the fair value.

Subsidiaries are included in the scope of consolidation from the date on which control is transferred to the Group, and they are excluded from the scope of consolidation from the date that control ceases. Where necessary, the accounting policies applied by subsidiaries are changed to ensure consistency with the accounting policies adopted by the Group. The shares of non-controlling interests in the net assets and operating results of subsidiaries are presented as "Non-controlling interests" in the consolidated balance sheet and comprehensive income statement.

2.1.3 Going Concern

The Group's short-term financial liabilities primarily consist of bank loans used under the short-term financing strategy adopted by the business. Management anticipates that obligations will be fulfilled as they come due, within the framework of existing credit limits and cash flow projections, and accordingly, the financial statements have been prepared on a going concern basis.

Acquisitions of Interests in Jointly Controlled Entities

On January 28, 2025, the Company completed the transfer of a 54% stake in Akxa Advanced Composite, which is under the control of Akkök Holding, for 973,353 TRY. Business combinations arising from the transfer of shares in companies under the control of the group controlling shareholder are accounted for as if the combination occurred at the beginning of the earliest comparative period presented, or at the date when joint control is established. The acquired assets and liabilities are recognized at their carrying amounts as previously recorded in the consolidated statements of the group's controlling shareholder.

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

Acquisitions of Interests in Jointly Controlled Entities (Continued)

The equity items of the acquired companies, excluding capital, are added to the same items in the Group's equity, and any resulting gain or loss is accounted for as an offsetting entry under equity in the "Effect of Mergers Involving Jointly Controlled Entities or Businesses" account. As of the acquisition period, the Company recognized net assets of 668,041 TRY belonging to Akxa Advanced Composite, a customer relations asset with a net book value of 1,789,301 TRY calculated based on the fair value of customer relationships owned by Akxa Advanced Composite in the consolidated financial statements of Akkök Holding, goodwill of 5,442 TRY, and deferred tax liability of 429,432 TRY.

An amount of 64,456 TRY related to this transaction has been accounted for under equity in the "Effect of Mergers Involving Jointly Controlled Entities or Businesses" account.

In accordance with the Council of Public Oversight, Accounting and Auditing Standards Authority's ("KGK") principle decision on "Accounting for Business Combinations Under Common Control" published in the Official Gazette on July 21, 2018, and the board decision released on October 11, 2018, the "Pooling of Interests" method has not been applied based on evaluations made within the scope of materiality regarding significant performance indicators for financial statements. The financial statements for the current and comparative periods have not been restated as if the merger occurred at the beginning of the comparative period presented.

Accordingly, it was deemed unnecessary, within the scope of materiality, to restate the financial statements for the current and comparative periods as if the merger had occurred at the beginning of the comparative period presented, using the book values of the acquired entity's assets and liabilities as held by the party with common control as of the merger date.

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional currency of Akxa and the presentation currency of the Company.

Amendments in Turkish Financial Reporting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and its interpretations effective as of 1 January 2025. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

a) Standards, amendments, and interpretations applicable as of 31 December 2025:

Amendments to IAS 21 – Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

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

2.1 Basis of preparation (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025:

The IFRS codification has been maintained in the newly issued standards by the International Accounting Standards Board that have not yet been incorporated into the regulations by the Public Oversight, Accounting and Auditing Standards Authority.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The impact on the Group's financial situation and performance is being evaluated.

- **Annual improvements to IFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

The impact on the Group's financial situation and performance is being evaluated.

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity; effective from annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required. These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

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

2.1 Basis of preparation (Continued)

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency; effective from annual periods beginning on or after 1 January 2027. These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37- Disclosures about Uncertainties in the Financial Statements; These amendments include Examples illustrating how an entity applies the requirements in IFRS Accounting Standards to disclose the effects of uncertainties in its financial statements. The Examples demonstrate how to disclose the impacts of uncertainties within climate-related scenarios, but the principles and requirements are also applicable to disclosure of other uncertainties. The Examples do not add to or change requirements in IFRS Accounting Standards and therefore there are no transition requirements. Instead, these Examples will accompany the respective IFRS Accounting Standards to which they relate. The Examples do not have an effective date, but entities might consider the application for December 2025 year-ends.

IFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. 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 IFRS 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

For the year ending December 2025, disclosures should include:

- the nature of the changes,
- the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,
- the planned adoption date, and
- either:

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

2.1 Basis of preparation (Continued)

- known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or
- if that impact is not known or reasonably estimable, a statement to that effect.

In order to comply with Paragraphs 30-31 of IAS 8, entities should consider the following principles when preparing disclosures related to the adoption of IFRS 18:

- a. Disclosures are expected to become increasingly detailed as entities implementation process progresses toward 2027.**

The level of detail that an entity includes in its disclosures will depend on the progress of its implementation activities, including those related to internal controls. For the year ending December 2025, entities that have yet to make significant progress in implementation might only disclose that they are actively assessing the impact of IFRS 18 and that more comprehensive disclosures cannot reasonably be provided.

- b. Where appropriate and reliable, consider including quantitative information.**

It may be appropriate to disclose preliminary figures, when the company has an appropriate and reliable basis for making such disclosures and provides clear explanations regarding their provisional nature. For example, an entity might quantify the effects on profit and loss subtotals. If the quantitative impact is not reasonably estimable, a statement to that effect should be included. An entity may disclose known and reasonably quantifiable impacts, but it is not expected to early provide IFRS 18 disclosures, such as an MPM reconciliation, before the application date.

- c. Consider alignment with other public communications.**

If management has publicly detailed anticipated impacts, such as in an investor presentation, the IAS 8 financial statement disclosures should be consistent with these communications.

- d. Disclosures should be based on the information available through the date of issuance of the financial statements,**

The impact on the Group's financial situation and performance is being evaluated.

IFRS 19 Subsidiaries without Public Accountability: Disclosures’ and amendment; effective from annual periods beginning on or after 1 January 2027. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The impact on the Group's financial situation and performance is being evaluated.

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

2.1 Basis of preparation (Continued)

IFRS 19 Subsidiaries without Public Accountability: Disclosures’; with these amendments, IFRS 19 reflects the changes to IFRS Accounting Standards that take effect up to 1 January 2027, when IFRS 19 will be applicable. These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:

- IFRS 18 Presentation and Disclosure in Financial Statements;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12);
- Lack of Exchangeability (Amendments to IAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

The impact on the Group's financial situation and performance is being evaluated.

2.1.2 Changes in Accounting Policies, Accounting Estimates and Errors

In case of changes and errors in accounting policies and accounting estimates, important changes made and significant accounting errors detected are applied retrospectively and the previous period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied both in the current period when the change is made and both in the future when the change is made and in the future.

In order to enable the determination of the financial position and performance trends, the Company's current period financial statements are prepared comparatively with the previous period. The Company's statement of financial position as at 31 December 2025 has been prepared comparatively with the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year ended 31 December 2025 have been prepared comparatively with the related financial statements for the year ended 31 December 2024. Comparative information for the previous reporting period is expressed in the purchasing power of 31 December 2025.

Comparative Figures and the Restatement to the Financial Statements of the Prior Period

In accordance with the decision taken at the CMB's meeting dated June 7, 2013 and numbered 20/670, financial statement examples and user guide for capital market institutions within the scope of the Communiqué on the Principles of Financial Reporting in Capital Markets, effective for interim periods ending after March 31, 2014, have been published. In accordance with the aforementioned examples, various classifications can be made in the Company's financial statements.

In the event of changes in accounting policies and accounting estimates and errors, significant changes and significant accounting errors are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively.

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

2.2 Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits and short-term investments with high liquidity, the amount of which can be easily converted into cash, with a minimal risk of change in value and with maturity of three months or less (Note 5).

Financial Assets

The Group classifies its financial assets in three classes of financial assets: at fair value through profit or loss, at amortized cost and at fair value through other comprehensive income. The classification is based on the business model used by the entity for the management of financial assets and the contractual cash flows of the financial asset. The Group classifies its financial assets at the time of the purchase.

“Financial assets measured at amortized cost” are non-derivative financial assets held by a business model that aims to collect contractual cash flows and that have cash flows that include interest payments on principal dates and principal balances on certain dates under contractual terms. The Group's financial assets that are accounted for at amortized cost include “cash and cash equivalents”, “trade receivables” and “other receivables”. The related assets, with their fair values in the initial recognition of financial statements; in subsequent accounts, it is measured at amortized cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the statement of profit or loss.

“Financial assets measured at fair value through profit or loss”, are assets that are not measured at amortized cost or at fair value through other comprehensive income. Gains and losses on valuation of these financial assets are accounted for under the statement of income. Financial assets measured at fair value through profit or loss include currency protected deposits and venture capital funds in the statement of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Trade receivables

Trade receivables are recognized at original invoice amount and carried at amortized cost less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The allowance is an estimated amount which is difference between existing receivable and collectible amount. Collectible amount is the discounted value of trade receivables, all cash flows including collections from guarantees by using original effective interest rate. The receivables determined not possible to be collected are written off (Note 9). The Group calculates rediscount on its receivables over short term receivables less than one year.

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

2.2 Summary of Significant Accounting Policies (Continued)

Trade receivables (Continued)

In addition, the Group uses the provisioning matrix by selecting the simplified application for the impairment calculations of the trade receivables accounted at amortized cost value in the financial statements. With this application, in cases where the trade receivables are not impaired due to certain reasons, the expected credit loss provision is measured by an amount equal to the expected credit losses. In the calculation of the expected credit losses, the Group's future estimates are taken into consideration along with past loan loss experiences.

Finance lease

As Lessor

Leasing is classified as a financial lease, where most of the risks and gains of the property belong to the tenant and the right to purchase at the end of maturity is given to the lessee. The asset subject to financial leasing is shown as a net receivable equal to the investment subject to this transaction. Interest income is determined by calculating the present value of the total value of the lease payments and the unsecured residual value by calculating the discount rate that equals the fair value of the economic asset subject to lease, and the part not accrued in the relevant period is monitored in the unearned interest income account.

Lease Liabilities

The Group measures the lease obligation based on the present value of the lease payments, which were not paid on the date the lease actually started.

The lease payments included in the measurement of the lease obligation at the date of the lease actually consist of the following payments to be made for the right of use of the underlying asset during the lease period and not paid at the date when the lease actually started:

- (a) Fixed payments,
- (b) Variable rental payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,
- (c) Amounts expected to be paid by the Group within the scope of residual value commitments
- (d) The price of use of this option if the Group is reasonably sure that it will use the purchase option and
- (e) If the rental period indicates that the Group will use an option to terminate the lease, penalties for termination of the lease.

Variable lease payments that do not depend on an index or rate are recorded as expenses in the period when the event or condition that triggered the payment occurred.

In case the revised discount rate and the implicit interest rate in the lease can be easily determined for the remainder of the group lease period, this rate is; If it cannot be determined easily, it determines the alternative borrowing interest rate on the date of the Group's re-evaluation.

The group measures the lease obligation after the lease actually starts as follows:

- (a) Increases the carrying amount to reflect the interest on the lease obligation and
- (b) Reduces the carrying value to reflect the rent payments made.

In addition, if there is a change in lease duration, a change in substance of fixed lease payments or a change in the assessment of the option to purchase an underlying asset, the value of financial lease liabilities is re-measured.

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

2.2 Summary of Significant Accounting Policies (Continued)

Short-term leases and low-value leases

The Group applies its short-term lease registration exemption to short term machinery and equipment lease contracts (i.e. assets with a lease period of 12 months or less from the start date and without a purchase option). At the same time, it applies the exemption of accounting for low-value assets to office equipment, the rental value of which is considered to be low-value. Short term lease contracts and lease contracts of low value assets are recorded as expense according to the linear method during the lease period.

Right-of-use assets

The Group accounts for its right-of-use assets on the date the financial lease contract commences. The right-of-use assets are calculated by deducting the accumulated depreciation and impairment losses from the cost value. In case the financial leasing debts are revalued, this figure is corrected.

The cost of the right-of-use asset includes:

- (a) The first measurement of the lease obligation,
- (b) The amount obtained from all lease payments made before or before the lease actually started, by deducting all lease incentives received and
- (c) All initial costs incurred by the Group.

Unless the transfer of the ownership of the underlying asset to the Group is reasonably finalized at the end of the lease term, the Group depreciates its asset right to use until the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment assessment.

Trade payables

Trade payables have average maturities changing between 30 - 180 days and consist of the amounts invoiced or not invoiced related with the realized material or service purchases and are carried at amortized cost (Note 9).

Inventories

Inventories are valued at the lower of the net realizable value or cost value. The cost determination method is the monthly weighted average for all inventories, and work-in-process and finished goods take a share from the production costs. Net realizable value less costs to sell is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Unusable inventories are removed from the records (Note 11).

Other inventory and spare parts

Other inventories and spare parts include all purchasing costs and other costs incurred in bringing spare parts to their current condition and location. The company evaluates its spare parts and materials according to the weighted average cost method and allocates a provision for impairment for spare parts and materials that are not used within the expected useful life and are not expected to be used in the near future.

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

2.2 Summary of Significant Accounting Policies (Continued)

Investment properties

Instead of being used in the production of goods and services or being sold for administrative purposes or during the normal course of business, the land and buildings held for the purpose of obtaining rent and/or capital gain or both are classified as investment properties and according to the cost method, the cost is minus accumulated depreciation values (Note 12). The cost of an investment property bought consists of the purchase price and expenses that can be directly associated with this transaction. The average useful life of investment properties changes between ten (10) and fifty (50) years.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable taxes consist of charges to make the tangible asset available

Depreciation is provided for property, plant and equipment on a straight-line basis (Note 14). Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. As of 31 December 2025, the depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	Period (Year)
Land improvements	2 - 50
Buildings	5 - 50
Machinery and equipment	3 - 40
Motor vehicles	4 - 8
Furniture and fixtures	2 - 20

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the event of circumstances indicating that impairment has occurred in the tangible assets, an inspection is performed for the purpose of determining a possible impairment, and if the registered value of the tangible asset is higher than its recoverable value, the registered value is reduced to its recoverable value by recording a provision. The recoverable value is considered either the net cash flow to be caused by the current use of the respective assets or the net sales price, whichever is higher.

Profit and loss resulting from the sale of fixed assets is determined as the difference between the amounts collected or to be collected and asset’s carrying value reflected in the relevant profit or loss account in the current period.

Repairs and maintenance are charged to the income statements during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset.

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

2.2 Summary of Significant Accounting Policies (Continued)

Intangible assets

Intangible assets are recorded at their acquisition costs. Except for the expenses incurred for the development of new vehicles that are planned to be produced within the Group, intangible assets cannot be capitalized and expenditures incurred during the period they occur. Intangible assets are amortized using the straight-line method based on their estimated useful lives. The activated development expenses are amortized by the straight-line method in line with the estimated useful life of the product after the commencement of commercial production. Intangible assets; the values they carry are reviewed in case the changes in the conditions and the events show that the carried value may decrease, and the required provision is set (Note 15).

In a business combination, the acquirer can recognize identifiable assets, liabilities, and contingent liabilities assumed that are separable from goodwill and not included in the acquiree's financial statements, at their fair values at the acquisition date, with limited exceptions. Customer relationships owned by the acquiree at the time of the merger have been evaluated as identifiable intangible assets and measured at their fair value as of the merger date.

Payments made in relation the Group's share of assets in Yalova Kompozit ve Kimya İhtisas Islah Organize Sanayi Bölgesi (“Yalkim OSB”) are recorded under intangible assets.

Useful lives of use rights are determined as 3 - 24 years excluding land use fees.

Research and development costs

Research expenses are recorded on the date they occur. Apart from the project expenditures with the below mentioned criteria, expenditures for development are recorded as expense in the period they occur. Costs of development projects that meet the criteria mentioned below are accepted as development costs within the scope of TAS 38 “Intangible Assets” standard, they are capitalized and amortized by the straight-line method in accordance with the project life (Note 15).

- The product or process is clearly defined and costs are separately identified and measured reliably,
- The technical feasibility of the product is demonstrated,
- The product or process will be sold or used in-company,
- A potential market exists for the product or its usefulness in case of internal use is demonstrated, and
- Adequate technical, financial and other resources required for completion of the project are available.

Revenue recognition

In accordance with TFRS 15 “Revenue from Customer Contracts Standard”, which entered into force as of 1 January 2018, the Group records revenue in its financial statements in line with the following basic principles:

- Identification of contracts with customers
- Identification of performance obligations in contracts
- Determination of the transaction price in contracts
- Distribution of transaction fee to performance obligations
- Revenue recognition

Revenue related to performance obligations, such as goods or service transfer commitments, is recognized when customers are in control of the goods or services.

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

2.2 Summary of Significant Accounting Policies (Continued)

Revenue recognition (Continued)

The Group recognizes a contract with its customer as revenue when all of the following conditions are met.

- a) ownership of the company's right to collect goods or services,
- b) the ownership of the legal property of the customer,
- c) transfer of possession of goods or services
- d) ownership of significant risks and rewards arising from ownership of the goods or services
- e) consider the terms of the customer's acceptance of the goods or service

The group derives the majority of its revenue from the sale of fiber, energy, and advanced materials.

Income from sale of fibers

The electricity sold is transmitted to the customer over transmission lines and the customer simultaneously consumes the benefit derived from the performance of the Group. Revenue from electricity sales is recognized at the time of delivery.

Income from sale of energy

The electricity sold is transmitted to the customer over transmission lines and the customer simultaneously consumes the benefit derived from the performance of the Group. Revenue from electricity sales is recognized at the time of delivery.

Revenues from Advanced Materials Sales

The Group generates revenue from the sale of carbon fiber and carbon fiber-reinforced composite solutions. In this context, revenue is recognized at the point in time when control of the products is transferred to the customer.

Interest income

Interest income is calculated on accrual basis by taking into consideration the effective interest rate and the effective interest rate within the remaining period to maturity.

If there is a significant financing element in revenue, the revenue value is determined by discounting the future collections with the interest rate included in the financing element. The difference is recognized in the related periods as other income from the operating activities on accrual basis (Note 24).

The Group has accrued discount premiums in line with the fibers customers' purchase targets to be paid at the end of each quarter. In the current period, the Group has classified the discount premiums under "other discount" account in sales.

Cash flow hedge accounting

There is an effective cash flow protection relationship between the Company's foreign currency denominated long-term loans (non-derivative hedging instrument) and its likely future sales (hedged item).

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

2.2 Summary of Significant Accounting Policies (Continued)

In this context, the Company has defined its likely sales to be realized as "hedged item" within the scope of its policy of managing cash flows arising from exchange rate risk, by matching these sales with its long-term financial debts defined as "non-derivative hedging instrument" and started hedge accounting. In the context of this accounting, the discounted spot component of the long-term loans' principal payments (proportionate to effectiveness) foreign exchange losses/gains, which are defined as hedging instruments in a calendar period in accordance with the foreseeable budgets, is to be booked under Reserve of gains or losses on hedge in the Other Comprehensive Income Statement until the related sales are realized. When the sales are realized, the related foreign exchange gain/loss accumulated in the reserve is accounted under "foreign exchange income/expenses" in the income statement.

Bank borrowings

All bank loans are recorded over their fair values with reduced transaction costs. In the following periods, the effective interest rate method is valued at its discounted prices and the difference between the amount remaining after the transaction costs is deducted and the discounted cost value is reflected in the comprehensive income statement as financing cost during the loan period (Note 7). In case of need, the Group also performs early collection transactions in factoring practices against the cost of the receivable. This is an application parallel to the risk management practice in the form of recourse. Related amount is classified in financial liabilities and included in note explanations (Note 8).

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Without this context, the borrowing costs are expensed as occurred. Capitalized borrowing costs are presented as purchases of property, plant and equipment and intangibles in the statement of cash flow.

Fair (market) value is the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists. The fair values of the financial instruments are determined in accordance with the following methods and assumptions as follows:

Fair value of financial instruments

Financial assets

Monetary assets for which fair value approximates carrying value are carried at cost in the financial statements and consists of cash and cash equivalents, their interest accruals, and other financial assets; and considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. It is considered that the carrying values of the trade receivables after the rediscount and doubtful receivables provision are deducted are close to their fair values.

Financial liabilities

Monetary liabilities for which fair value approximates carrying value including accounts payable, short-term bank borrowings and other monetary liabilities are considered approximate their respective carrying values due to their short-term nature. The bank borrowings are stated at their amortized costs and transaction costs are included in the initial measurement of bank borrowings. It is considered that the fair values of loans denote the value they carry, since the interest rates are updated by considering the changing market conditions. The fair values of the trade payables after deducting the provision for rediscount are considered to approximate the carrying value.

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

2.2 Summary of Significant Accounting Policies (Continued)

Employment termination benefits

The provision for employment termination benefits, as required by Turkish Labor Law represents the present value of the future probable obligation of the group 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 actual outcome together with the effects of changes in actuarial assumptions compose the actuarial gains/losses.

In accordance with TAS 19 “Employee Benefits” effective before 1 January 2013, the actuarial gains/losses were recognised in the statement of income whereas the amendment, effective as of 1 January 2013, requires the actuarial gains/losses to be recognised under other comprehensive income. With this amendment, the Group accounted for its actuarial gains/losses under other comprehensive income in conformity with the translation provisions stated in TAS 19 “Employee Benefits”.

Unused vacation rights

Liabilities arising from unused vacation rights are accrued in the periods in which they are entitled.

Current and deferred income tax

Tax expense or income is the aggregate of current income tax and deferred taxes which are based on the gains and losses for the period.

Deferred income tax is determined, using the liability method and tax rates (and laws) that have been enacted by the balance sheet date. Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income 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. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred taxes arising from income and expenses accounted under equity are recorded under equity, accordingly.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled (based on tax rates that have been enacted or substantively enacted at the balance sheet date). The carrying amount of deferred income tax assets is reviewed by the Group at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized (Note 28).

Earnings per share

Earnings per share disclosed in the income statement are determined by dividing net income by the weighted average number of shares that have been outstanding during the related period concerned (Note 29).

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

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

2.2 Summary of Significant Accounting Policies (Continued)

Events after the balance sheet date

The Group adjusts the amounts recognized 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.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate (Note 17).

Contingent assets and liabilities

Probable 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 Group are not included in financial statements and are treated as contingent liabilities. A contingent asset is not recognized in the financial statements, but disclosed when an inflow of economic benefits is probable (Note 17).

Offsetting

The financial assets and liabilities are reported on the balance sheet at the net amount if they have the same right and nature and will be paid or collected in net..

Foreign currency transactions

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income.

Goodwill

The cost of a business combination is allocated by recognizing the acquiree’s identifiable assets at the date of acquisition. Any excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, over the business combination cost is accounted for as goodwill.

The carrying value of goodwill is reviewed annually and presented after deducting cumulative impairment in the balance sheet. Goodwill is monitored at the cash generating business units. The cash generating unit is determined according to expected benefits from related business combination. Any impairment is not subsequently reversed. Gains/losses from the sale of business unit also include its carrying value of goodwill.

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

2.2 Summary of Significant Accounting Policies (Continued)

Segment reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The Board of Directors has been determined as the competent authority to make decisions regarding the activities of the Company.

For an operating segment to be identified as a reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its reported profit or loss is 10 per cent or more of the combined profit or loss or its assets are 10 per cent or more of the combined assets of all operating segments. Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

For at the Group the reportable segments are industrial segments. Reportable segment, its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments; the absolute amount of its reported profit or loss is 10 per cent or more of the combined profit or loss or its assets are 10 per cent or more of the combined assets of all operating segments (Note 4).

The Group assesses the performance of the operating segments based on a measure of adjusted Earnings Before Interest, Tax, Depreciation and Amortization, "EBITDA".

The Group's reportable business segments are "fibers", "energy" and the remained operations are reported as "other". Yarn production facilities whose investment process is ongoing and their financial results are reported in the "other" section and DowAksa Holdings are reported under "fibers" segment. As of the acquisition date, the financial statement impact of Aksa Carbon and Aksa Advanced Composite companies is reported under the "Advanced Materials" business segment. The financial statement impact of the Akset company is reported under the "Energy" segment from its establishment date onwards. Portions of Aksa's operations are reported under the energy segment, another part under fibers, and parts not falling into these segments are reported in the other segment.

The support functions of industrial segments namely Financial Affairs, Human Resources and Management of Systems, Purchasing, Business Development, Head Office Expenses and other general administrative and operating expenses are classified under unallocated corporate expenses. Unallocated corporate expenses are followed at the Group level by management as the expenses are made to ensure the integrity of the Group by the management.

Derivative instruments

Derivative instruments are initially recognized at the acquisition cost reflecting the fair value on the date of the contract and are valued at their fair value in the following periods. The Group's derivative financial instruments mainly consist of forward foreign exchange contracts and interest rate swap transactions. While the derivative instruments provide effective protection against risks for the community economically, they are recognized as derivatives held for trading in financial statements where they do not meet the requirements for risk accounting and the fair value changes are reflected in the statement of profit or loss.

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

2.2 Summary of Significant Accounting Policies (Continued)

Derivative instruments (Continued)

Additionally, since the Group’s option transactions related to foreign currency purchases and sales do not meet the necessary criteria for hedge accounting, they are recognized in the financial statements as derivative financial instruments held for trading purposes, and changes in the fair values of these derivative financial instruments are recognized in the income statement.

If the fair value change of derivate financial instruments is positive or not, the change affected at assets or liabilities in the balance sheet (Note 20).

Related parties

Parties are considered related to the Group if:

- a) Directly, or indirectly through one or more intermediaries, the party:
 - i) Controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
 - ii) Has an interest in the Group that gives it significant influence over the Group.

Has joint control over the Group;

- b) The party is an associate of the Group;
- c) The party is a joint venture in which the Group is a venture;
- d) The party is member of the key management personnel of the Group or its parent;
- e) The party is a close member of the family of any individual referred to in (a) or (d);
- f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- g) The party has a post-employment benefit plan for the benefit of employees of the Group, or of an entity that is a related party of the Group.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. A number of transactions are entered into with related parties in the ordinary course of business (Note 30).

Reporting of cash flow

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows of the Group operating activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (capital expenditure and financial investments).

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Cash and cash equivalents comprise cash on hand and bank deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with maturities equal or less than three (3) months and which are subject to an insignificant risk of changes in value (Note 5).

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

2.2 Summary of Significant Accounting Policies (Continued)

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government incentives that allow for the payment of discounted corporation tax within the scope of investment reduction exemption are evaluated within the scope of TAS 12 - “Income Tax” standard. The Company has used an incentive certificate within the scope of textile and chemical modernization in the current year. In this scope, the Group has benefited from reduced corporate tax, customs tax exemptions and VAT exemptions.

2.3 Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires the use of estimates and assumptions that affect asset and liability amounts reported as of the balance sheet date, explanations of contingent liabilities and assets; and income and expense amounts reported for the accounting period. Although these estimates and assumptions are based on all management information related to the events and transactions, actual results may differ from them. Estimates are regularly reviewed; necessary adjustments are made and reflected in the income statement of the period they occur. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next reporting period are outlined below:

The estimates and assumptions that may pose a risk of causing adjustments to the carrying amounts of assets and liabilities in the next financial period are outlined below:

a) Provisions

In accordance with the accounting policy stated in Note 2.3, provisions are recognized when the Company has a present legal or constructive obligation arising from past events, it is probable that an outflow of resources will be required to settle this obligation, and the amount of the obligation can be estimated reliably (Note 17).

Expected credit loss provisions reflect the amounts that the Group management believes will cover the future losses of the receivables that exist as of the balance sheet date but which have the risk of not being collected within the framework of the current economic conditions. Regarding the receivables which have been the subject of the lawsuit, the Group management also evaluates the opinions of the legal counselors. While evaluating whether the receivables are impaired or not, the past performances of the borrowers other than the related institution and key customers, their credibility in the market and their performance from the balance sheet date to the approval date of the financial statements and the conditions under discussion are also taken into consideration. In addition, while determining the provision amount, besides the guarantees obtained as of the balance sheet date, collaterals acquired during the period until the approval date of the financial statements are also taken into consideration.

Regarding inventory write-down, inventories are physically inspected, their usability is determined based on the opinions of technical personnel, and provisions are set aside for items estimated to be unusable. To determine the net realizable value of inventories, list sales prices are used, and estimates related to incurred selling expenses are made. As a result of these procedures, provisions are allocated for inventories whose net realizable value is below their cost value.

b) Useful lives of property, plants and equipment and intangibles

According to accounting policy, which is specified in Note 2.3, property, plant and equipment and intangibles are presented as net-off accumulated depreciation and impairment (if any) from acquisition cost. Depreciation is applied with using straight line method of depreciation based on useful lives of property, plant and equipment. Useful lives are estimated by the management to the best of their knowledge; and reviewed and revised if necessary at every balance sheet date.

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

2.3 Critical Accounting Judgments, Estimates and Assumptions (Continued)

c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are recorded using tax rates that are largely used for temporary differences between the carrying values and bases of assets and liabilities. Based on the existing evidence, it has been evaluated that all or some of the deferred tax assets are likely to be converted into cash or not. Among the main factors considered, future income potential, losses accumulated from previous years, tax planning strategies to be implemented, if necessary, the assumption that all of the Group's expenditures within the scope of investment incentive documents will be accepted in the incentive certificate closing approval. Also, the income nature is included in the incentive certificate.

As of 2025, the application of inflation adjustments under the Tax Procedure Law has been postponed for the fiscal years 2025, 2026, and 2027 by Law No. 7571. Within this scope, the Group revalued certain depreciable assets according to TPL article 298/Ç for the relevant period; the value increase is tracked in the fund account in statutory records. This application is solely for tax purposes and does not affect the carrying values in IFRS financial statements. The Group has assessed that the relevant assets will be recovered through use over their economic lives and that there is no plan for their sale or scrapping as of the reporting date. Therefore, since no taxable temporary differences arise based on the assumption of recovery through sale, no deferred tax liability has been recognized.

d) Business Combinations - Intangible Assets

In relation to the acquisition of Aksa Carbon, the Company has recognized identifiable assets and liabilities that are separable from goodwill and not included in Aksa Carbon's financial statements at their fair values as of the acquisition date. During the merger, customer relationships owned by Aksa Carbon have been assessed as identifiable intangible assets and measured at their fair value as of the merger date.

NOTE 3 - BUSINESS COMBINATIONS

Under its growth strategy in advanced composite materials, the Company acquired the remaining 50% share, owned by the other partner Dow Europe Holding B.V., in Aksa Carbon (formerly known as DowAksa Advanced Composites Holdings B.V.), where the Company already held a 50% stake. This acquisition was completed on August 8, 2025, for a total of 125,000,000 USD (5,577,776 TRY), and as of that date, Aksa Carbon has been included in the consolidation as a subsidiary. In relation to this transaction, goodwill of 2,229,152 TRY was recognized, taking into account the fair value of the identifiable net assets (Note 16).

Aksa Carbon, which was previously classified as a joint venture and accounted for using the equity method in the consolidated financial statements until the acquisition date, transitioned to "Subsidiary" status upon the completion of the acquisition and has since been accounted for using the full consolidation method in the consolidated financial statements. In this context, the income statement impact of Aksa Carbon prior to the acquisition date is presented under "Share of Losses from Investments Accounted Using the Equity Method," while the post-acquisition impact is processed under full consolidation.

The additional share purchase transaction has been evaluated as a "change in control" under the provisions of IFRS 3 "Business Combinations Standard." Therefore, the gain arising from remeasuring the previously held 50% interest in Aksa Carbon at fair value has been associated with the income statement. The net gain of 2,970,388 TRY resulting from the change in control has been recognized within the "Income from Investment Activities" account. Additionally, the "Foreign Currency Translation Differences" amounting to 1,855,158 TRY carried under equity due to existing shares has been recognized within "Other Income from Main Operations" (Note 26).

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2.4 NOTE 3 - BUSINESS COMBINATIONS (Continued)

The purchase price allocation studies related to the acquisition transaction, conducted in collaboration with Ernst Young Corporate Finance Consultancy A.Ş. and Tskb Real Estate Valuation A.Ş., have been completed. As of December 31, 2025, the consolidated financial statements reflect these amounts under the provisions of IFRS 3 "Business Combinations" at their final amounts.

As a result of the purchase price allocation study, land and buildings estimated at fair value level 2, and machinery, plant, equipment, and customer relationship assets estimated at fair value level 3 have been recorded at the values specified below.

The fair values of the acquired assets and liabilities determined under IFRS 3, along with the purchase consideration, are summarized in the table below:

	31 July 2025
Cash and cash equivalents	893,396
Trade receivables	1,338,466
Inventories	1,589,828
Other current assets	491,200
Property, plant and equipment (Note 14)	13,737,260
Right of use assets (Note 13)	47,245
Intangible assets (Note 15)	3,240,613
Other non-current assets	197,878
Deferred tax liability (Note 28)	(483,601)
Short-term financial liabilities (Note 7)	(6,172,139)
Long-term financial liabilities (Note 7)	(3,269,963)
Lease liabilities (Note 7)	(64,862)
Trade payables	(1,871,963)
Provisions for employee benefits	(88,212)
Other current liabilities	(144,108)
Other non-current liabilities	(514,640)
Total identifiable net assets 100(%)	8,926,398

The details of goodwill arising from the business combination are as follows:

Acquisition company value	11,155,550
Total identifiable net assets (100%)	8,926,398
Goodwill	2,229,152

The details of the cash outflow due to change of control are as follows:

	31 December 2025
Cash outflow related to the purchase consideration of shares (as of August 1, 2025)	5,577,776
Cash and cash equivalents (net) controlled as a result of change of control	893,396
Net cash outflow from consolidated balance sheet due to change of control	4,684,380

If the acquired company had been included in the consolidation starting from January 1, 2025, the estimated impacts on the Group's consolidated income statement in terms of revenue and net profit for the period would have been 3,620,318 TRY and (40,510) TRY, respectively.

In the original assumption used in the purchase price allocation study, a +/- 100 basis point change in the five-year weighted average cost of capital does not have a significant impact on the purchase value of Aksa Carbon.

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NOTE 4 – SEGMENT REPORTING

Segmental information of the Group is as follows:

	1 January – 31 December 2025				
	Fibers	Energy	Advanced Materials	Other	Total
Total segment revenue	26,641,940	3,870,021	2,522,887	1,863,622	34,898,470
Interdepartmental revenues	-	(1,524,558)	(80,416)	(849,273)	(2,454,247)
Revenue from external customers	26,641,940	2,345,463	2,442,471	1,014,349	32,444,223
Adjusted EBITDA (*)	6,072,436	409,359	351,220	153,832	6,986,847
Unallocated corporate expenses (**)		-	-	-	(1,257,217)
EBITDA					5,729,630
Amortization and depreciation	(1,291,547)	(292,856)	(1,157,096)	(935,155)	(3,676,654)
Other operating income, net	-	-	-	-	2,633,622
Income from investment activities	-	-	-	-	3,044,088
Share of profit/(loss) of investment accounted for using equity method	-	-	(40,510)	-	(40,510)
Financial income/(expenses), net	-	-	-	-	(4,204,798)
Monetary gain/(loss), net	-	-	-	-	420,242
Profit before tax					3,905,620

(*) Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization

(**) Unallocated corporate expenses consists of unallocated parts of general administrative expenses

	1 January – 31 December 2025				
	Fibers	Energy	Advanced Materials	Other	Total
Purchase of property, plant and equipment and intangibles	869,265	160,168	922,115	1,162,606	3,114,154
	1 January – 31 December 2025				
	Fibers	Energy	Advanced Materials	Other	Total
Total segment assets	26,138,173	6,788,714	22,295,083	4,175,984	59,397,954
Unallocated corporate assets	-	-	-	9,075,505	9,075,505
Total assets	26,138,173	6,788,714	22,295,083	13,251,489	68,473,459
Total segment liabilities	4,657,849	382,950	1,325,393	-	6,366,192
Unallocated corporate liabilities	-	-	-	28,469,483	28,469,483
Total liabilities	4,657,849	382,950	1,325,393	28,469,483	34,835,675

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NOTE 4 - SEGMENT REPORTING (Continued)

	1 January - 31 December 2024			
	Fibers	Energy	Other	Total
Total segment revenue	33,512,973	2,838,174	771,696	37,122,843
Revenue from external customers	33,512,973	2,838,174	771,696	37,122,843
Adjusted EBITDA (*)	6,219,790	395,134	93,181	6,708,105
Unallocated corporate expenses (**)	-	-	-	(839,492)
EBITDA	-	-	-	5,868,613
Amortization and depreciation	(1,560,093)	(235,856)	(488,610)	(2,284,559)
Other operating income, net	-	-	-	14,202
Income from investment activities	-	-	-	52,264
Share of profit/(loss) of investment accounted for using equity method	49,082	-	-	49,082
Financial income/(expenses), net	-	-	-	(1,788,240)
Monetary gain/(loss), net	-	-	-	627,970
Profit before tax				2,539,332

	1 January - 31 December 2024				
	Fibers	Energy	Other	Undistributed	Total
Purchase of property, plant and equipment and intangibles	2,693,644	209,648	1,475,693	46,070	4,425,055

	31 December 2024				
	Fibers	Energy	Other	Undistributed	Total
Total segment assets	23,519,205	6,498,218	4,292,847	-	34,310,270
Investments accounted for using equity method	2,762,671	-	-	-	2,762,671
Unallocated corporate assets	-	-	-	9,567,724	9,567,724
Total assets	26,281,876	6,498,218	4,292,847	9,567,724	46,640,665
Total segment liabilities	6,364,338	190,143	12,448	-	6,566,929
Unallocated corporate liabilities	-	-	-	8,820,724	8,820,724
Total liabilities	6,364,338	190,143	12,448	8,820,724	15,387,653

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NOTE 4 - SEGMENT REPORTING (Continued)

Segment Assets

Reconciliation between the reportable segment assets and total assets is as follows:

	31 December 2025	31 December 2024
Reportable segment assets	59,397,954	37,072,940
Cash and cash equivalents	4,957,588	4,139,334
Property, plants and equipment and intangibles	4,086,500	4,057,233
Other assets	10,757	1,061,770
Derivative financial assets	20,660	148,561
Current income tax assets	-	160,827
Total assets	68,473,459	46,640,665

Segment Liabilities

Reconciliation between the reportable segment liabilities and total liabilities is as follows:

	31 December 2025	31 December 2024
Reportable segment liabilities	6,366,192	6,566,929
Borrowings	26,027,731	7,674,849
Deferred tax liability	2,176,586	1,019,913
Other liabilities	93,169	30,165
Liabilities for employee benefits	86,009	54,536
Provision for employee benefits	40,022	38,286
Other payables	29,445	1,538
Current income tax liability	16,337	-
Other short-term provisions	120	157
Lease liabilities	64	1,280
Total liabilities	34,835,675	15,387,653

NOTE 5 - CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents of the Group are as follows:

	31 December 2025	31 December 2024
Cash	1,434	1,174
Bank		
Demand deposit (TRY)	19,758	27,448
Foreign currency demand deposit	239,390	1,588
Time deposits (TRY)	2,097,572	2,509,871
Foreign currency time deposit	2,599,434	1,599,253
Total	4,957,588	4,139,334

As of 31 December 2025, the maturity of time deposits are less than three months and weighted average effective interest rates on TRY denominated time deposits are 38.65% (31 December 2024: 46.76%), for USD denominated time deposits 2.25% (31 December 2024: 1.75%) and 1.25% for EUR denominated time deposits (31 December 2024: 1.86%).

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NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

The cash and cash equivalents included in the cash flow statement by years are as follows:

	31 December 2025	31 December 2024	31 December 2023
Cash and cash equivalents	4,957,588	4,139,334	4,139,334
Less: Interest accrual	(1,555)	(7,189)	(7,189)
Cash and cash equivalents, net	4,956,033	4,132,145	4,132,145

NOTE 6 – FINANCIAL INVESTMENTS

	31 December 2025	31 December 2024
Investment funds	281,537	-
Financial investments – current assets	281,537	-
Affiliate participation shares (*)	35,139	17,194
Investment funds	10,377	6,524
Financial investments – non-current assets	45,516	23,718

(*) 8.25% shares of the enterprise established under the leadership of Akkök Holding are owned.

(**) Investment funds are accounted at fair value whether they are financial investments with a maturity of one.

NOTE 7 -INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The investments valued using the equity method as of December 31, 2025 and December 31, 2024 are as follows:

Joint Ventures

	31 December 2025	31 December 2024
Aksa Carbon	-	2,762,671

Summarized financial information of Aksa Carbon is presented below:

	31 December 2025	31 December 2024
Current assets	-	4,292,772
Non-current assets	-	13,897,124
Total Assets	-	18,189,896
Short-term liabilities	-	7,833,471
Long-term liabilities	-	4,831,083
Equity	-	5,525,342
Total Liabilities	-	18,189,896
Equity corresponding to Group’s shares of 50%	-	2,762,671

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NOTE 7 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

	2025 (*)	2024
Revenue	3,620,318	7,385,114
Net profit	(81,020)	98,164
Net profit/(loss) corresponding to Group's shares of 50%	(40,510)	49,082

(*) The figures for 2025 are for the period January 1 – July 31 and represent 7 months of actual figures.

Aksa Carbon, which was previously classified as a joint venture and accounted for using the equity method in the consolidated financial statements until the acquisition date, transitioned to "Subsidiary" status upon the completion of the acquisition and has since been accounted for using the full consolidation method in the consolidated financial statements (Note 3). In this context, the income statement impact of Aksa Carbon prior to the acquisition date of August 8, 2025, is presented under "Share of Losses from Investments Accounted Using the Equity Method," while the impact post-acquisition is processed under full consolidation.

Movement of joint ventures accounted for using equity method as follows:

	2025 (*)	2024
1 January	2,762,671	3,277,841
Net profit corresponding to Group's shares of 50%	(40,510)	49,082
Currency translation differences	(109,303)	(550,470)
Gains (losses) on remeasurements of defined benefit plans	(5,470)	(13,782)
Impact of business mergers (Note 3)	(2,607,388)	-
31 December	-	2,762,671

(*) The figures for 2025 are for the period January 1 – July 31 and represent 7 months of actual figures.

NOTE 8 - BORROWINGS

Company's financial liabilities are as follows:

	31 December 2025	31 December 2024
Short-term bank borrowings	15,772,932	6,544,281
Short-term portion of long-term bank borrowings	2,682,848	679,305
Lease liabilities	15,804	35,103
Total short-term borrowings	18,471,584	7,258,689
Long-term bank borrowings	7,571,951	1,130,568
Lease liabilities	139,781	38,439
Total long-term borrowings	7,711,732	1,169,007
Total borrowings	26,183,316	8,427,696

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NOTE 8 – BORROWINGS (Continued)

Bank borrowings

	31 December 2025		31 December 2024	
	Annual weighted average effective interest rate (%)	TRY	Annual weighted average effective interest rate (%)	TRY
a) Short-term bank borrowings:				
USD borrowings	7.80	7,157,854	6.08	1,683,366
TRY borrowings	21.69	3,330,110		-
EUR borrowings	5.95	2,849,076	8.22	1,474,621
Prepaid interest		(509,621)		-
Short-term borrowings to not related parties		12,827,419		3,157,987
TRY borrowings	23.22	3,265,020	26.93	4,018,394
Prepaid interest		(319,507)		(632,100)
Short-term borrowings to related parties (Note 30)		2,945,513		3,386,294
Total short-term borrowings		15,772,932		6,544,281
b) Long-term bank borrowings:				
USD borrowings	8.40	2,256,491	8.32	223,027
EUR borrowings	6.22	426,357	7.06	456,278
Lease liabilities		15,804		35,103
Total short-term portion of long-term bank borrowings		2,698,652		714,408
Total short-term borrowings		18,471,584		7,258,689
c) Long-term bank borrowings:				
USD borrowings	7.55	4,180,509	6.78	577,240
EUR borrowings	5.49	3,391,442	5.32	553,328
Lease liabilities		139,781		38,439
Total long-term borrowings		7,711,732		1,169,007

As of December 31, 2025, and 2024, there have been no breaches in the covenants related to the Group’s long-term foreign currency borrowings. Aksa Carbon, a subsidiary of the Group, has commitments concerning the Debt Service Coverage Ratio and Leverage Ratio, which are calculated every 12 months for certain financial institutions. As there was a risk of not meeting these covenants as of December 31, 2025, the Group obtained a waiver on December 30, 2025, and payments are being made according to the payment schedule outlined in the agreement. The Group anticipates that it will comply with these covenants in the future due to increased profitability and growth.

The long-term bank borrowings’ fair values and book values are as follows:

	31 December 2025		31 December 2024	
	Fair Value	Book Value	Fair Value	Book Value
USD borrowings	4,577,002	4,180,509	569,845	577,240
EUR borrowings	3,541,618	3,391,442	560,440	553,328

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NOTE 8 – BORROWINGS (Continued)

As of 31 December 2025, and 2024, there is no violation of the Group's long-term foreign currency borrowings.

	31 December 2025	31 December 2024
Less than 3 months	3,400,879	422,757
Between 3-12 months	15,070,705	6,835,932
Between 1-2 years	3,317,646	1,140,181
3 years and longer	4,394,086	28,826
	26,183,316	8,427,696

Movement of borrowing for the years 2025 and 2024 as follows;

	2025	2024
1 January	8,427,696	6,800,693
Inflows due to subsidiary acquisition	533,743	-
Inflows due to the effect of business combinations (Note 3)	9,506,964	-
Cash inflows from borrowing	17,620,667	7,755,634
Principal payments	(7,865,417)	(3,720,950)
Change in lease liabilities	25,687	(6,854)
Change in interest accrual	(19,924)	(290,178)
Currency translation differences	1,026,143	288,975
Monetary gain, net	(3,072,243)	(2,399,624)
31 December	26,183,316	8,427,696

The movement of liabilities from lease transactions for the fiscal years ending December 31, 2025, and 2024 is as follows:

31 December 2025	Site Rents	Buildings	Vehicles	Total
Balance at 1 January 2025		28,929	-	44,613
Inflows due to subsidiary Acquisition		-	69,697	-
Inflows due to the effect of business combinations (Note 3)		-	-	64,862
Effect of changes to lease conditions		16,153	-	-
Interest expenses		3,037	11,581	2,057
Payments		(3,110)	(11,244)	(7,205)
Movements of foreign currency differences		-	-	1,714
Currency translation differences		-	-	(17,830)
Monetary gain/(loss), net		(10,006)	(23,806)	(13,857)
Balance at 31 December 2025		35,003	46,228	74,354
				155,585
31 December 2024	Site Rents	Buildings	Vehicles	Total
Balance at 1 January 2024		49,129	-	104,292
Additions		-	-	-
Effect of changes to lease conditions		(6,854)	-	-
Interest expenses		8,948	-	921
Payments		(8,999)	-	(11,865)
Movements of foreign currency differences		-	-	(18,239)
Monetary gain/(loss), net		(13,295)	-	(30,496)
Balance at 31 December 2024		28,929	-	44,613
				73,542

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NOT 9 - TRADE RECEIVABLES AND PAYABLES

Details of trade receivables and payables of the Group are as follows:

a) Short-term trade receivables:

	31 December 2025	31 December 2024
Trade receivables	3,206,080	1,819,915
Notes receivable and cheques	370,333	460,575
Less: Provision for doubtful receivables	(276,349)	(248,397)
Less: Unearned finance income on credit sales	(15,186)	(18,371)
Total short-term trade receivables, net	3,284,878	2,013,722

As of 31 December 2025, short-term trade receivables denominated in TRY and foreign currencies have an average maturity of eighty-one (81) days (31 December 2024: eighty (80) days) and are discounted using an average annual interest rate of 6% (31 December 2024: 6%).

The movements in the provision for expected credit losses for the periods ending December 31, 2025, and 2024 are as follows:

	2025	2024
1 January	248,397	281,856
Provisions during the period (Note 24)	96,603	69,412
Effect of business combinations	2,008	-
Provisions collected during the period	(466)	-
Monetary (gain)/ loss, net	(70,193)	(102,871)
31 December	276,349	248,397

Explanations about the nature and level of risks in trade receivables are provided in Note 31 Credit Risk section.

c) Short-term trade payables:

	31 December 2025	31 December 2024
Suppliers	4,590,501	4,421,485
Less: Unaccrued finance costs on credit purchases (-)	(15,376)	(32,534)
Total	4,575,125	4,388,951

As of 31 December 2025, trade payables which are denominated in TRY and foreign currency have an average maturity of (3) months (31 December 2024: 3 months) and they are discounted with an average annual interest rate of 7.7% (31 December 2024: 7.7%) in USD.

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NOT 10 - OTHER RECEIVABLES AND PAYABLES

Details of other receivables and payables of the Group are as follows:

a) Short-term other receivables:

	31 December 2025	31 December 2024
Deposits and guarantees given	26,324	1,109
Other receivables from related parties	2,845	-
Total	29,169	1,109

b) Short-term other payables:

	31 December 2025	31 December 2024
Taxes and funds payable	57,690	1,537
Social security contributions payable	15,982	-
Other	19,497	-
Total	93,169	1,537

NOT 11 - INVENTORIES

	31 December 2025	31 December 2024
Raw materials and supplies	2,377,683	1,808,989
Work in progress	426,448	212,027
Finished goods	2,863,890	1,748,483
Goods in transit	1,720,101	1,609,627
Other inventories and spare parts	612,262	602,043
Less: Provision for impairment of inventories	(359,744)	(88,771)
Total	7,640,640	5,892,398

Provision for inventory impairment is related to raw materials, spare parts and finished goods.

As of 31 December 2025, and 2024, the Group has included movements in the amount of impairment in inventory to cost of goods sold. (Due the increase in the costs of the inventories, inventory impairment resulted with decrease).

As of 31 December 2025, and 2024, the Group has insurance on all of its inventories.

As of current period, the cost of raw material and goods are shown in Note 23.

The movements in the allowance for inventory impairment for the periods ended 31 December 2025 and 2024 are as follows:

	2025	2024
1 January	88,771	77,728
Effect of subsidiary acquisition	319,748	-
Provisions (cancelled/reversed) during the period	(48,775)	11,043
31 December	359,744	88,771

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NOTE 12 - INVESTMENT PROPERTIES

	1 January 2025	Additions	Disposals	Transfers	31 December 2025
Cost					
Independent units	86,533	-	-	-	86,533
Land and buildings	742,462	61,585	-	-	804,047
	828,995	61,585	-	-	890,580
Accumulated depreciation					
Independent units	67,845	1,576	-	-	69,421
Land and buildings	6,187	15,005	-	-	21,192
	74,032	16,581	-	-	90,613
Net book value	754,963				799,967

	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Cost					
Independent units	86,533	-	-	-	86,533
Land and buildings	-	742,462	-	-	742,462
	86,533	742,462	-	-	828,995
Accumulated depreciation					
Independent units	66,242	1,603	-	-	67,845
Land and buildings	-	6,187	-	-	6,187
	66,242	7,790	-	-	74,032
Net book value	20,291				754,963

Current year depreciation expense of investment properties is classified under general administrative expenses.

Independent Units

Comprises the independent office units of the Company located in Gümüşsuyu. According to the valuation report dated 31 December 2025, the fair value of the units is TRY 184,560 (31 December 2024: TRY 202,229) and they generate monthly rental income of TRY 1,117 (31 December 2024: TRY 154).

Land and Buildings

According to the valuation report dated 31 December 2025, the industrial facility and land located in Yalova Province, Çiftlikköy District, Denizçalı Village, block 151, parcel 14 have a fair value of TRY 743,000 (31 December 2024: TRY 569,871) and generate monthly rental income of TRY 3,075 (31 December 2024: TRY 2,515).

As of 31 December 2025, rent income from investment properties has been disclosed as income from investment activities and is amounting to TRY 63,602 (31 December 2024: TRY 49,962).

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NOT 13 - RIGHT-OF-USE ASSETS

As of 31 December 2025, and 2024, the movement of right-of-use assets are as follows:

31 December 2025	Site Rent	Buildings	Vehicles	Total
Cost				
Balance at 1 January 2025	142,612	-	235,436	378,048
Rental condition changes	16,153	-	9,534	25,687
Currency translation differences	-	-	(7,139)	(7,139)
Effect of business combinations (Note 3)	-	-	205,035	205,035
Effect of subsidiary acquisition	-	79,237	5,299	84,536
	158,765	79,237	448,165	686,167
Accumulated Depreciation				
Balance at 1 January 2025	(17,882)	-	(185,972)	(203,854)
Charge for the period	(4,247)	(9,625)	(46,685)	(60,557)
Currency translation differences	-	-	5,701	5,701
Effect of business combinations (Note 3)	-	-	(157,790)	(157,790)
Effect of subsidiary acquisition	-	(10,202)	(5,078)	(15,280)
	(22,129)	(19,827)	(389,824)	(431,780)
Net book value	136,636	59,410	58,341	254,387
31 December 2024				
Cost				
Balance at 1 January 2024	149,466	-	235,436	384,902
Rental condition changes	(6,854)	-	-	(6,854)
	142,612	-	235,436	378,048
Accumulated Depreciation				
Balance at 1 January 2024	(14,137)	-	(141,988)	(156,125)
Charge for the period	(3,745)	-	(43,984)	(47,729)
	(17,882)	-	(185,972)	(203,854)
Net book value	124,730	-	49,464	174,194

Depreciation expenses amounting to TRY 47,424 (31 December 2024: TRY 47,729) have been included in cost of goods sold, while TRY 13,133 has been included in general administrative expenses.

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NOT 14 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2025	Additions	Disposals	Transfers(*)	Effect of subsidiary entry	Effect of mergers involving jointly controlled entities or businesses	Currency translation differences	31 December 2025
Cost								
Land	2,179,061	14,764	-	-	1,511,200	39,643	(56,276)	3,688,392
Land improvements	2,903,638	35,327	-	31,669	42,760	-	(1,604)	3,011,790
Buildings	8,259,269	35,227	(22,646)	351,965	1,667,188	26,145	(62,067)	10,255,081
Machinery and equipment	41,264,725	903,493	(14)	2,667,146	10,254,631	111,891	(381,550)	54,820,322
Motor vehicles	22,084	9,138	(2,045)	-	12,988	35,963	(442)	77,686
Furniture and fixture	1,952,804	74,820	(6,858)	141,368	194,020	34,562	(6,797)	2,383,919
Construction in progress	1,586,669	1,752,800	-	(3,207,526)	54,473	305,629	(824)	491,221
	58,168,250	2,825,569	(31,563)	(15,378)	13,737,260	553,833	(509,560)	74,728,411
Accumulated depreciation								
Land improvements	1,819,220	107,730	-	-	-	-	32	1,926,982
Buildings	2,560,272	227,979	(830)	-	-	2,037	490	2,789,948
Machinery and equipment	27,717,623	2,559,086	(1)	-	-	41,578	14,951	30,333,237
Motor vehicles	15,272	8,970	(1,158)	-	-	16,134	47	39,265
Furniture and fixture	1,276,513	122,315	(6,462)	-	-	18,935	531	1,411,832
	33,388,900	3,026,080	(8,451)	-	-	78,684	16,051	36,501,264
Net book value	24,779,350							38,227,147

(*) Transfers with a net book value of TRY 15,378 relate to capitalized intangible assets.

The investments being made as of 31 December 2025 mainly result from the investments in modernizations at production sites, press and cutting unit modernization investments, and the investments in progress of the auxiliary enterprises.

Depreciation expense for the current period amounting to TRY 2,829,645 are recognized in cost of goods sold, TRY 3,678 are recognized in research and development expenses, TRY 68,024 are recognized in general administrative expenses, TRY 2,496 are recognized in marketing, sales and distribution expenses, TRY 13,691 are recognized in ongoing investments, and TRY 108,546 are recognized in inventories.

As of 31 December 2025, there is no collateral, pledge and mortgage on property, plant and equipment. At the date of reporting, Group's property, plants and equipment is insured for USD 1,161 million.

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(Amounts expressed in thousands of Turkish Lira ("TRY") based on the purchasing power of the Turkish Lira ("TRY") as of 31 December 2025, unless otherwise indicated.)

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2024	Additions	Disposals	Transfers (*)	31 December 2024
Cost					
Land	2,076,797	102,264	-	-	2,179,061
Land improvements	2,816,525	6,004	-	81,109	2,903,638
Buildings	6,791,687	3,992	-	1,463,590	8,259,269
Machinery and equipment	39,324,182	6,383	(6,634)	1,940,794	41,264,725
Motor vehicles	21,655	429	-	-	22,084
Furniture and fixture	1,873,523	31,624	(1,081)	48,738	1,952,804
Construction in progress	1,742,656	3,384,249	-	(3,540,236)	1,586,669
	54,647,025	3,534,945	(7,715)	(6,005)	58,168,250
Accumulated depreciation					
Land improvements	1,705,269	113,951	-	-	1,819,220
Buildings	2,391,758	168,514	-	-	2,560,272
Machinery and equipment	25,909,771	1,814,486	(6,634)	-	27,717,623
Motor vehicles	14,492	780	-	-	15,272
Furniture and fixture	1,192,646	84,849	(982)	-	1,276,513
	31,213,936	2,182,580	(7,616)	-	33,388,900
Net book value	23,433,089				24,779,350

(*) Transfers with a net book value of TRY6,005 is related to capitalized intangible assets.

Depreciation expense for the current period amounting to TRY 2,088,950 are recognized in cost of goods sold, TRY 3,035 are recognized in research and development expenses, TRY 45,304 are recognized in general administrative expenses, TRY 1,173 are recognized in marketing, sales and distribution expenses, TRY 8,458 are recognized in ongoing investments, and TRY 35,660 are recognized in inventories.

As of 31 December 2024, there is no collateral, pledge or mortgage on property, plant and equipment. At the date of reporting, Group's property, plant and equipment are insured for USD 710 million.

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NOT 15 - INTANGIBLE ASSETS

	1 January 2025	Additions	Disposals	Transfers(*)	Effect of subsidiary entry	Effect of mergers involving jointly controlled entities or businesses	Currency translation differences	31 December 2025
Cost								
Rights	908,730	65,112	-	-	2,615,749	7,281	(95,142)	3,501,730
Development cost	902,253	133,679	-	-	684,681	-	(23,403)	1,697,210
Other intangible assets	168,214	41,900	(670)	15,378	118,710	-	(4,369)	339,163
Müşteri ilişkileri varlığı	-	-	-	-	1,273,213	2,236,627	(47,765)	3,462,075
	1,979,197	240,691	(670)	15,378	4,692,353	2,243,908	(170,679)	9,000,178
Accumulated depreciation								
Rights	304,272	285,934	-	-	955,296	3,386	(29,172)	1,519,716
Development cost	372,245	72,771	-	-	387,141	-	(14,524)	817,633
Other intangible assets	154,966	13,988	(555)	-	109,303	-	(4,015)	273,687
Müşteri ilişkileri varlığı	-	322,980	-	-	-	447,326	2,804	773,110
	831,483	695,673	(555)	-	1,451,740	450,712	(44,907)	3,384,146
Net Book Value	1,147,714							5,616,032
	1 January 2025	Additions	Disposals	Transfers(*)	Effect of subsidiary entry	Effect of mergers involving jointly controlled entities or businesses	Currency translation differences	31 December 2025
Cost								
Rights	905,847	2,883	-	-	-	-	-	908,730
Development cost	749,029	153,224	-	-	-	-	-	902,253
Other intangible assets	162,209	-	-	6,005	-	-	-	168,214
	1,817,085	156,107	-	6,005	-	-	-	1,979,197
Accumulated depreciation								
Rights	259,529	44,743	-	-	-	-	-	304,272
Development cost	335,579	36,666	-	-	-	-	-	372,245
Other intangible assets	145,796	9,170	-	-	-	-	-	154,966
	740,904	90,579	-	-	-	-	-	831,483
Net Book Value	1,076,181							1,147,714

(*) Transfers amounting to TRY15,378 are related to property plant and equipment (2024: TRY6,005).

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NOT 15 - INTANGIBLE ASSETS (Continued)

Amortization expenses for the period ended 31 December 2025 amounting to TRY 213,087 (31 December 2024: TRY 44,180) are recognized in cost of goods sold, TRY 72,773 (31 December 2024: TRY 36,667) are recognized in research and development expenses, TRY 20,101 (31 December 2024: TRY 9,479) are recognized in general administrative expenses, TRY 389,712 (31 December 2024: TRY 253) are recognized in marketing, sales and distribution expenses.

NOT 16 – GOODWILL

The goodwill movement schedule for the fiscal years ending December 31, 2025, and 2024 is as follows:

	2025	2024
Net Carrying Value as of January 1	151,034	151,034
Effect of Subsidiary Acquisition (*)	5,443	-
Effect of Business Combinations (Note 3) (**)	2,229,152	-
Net Carrying Value as of December 31	2,385,629	151,034

(*) This is the goodwill amount arising from the acquisition of Aksa İleri Kompozit.

(**) This is the goodwill amount arising from the acquisition of Aksa Carbon.

As of December 31, 2025, the entire goodwill with a net carrying value of 151,034 TRY (December 31, 2024: 151,034 TRY) arose from the acquisition of a 50% stake in Ak-Tops Tekstil Sanayi A.Ş. in 2007.

NOT 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions:

	31 December 2025	31 December 2024
Provision for litigation	120	157

Contingent assets and liabilities are as follows:

a) The details of commitments, guarantees, pledges and mortgages given to third parties by the Group are as follows:

	31 December 2025	31 December 2024
Letters of guarantees given	5,091,257	2,404,530
Letters of credit commitments	2,967,056	2,261,030
Total	8,058,313	4,665,560

Letters of guarantees given are mainly consist of raw material purchases.

b) Guarantee letters received for trade receivables are as follows:

	31 December 2025	31 December 2024
Credit insurance limits	5,213,365	7,434,656
Collateral checks and notes received	234,611	348,801
Guarantee letters received	229,257	134,796
Limits of direct debiting system ("DDS")	225,555	145,886
Confirmed and unconfirmed letter of credit	118,950	-
Mortgages received	17,972	86,878
Total	6,039,710	8,151,017

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NOT 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Collaterals, Pledges and Mortgages given by the Group ("CPM"):

	31 December 2025	31 December 2024
A. CPM given on behalf of the Group's legal personality	8,058,313	4,665,560
- USD	3,819,158	4,021,025
-EUR	105,685	485,761
-TRY	4,133,470	120,951
-Other	-	37,823
B. CPM given on behalf of fully consolidated subsidiaries	-	-
C. CPM given for continuation of its economic activities on behalf of third parties	-	-
- USD	-	-
D. Total amount of other CPM given	-	-
i) Total amount of CPM given on behalf of the parent company	-	-
ii) Total amount of CPM given to on behalf of other group companies which are not in scope of B and C	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C	-	-
Total	8,058,313	4,665,560

As of 31 December 2025, the ratio of other CPMs' given by the Company (D) to equity is zero percent (31 December 2024: zero).

NOT 18 - EMPLOYEE BENEFIT OBLIGATIONS

Payables for employee benefit obligations	31 December 2025	31 December 2024
Social security premiums payable	86,009	54,536
Total	86,009	54,536
Current provisions for employee benefits	31 December 2025	31 December 2024
Provision for performance premium	223,933	141,364
Provision for unused vacation rights	27,139	16,534
Total	251,072	157,898

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NOT 18 - EMPLOYEE BENEFIT OBLIGATIONS (Continued)

Non-current provisions for employee benefits	31 December 2025	31 December 2024
Provision for employee severance indemnity	339,940	200,408

Provision for employee severance indemnity

Employment termination benefit provision is recorded according to the following descriptions.

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and left from the group or retired, completed 25 service years (20 for women) and who reaches the retirement age (58 for women and 60 for men), whose employment is terminated without due cause, is called up for military service or passed away. Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The liability for employment termination benefits is not legally subjected to any funding and there is no condition for funding.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees.

TAS 19 'Employee Benefits' require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions have been used in the calculation of the total liability:

	31 December 2025	31 December 2024
Discount rate (%)	4.50	4.04
Probability of retirement (%)	95.80	97, 45

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised once every six months, the maximum amount of TRY64,949 effective from 1 January 2026 (1 January 2025: TRY46,655) has been taken into consideration in calculating the reserve for employment termination benefit of the Group.

Movements in the provision for employment termination benefits and seniority incentive are as follows:

	2025	2024
1 January	200,408	224,480
Service cost	149,939	13,838
Interest cost	81,305	66,001
Inflows due to subsidiary acquisition	4,602	-
Effect of business combinations	88,212	-
Payments	(76,377)	(48,955)
Actuarial gain	(32,526)	(51,445)
Monetary (gain)/loss, net	(75,623)	(3,511)
31 December	339,940	200,408

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NOT 19 - OTHER ASSETS AND LIABILITIES

a) Other current assests:

	31 December 2025	31 December 2024
Receivables from the tax office	1,295,176	698,076
VAT carried forward	199,399	259,592
Total	1,494,575	957,668

b) Short-term prepayments:

	31 December 2025	31 December 2024
Prepaid expenses	132,991	106,374
Advances given	121,978	25,226
Total	254,969	131,600

c) Long-term prepayments:

	31 December 2025	31 December 2024
Advances given for purchase of property, plant and equipment	397,021	342,600
Prepaid expenses	45,854	5,928
Total	442,875	348,528

d) Deferred income:

	31 December 2025	31 December 2024
Deferred revenue	380,428	649,913
Order advances received	93,031	68,336
Total	473,459	718,249

e) Other long-term liabilities:

	31 December 2025	31 December 2024
Deferred Income	180,772	-
Other long-term liabilities	5,156	4,929
Total	185,928	4,929

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NOT 20 - DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Held for trading	20,660	-	148,561	-

Derivative financial instruments are initially recognized at their acquisition cost and re-measured at their fair value in the following periods and the Group implement this policy. The derivative financial instruments of the Group mainly consist of cross currency forward swaps and interest rate swap instruments.

At the date of the derivative contract, the Group determines that there are transactions that provide hedging against changes in cash flows arising from a certain risk and that may affect profit/loss (cash flow hedges) for a registered asset or liability or transactions that may be associated with a certain risk and are likely to occur.

These derivative financial instruments are recognized as derivative financial instruments for hedging purposes in the financial statements, since they provide effective protection against risks for the Group and meet the necessary conditions in terms of risk accounting.

If the hedging instrument fails to meet the terms of the hedge accounting, selling, expiring, or if one of the promised or probable future transactions is not expected to occur, the contractual or probable future transaction will be the hedging instrument continues to be classified separately under equity. When the committed or probable future transaction is realized or predicted future transaction will not to be happen, it is recognized in profit or loss and the accumulated gains or losses related to the transaction are reflected to the financial statements as profit or loss.

As of 31 December 2025, there is no fixed interest rates (31 December 2024: None). The Group's main floating interest rates are EURIBOR and LIBOR.

Derivative financial instruments held for trading:

The Group is able to make option contracts regarding to foreign exchange trading transactions in accordance with its risk policies. The mentioned option transactions are accounted as derivative financial instruments held for trading in the financial statements, as they do not qualify for hedge accounting and changes in fair value of these financial instruments are recognized in the statement of income.

	31 December 2025		31 December 2024	
	Contract amount (thousand)	Fair value Asset (Liability) amount TRY	Contract amount (thousand)	Fair value Assets(Liability) amount TRY
Foreign exchange transactions				
- USD	18,000	27,677	36,087	108,724
- EUR	9,300	(7,017)	10,432	39,837

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NOT 21 - EQUITY

Aksa has adopted the registered share capital system applicable to companies registered on the Capital Markets Board and set a limit on its registered share capital representing type of registered shares with a nominal value of Kr 1. As of 31 December 2025, and 2024, the historical, authorized and issued capital of Aksa is presented below:

	31 December 2025	31 December 2024
Limit on registered share capital	6,500,000	6,500,000
Paid-in capital	3,885,000	3,885,000

The Group's shareholders and their respective shareholding structure as follows:

	Share (%)	31 December 2025	Share (%)	31 December 2024
Akkök Holding	39.95	1,552,243	39.59	1,537,987
Emniyet Ticaret ve Sanayi A.Ş.	25.00	971,250	23.96	930,663
Other	35.05	1,361,507	36.45	1,416,350
	100.00	3,885,000	100.00	3,885,000

The Company has 388,500,000,000 shares (31 December 2024: 1 piece) with a nominal value of 1 Kr (31 December 2024: 388,500,000,000 Kr). All shareholders have same rights and there are not issued different type of shares such as privilege. The capital adjustment represents the difference between the adjustment effect of cash and cash equivalent contributions to capital before inflation adjustment and the adjustment amounts."

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"), The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. According to the TCC, the legal reserve does not exceed half of the capital or issued capital can be used only to offset losses, to continue the business when things did not go well or to get ahead of unemployment and to take favorable measures to manage its results.

In accordance with TAS, the Company has to classify the above-mentioned amounts under "Restricted reserves", the amount of restricted reserves is TRY4.481.366 as of 31 December 2025 (31 December 2024: TRY3.177.326). This amount fully consists of legal reserves.

The historical values and inflation adjustment effects of the following accounts under the Company's equity are as follows as of December 31, 2025, in accordance with the financial statements prepared in accordance with TFRS and the tax procedure law ("DPL"):

	Historical Value	Indexed Value IAS	Indexed Value IFRS
Capital	3,885,000	9,365,970	11,596,177
Restricted reserves	801,512	3,740,953	4,481,366

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NOT 21 – EQUITY (Continued)

"Paid in Capital", "Restricted Reserves" and "Share Premiums" shall be disclosed by their statutory amounts in accordance with the Communiqué on the Principles of Financial Reporting in Capital Markets (numbered II-14.1) and CMB announcements. During the implementation of the relevant communiqué, differences in valuations (such as differences arising from inflation adjustment):

- The difference arising from the "Paid-in Capital" and if has not been transferred to capital yet, shall be classified under the "Adjustments to Share Capital", following the "Paid-in capital";
- The difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, shall be classified under "Retained Earnings". Other equity totals are being demonstrated as they are valued according to CMB's and TAS's statements.

Capital adjustment differences have no use other than complementing the capital.

Dividend distribution

Regarding the dividend distribution, the entities have to distribute their profits under the scope of CMB Communiqué Serial: II-19.1, their articles of association and their previously publicly declared profit distribution policies.

Besides that, to prepare and publicly announce the amount of net distributable profit is regulated for Companies which are obligated to prepare financial statements under CMB policies in accordance with CMB Communiqué No. II -14.1. It is also regulated that the Companies are required to calculate the net profit for the period with considering the financial statements as long as the net profit can be provided from legal sources.

In the case of making decision on dividend payment, dividend is paid in cash or is distributed as "bonus shares" to shareholders by adding dividend to capital or distributed cash and bonus shares in certain amounts according to the decision that is taken by the general assembly of the company.

At the Ordinary General Assembly dated 14 May 2025, the Company has decided to set aside Legal Reserves amounting to TRY322,489 from the distributable profit for the year 2024 in accordance with the Turkish Commercial Code and the Company's Articles of Association and to pay a gross dividend of TRY2.120.782 (2024: TRY2.658.639) as indexed value. Dividend payments were completed on 23 May 2025.

NOT 22 - REVENUE AND COST OF SALES

Sales and cost of goods sold for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Domestic sales	15,966,104	20,946,311
Export sales	18,022,935	18,098,789
Less: Sales returns	(56,937)	(17,838)
Less: Sales discounts	(1,487,879)	(1,904,419)
Net sales income	32,444,223	37,122,843
Cost of sales (-)	(27,516,031)	(31,552,351)
Gross profit	4,928,192	5,570,492

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NOT 23 - EXPENSES BY NATURE

Cost of sales, marketing expenses, general administrative expenses and research and development expenses by nature for the years ended as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Raw materials and goods	19,865,736	25,861,314
Depreciation and amortization	3,676,654	2,284,559
Employee benefit expenses	3,142,042	2,375,018
Consumable materials	709,639	630,317
Commission expenses	452,280	464,309
Maintenance, repair and cleaning expenses	434,115	322,112
Consultancy expenses	326,198	154,662
Information technologies expense	226,692	161,210
Export expenses	185,686	197,180
Insurance expenses	159,369	131,539
Other	1,212,836	956,569
Total	30,391,247	33,538,789

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

Fees for Services Received from Independent Auditor/Independent Audit Firm the Group's statement regarding the fees for services rendered by independent audit firms, prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the KGK letter dated 19 August 2021. as follows:

	2025	2024
Independent audit fee for the reporting period	9,121	6,063
Fees for tax advisory services	1,656	-
Fee for other assurance services	4,123	190
Fees for services other than independent auditing	213	204
Total	15,113	6,457

The fees above have been determined by including the legal audit and other related service fees of all subsidiaries and joint ventures, and the fees in foreign currency have been converted into TRY using the annual average rates of the relevant years.

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NOT 24 - OTHER OPERATING INCOME/(EXPENSE)

Other operating income for the years ended at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Effect of business combinations (Note 3) (*)	1,855,158	-
Foreign exchange gains	1,387,184	1,425,266
Incentive Income	334,504	-
Interest income from credit sales	270,110	301,023
Gain on sale of scraps	19,191	30,559
Provisions no longer required	466	-
Other	39,420	19,274
Total	3,906,033	1,776,122

* This arises from the reclassification of the "Currency Translation Differences" amounting to 1,855,158 TRY, which were carried under equity due to the existing shares prior to the acquisition date, to the income statement following the Company's acquisition of the remaining shares of Akxa Carbon, where it held a 50% stake.

Other operating expenses for the years ended at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Foreign exchange losses	1,007,096	1,424,026
Deferred purchase expense	115,450	256,698
Provision for doubtful receivables (Note 9)	96,603	69,412
Other	53,262	11,784
Total	1,272,411	1,761,920

NOT 25 – INCOME FROM INVESTMENT ACTIVITIES

Investment income for the years ended 31 December 2025 and 2024 is as follows:

	31 December 2025	31 December 2024
Effect of business combinations (Note 3) (*)	2,970,388	-
Rent income	63,602	49,962
Income from fixed asset sales	10,098	2,302
Total	3,044,088	52,264

(*) This arises from the net gain resulting from remeasuring the previously held 50% interest in Akxa Carbon at fair value following the Company's acquisition of the remaining shares, where it initially held a 50% stake.

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NOT 26 - FINANCIAL INCOME/(COSTS)

Finance income for the years ended at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Interest income	1,233,399	977,677
Foreign exchange gains	754,736	581,624
Total	1,988,135	1,559,301

Financial costs for the years ended at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Foreign exchange expense	3,745,071	2,114,336
Interest and commission expenses	2,447,862	1,233,205
Total	6,192,933	3,347,541

(*) This consists of exchange rate losses amounting to 1,724,352 TRY related to the principal amounts of loans identified under hedge accounting, incurred after installment payments.

NOTE 27 – NET MONETARY POSITION GAIN (LOSS)

Net monetary position gains for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Statement of Financial Position (a)	(2,827,572)	(3,287,075)
Inventories	171,795	90,120
Prepaid expenses	(3,875)	2,878
Investments accounted using the equity method, financial investments subsidiaries	397,354	2,103
Property, plant and equipment	4,164,210	5,848,930
Intangible assets	663,290	320,528
Investment properties	178,968	68,116
Right of use assets	8,171	30,466
Other assets	(5,232)	(16,327)
Deferred tax liability	(578,789)	(284,200)
Paid-in capital	(2,736,852)	(3,564,402)
Effect of mergers involving jointly controlled entities or businesses	(175,669)	-
Accumulated other comprehensive income and expenses to be reclassified to profit or loss	(589,861)	(42,163)
Restricted reserves	(1,020,475)	(1,250,884)
Retained earnings	(3,300,607)	(4,492,240)
Statement of profit or losses (b)	3,247,814	3,915,045
Revenue	(3,275,466)	(5,358,587)
Cost of sales	4,922,376	7,779,382
General administrative expenses	158,684	147,594
Marketing expenses	101,379	137,572
Research and development expenses	64,364	40,379
Other income/expenses from operating activities	(46,450)	51,378
Income/expense from investing activities	12,018	(6,201)
Operating profit/(loss)	1,154,566	983,192
Tax expense for the period	156,343	140,336
Net monetary position gains/(losses), (a+b)	420,242	627,970

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NOT 28 - TAX ASSETS AND LIABILITIES

Tax expenses for the years ended at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Current income tax expense	(122,223)	(450,141)
Deferred Tax Income / (Expense)	138,306	(601,436)
Total tax income/(expense)	16,083	(1,051,577)

Corporate Tax

The Group is subject to corporate tax valid in Türkiye. Tax liability provisions are determined in accordance with the current year financial activities.

Corporate Tax Law No. 5520 and dated 13 June 2006 was published in the Official Gazette dated 21 June 2006. Many provisions of the said new Corporate Tax Law No. 5520 came into effect as of 1 January 2006. In accordance with the temporary article 13 added to the Corporate Tax Law with the "Law on the Collection of Public Claims and Amendments to Certain Laws" numbered 7316, which was published in the Official Gazette dated 22 April 2021, the corporate tax rate was increased to 25% for the year 2025. (2024: 25%). The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations and deducting the exceptions and deductions in the tax laws. Losses can be carried for a maximum of 5 years, to be deducted from the taxable profit that will occur in the coming years, provided that the conditions stipulated in the Law are met. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

There is no agreement with the tax authorities on the tax payable in Türkiye. The corporate tax declaration is given on the until the evening of the last day of the fourth month following the month of which the accounting period is closed and is paid within the same period.

Türkiye started to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2) with the Bill submitted to the Turkish Grand National Assembly on July 16, 2024. These regulations came into force with the laws published in the Official Gazette on August 2, 2024. The company is not covered under the Pillar 2 Model. The controlling shareholder of the Company is Akkök Holding A.Ş. Calculations continue at the consolidated level, and no significant provision is expected to be reflected to the Company.

Income Tax Withholding

Dividends paid to non-resident corporations, which have a place of business in Türkiye, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding (Reserving the provisions of the Double Taxation Avoidance Agreement) tax at the rate of 15%. (With the Presidential Decision No. 4936 published in the Official Gazette dated 22 December 2021, the dividend withholding tax rate was reduced from 15% to 10%). An increase in capital via issuing bonus shares is not considered as a profit distribution.

Tax Advantages Obtained under the Investment Incentive System:

The Company's earnings from investments subject to investment incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached. In this context, As of December 31, 2025, the tax benefit amounting to 180,547 TRY, which the Group expects to utilize in the foreseeable future, has been recognized as a deferred tax asset in the consolidated financial statements.

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NOT 28 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets are recognized when it is determined that taxable income is likely to be generated in future years. If taxable income is probable, deferred tax assets are calculated based on deductible temporary differences, tax losses, and tax credits earned through investment incentives with an indefinite lifespan, which allow for reduced corporate tax payments. In this context, the Group bases the recognition of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and assesses the recoverability of these assets based on business models containing taxable profit projections at each balance sheet date. It is anticipated that these deferred tax assets will be recovered within 5 years from the balance sheet date.

Deferred Income Tax Assets and Liabilities

The Company calculates deferred tax assets and liabilities considering the effect of temporary differences arising from different valuation of balance sheet items according to TAS and statutory financial statements. Such temporary differences usually result from the recognition of revenue and expenses in different reporting periods according to TAS and Tax Code.

With the provisions of the seventh and eighth paragraphs added to Article 32 of the Corporate Tax Law with the Law No. 7351 dated 19.01.2022, it is envisaged that the corporate tax rate will be reduced by 1 and 5 points on the earnings of exporting institutions from exports and the earnings of institutions that have an industrial registry certificate and are actually engaged in production activities. In this context, the tax rate used in calculating deferred tax assets and liabilities is 24% (2024: 24%).

The breakdown of cumulative temporary differences and deferred income tax assets and liabilities provided using enacted tax rates as of 31 December 2025 and 2024 are as follows:

	Temporary taxable differences		Deferred income tax asset/liability	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Investment Incentives	-	-	180,547	-
Employee termination benefits	366,799	216,941	82,279	52,066
Other current liabilities	185,489	-	42,886	-
Trade receivable	183,238	50,590	43,977	12,142
Lease liabilities	45,004	73,543	10,801	17,650
Other	-	3,399	-	814
Deferred tax assets			360,490	82,672
Property, plant and equipment and intangible assets	(9,938,153)	(3,858,562)	(2,304,015)	(926,055)
Stock	(695,577)	(374,541)	(156,272)	(89,889)
Right-of-use assets	(254,387)	(174,194)	(59,150)	(41,807)
Prepaid expenses	(21,885)	(5,709)	(5,252)	(1,373)
Right-of-use assets	(20,660)	(148,561)	(4,958)	(35,655)
Trade receivables	(15,376)	(32,529)	(3,690)	(7,806)
Other	(15,581)	-	(3,739)	-
Deferred tax liabilities			(2,537,076)	(1,102,585)
Deferred tax assets/(liability), net			(2,176,586)	(1,019,913)

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NOT 28 - TAX ASSETS AND LIABILITIES (Continued)

Movement for the deferred income tax liabilities for the periods ended at 31 December 2025 and 2024 are as follows:

	2025	2024
1 January	1,019,913	104,367
Deferred tax income for the period, net	(138,306)	601,436
Recognized under equity	406,038	314,110
Effect of business combinations (Note 3)	439,945	-
Effect of subsidiary acquisition	429,432	-
Foreign exchange translation gain / loss	19,564	-
31 December	2,176,586	1,019,913

	31 December 2025	31 December 2024
Income tax	(122,223)	(450,141)
Prepaid taxes	172,980	480,752
Monetary gain/(loss), net	17,508	130,217
Current income tax assets/(liabilities)	68,265	160,828

The reconciliation of tax expenses stated in income statements for the years ended at 31 December 2025 and 2024 are as follows:

	2025	2024
Profit before tax in the financial statements	3,905,620	2,539,332
Expected tax expense of the Group (24%)	937,349	609,440
Effect of business combination (Note 24, 25)	(4,825,546)	-
Effect of revaluation surplus	1,476,277	-
Monetary (gain) / loss, net	420,242	3,405,835
The effect of application of equity method	40,510	(49,082)
Investment incentives	(641,199)	(1,349,799)
Discounts and exemptions	(399,263)	(214,925)
Additions	(66,557)	50,208
Tax effect (24%)	(953,432)	442,137
Current period tax (income)/expense of the Group	(16,083)	1,051,577

NOT 29 - EARNINGS PER SHARE

Earnings per share disclosed in the statements is determined by dividing net profit for the period by the weighted average number of shares issued within the relevant period. The earnings per share calculation for the years ended 31 December 2025 and 2024 as follows:

	2025	2024
Net profit attributable to the equity holders of the parent (TRY) (*) (A)	4,016,418,000	1,487,754,761
Weighted average number of shares (B)	388,500,000,000	388,500,000,000
Earnings per share (Kr) (A/B)	1.03	0.38

(*) Amounts expressed in full TRY.

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NOT 30 - RELATED PARTY DISCLOSURES

a) Short-term trade receivables:

As of 31 December 2025, and 2024, trade receivables from related parties are as follows:

	31 December 2025	31 December 2024
Ak-Pa Tekstil İhracat Pazarlama A.Ş. ("Ak-Pa") (*) ⁽¹⁾	2,513,888	2,425,473
Akkim Kimya San. ve Tic. A.Ş. ("Akkim") ⁽¹⁾	145,755	100,062
Akgirişim Müt. Müş. Çevre Tek. San. Tic. A.Ş. ("Akgirişim") ⁽¹⁾	4,040	4,291
Yalova Kompozit ve Kimya İhtisas Organize Sanayi Bölgesi ("Yalkim OSB") ⁽⁴⁾	3,409	8,147
Aksa Karbon ve İleri Kompozit Malzemeler San. Ltd. Şti. ("Aksa Karbon") ⁽²⁾	-	529,886
Other	1,012	913
Less: Unearned finance income on credit sales (-)	(14,816)	(15,499)
Total	2,653,288	3,053,273

(*) Foreign sales are made through Ak-Pa, the foreign trade company of the Group, and the balance consists of trade receivables arising from these transactions.

As of 31 December 2025, and 2024, the foreign currency denominated trade receivables have 3 months maturity on average and are discounted with annual average discount rate of 6% (31 December 2024: 6%) based on USD.

b) Short-term trade payables:

As of 31 December 2025, and 2024, short-term trade payables to related parties are as follows:

	31 December 2025	31 December 2024
Ak-Pa ⁽¹⁾	142,216	119,380
Akkim ⁽¹⁾	137,398	109,926
Akgirişim ⁽¹⁾	11,580	89,534
Dinkal Sigorta Acenteliği A.Ş. (**) ⁽¹⁾	4,448	31,638
Yalkim OSB ⁽⁴⁾	28,507	31,198
Aktek Bilgi İşlem Tekn. San. ve Tic. A.Ş. ⁽¹⁾	64,116	18,499
Akkök Holding ⁽³⁾	46,108	12,820
Other	20,241	384
Total	454,614	413,379

(**) This amount represent payments to insurance companies through Dinkal Sigorta Acenteliği A.Ş..

31 December 2025 and 2024, trade receivables have an average maturity of one (1) month.

- (1) Akkök Holding subsidiary
- (2) Company's joint venture
- (3) Company's Subsidiary
- (4) Other related parties

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NOT 30 - RELATED PARTY DISCLOSURES (Continued)

c) Short-term borrowings:

	31 December 2025		31 December 2024	
	Annual weighted average effective interest rate (%)	TRY	Annual weighted average effective interest rate (%)	TRY
TRY borrowings	22.51	3,265,020	26,93	4,018,394
Prepaid interest		(319,507)		(632,100)
Ak-Pa ⁽¹⁾		2,945,513		3,386,294

It consists of export credits mediated by Ak-Pa.

d) Prepaid expenses:

Advances given to related parties for the year ended as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Yalkim OSB ⁽⁴⁾	27,500	-
Akgirişim ⁽¹⁾	988	22,571
Total	28,488	22,571

Advances given are consists of advance payments for various investment projects in Yalova facility.

e) Sales:

Sales to related parties for the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Ak-Pa (*) ⁽¹⁾	17,945,963	17,976,645
Akkim ⁽¹⁾	976,802	1,179,382
Aksa Karbon (**) ⁽²⁾	809,435	1,181,900
Akenerji ⁽¹⁾	42,117	47,586
Other	52,847	48,830
Total	19,827,164	20,434,343

(*) Foreign sales are made through Ak-Pa, the foreign trade company of the Group, and the balance consists of trade receivables arising from these exporting transactions.

(**) The amounts related to the year 2025 pertain to the period from January 1 to July 31, representing the results for 7 months.

Other sales to related parties consist of rent incomes, electric and steam energy sales.

- (1) Akkök Holding subsidiary
- (2) Company's joint venture
- (3) Company's Subsidiary
- (4) Other related parties

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NOT 30 - RELATED PARTY DISCLOSURES (Continued)

f) Purchases of goods and services:

Product and service purchases from related parties for the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Akkim ⁽¹⁾	1,004,339	1,123,886
Akgirişim ⁽¹⁾	128,038	823,736
Dinkal Sigorta Acenteliği A.Ş. (*) ⁽¹⁾	325,214	309,384
Yalkim OSB ⁽⁴⁾	352,708	299,051
Ak-Pa ⁽¹⁾	360,244	286,752
Aktek Bilgi İşlem Tekn. San. ve Tic. A.Ş. ⁽¹⁾	308,658	182,826
Akkök Holding ⁽³⁾	156,356	51,972
Akenerji ⁽¹⁾	44,697	37,078
Other	109,707	9,618
Total	2,789,961	3,124,303

(*) Insurance service purchases from various insurance companies through Dinkal Sigorta Acenteliği A.Ş..

Purchases from related parties consist of chemicals, insurance, contracting, consultancy, commissions, rent, expenses for organized industrial zone and other service purchases.

g) Real estate purchases:

	2025	2024
Akkim ⁽¹⁾	-	828,166
Total	-	828,166

h) Key management compensation:

The Group defined its key management personnel as member of executive committee and board members. Benefits provided to key management personnel as of 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Wages and other short-term employee benefits	280,893	186,793
Provision for employment termination benefits	861	1,874
Total	281,754	188,667

- (1) Akkök Holding subsidiary
- (2) Company's joint venture
- (3) Company's Subsidiary
- (4) Other related parties

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NOT 30 - RELATED PARTY DISCLOSURES (Continued)

Benefits provided to the Board of Directors, for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Wages and other short-term employee benefits	18,938	12,614
Provision for employment termination benefits	-	-
Total	18,938	12,614

NOT 31 - FINANCIAL RISK MANAGEMENT

Purposes and principles of risk management

The Groups principal financial instruments are cash and cash equivalents, trade receivables and financial liabilities. The main purpose of these financial instruments is to generate financing resources for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk and credit risk. The Group management reviews and agrees policies for managing each of the risks as summarized below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of the counterparties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Group also obtains collaterals from customers when appropriate. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Trade receivables are evaluated by management based on their past experiences and current economic condition and are presented in financial statements net of provision for expected credit loss (Note 9).

Trade Receivable Aging Analysis

The Company has TRY276.349 provision (31 December 2024: TRY248.397) on their receivables and aging of the receivables which are overdue but not impaired are as follows:

Trade Receivables	31 December 2025	31 December 2024
1-30 days overdue	352,571	193,569
1-3 months overdue	143,271	311,995
3-12 months overdue	102,892	368,628
More than 12 months overdue	5,820	99,354
Total (*)	604,554	973,546
Secured with guarantees	576,025	341,903

(*) TRY423,320 of the amount has been collected as of the date of the report (31 December 2024: TRY383,334).

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2025, the Group's maximum exposure to credit risk is presented below:

31 December 2025	Trade receivables		Other receivables		Financial assets		Deposits in banks	
	Related Parties	Other	Related Parties	Other	Related Parties	Other	Other	Other
Maximum credit risk exposure as of reporting date	2,653,288	3,284,878	-	29,169	-	45,516	4,956,154	
- Secured portion of maximum credit risk by guarantees (*)	1,987,318	2,097,302	-	-	-	-	-	-
Net book value of financial assets either are not due or not impaired	2,296,768	3,036,843	-	29,169	-	45,516	4,956,154	
- Secured portion with guarantees	1,640,785	1,867,810	-	-	-	-	-	-
Net book value of the overdue or not impaired financial assets	356,520	248,035	-	-	-	-	-	-
- Secured portion with guarantees	346,533	229,492	-	-	-	-	-	-
Net book value of impaired assets	-	-	-	-	-	-	-	-
- Matured (gross book value)	-	276,349	-	-	-	-	-	-
- Impairment (-) (Note 9)	-	(276,349)	-	-	-	-	-	-
- Secured portion with guarantees	-	-	-	-	-	-	-	-
Off balance sheet credit risks	-	-	-	-	-	-	-	-

(*) Guarantees taken from the related parties consist of Ak-Pa's guarantees received from export customers.

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2024, the Group's maximum exposure to credit risk is presented below:

31 December 2024	Trade receivables		Other receivables		Financial assets		Deposits in banks
	Related Parties	Other	Related Parties	Other	Related Parties	Other	Other
Maximum credit risk exposure as of reporting date	3,053,273	2,013,722	-	1,109	-	23,718	4,138,159
- Secured portion of maximum credit risk by guarantees (*)	2,385,870	1,853,515	-	-	-	-	-
Net book value of financial assets either are not due or not impaired	2,231,786	1,861,663	-	1,109	-	23,718	4,138,159
- Secured portion with guarantees	2,085,792	1,811,691	-	-	-	-	-
Net book value of the overdue or not impaired financial assets	821,487	152,059	-	-	-	-	-
- Secured portion with guarantees	300,078	41,824	-	-	-	-	-
Net book value of impaired assets	-	-	-	-	-	-	-
- Matured (gross book value)	-	248,397	-	-	-	-	-
- Impairment (-) (Note 9)	-	(248,397)	-	-	-	-	-
- Secured portion with guarantees	-	-	-	-	-	-	-
Off balance sheet credit risks	-	-	-	-	-	-	-

(*) Guarantees taken from the related parties consist of Ak-Pa's guarantees received from export customers.

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities in the translation of the TRY. The exchange rate risk is monitored by analysing the foreign currency position. The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities.

Foreign currency position presented in TRY is as follows:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	<u>TRY</u>	<u>USD</u>	<u>TRY</u>	<u>USD</u>
(*)	<u>equivalent</u>	<u>equivalent (*)</u>	<u>equivalent</u>	<u>equivalent</u>
Assets	6,176,419	144,155	5,705,293	123,547
Liabilities	16,383,537	382,385	9,296,719	201,318
Net balance sheet position	(10,207,118)	(238,230)	(3,591,426)	(77,771)
Foreign currency denominated net position of derivative financial assets/(liabilities)	(1,238,881)	(28,915)	(1,656,406)	(35,869)
Net Foreign Currency				
Asset/(Liability) Position	(11,445,999)	(267,145)	(5,247,832)	(113,640)
Inventories considered under natural hedge (**)	7,028,378	163,976	5,290,355	114,561
Cash flow hedge (***)	-	-	1,700,647	36,827
Net foreign currency position after hedge	(4,417,621)	(103,106)	1,743,170	37,748

(*) USD equivalent amounts are calculated by dividing the TRY positions by the USD exchange rates as of the balance sheet date and unless otherwise stated, they are expressed in thousand USD.

(**) The Group limits the foreign currency risk arising from net foreign currency financial liabilities and trade payables by reflecting changes to product sales prices. The amount consists of the Group's total raw material, semi-finished and finished product stocks.

(***) As of December 31, 2025, there are no contracts designated as hedging instruments (December 31, 2024: 4,778 thousand USD and 30,779 thousand EUR). The total pre-tax amount recognized under "Other Comprehensive Income" for the period is 1,724,351 TRY (December 31, 2024: 1,257,341 TRY).

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2025, and 31 December 2024, the foreign currency positions are as follows:

	31 December 2025			
	TRY equivalent	USD	EUR	Other
1. Trade Receivables	5,334,523	89,228	29,069	49,715
2a. Monetary Financial Assets (including cash and bank accounts)	841,896	14,150	4,674	572
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	6,176,419	103,378	33,743	50,287
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	6,176,419	103,338	33,632	50,287
10. Trade Payables	3,362,888	59,633	9,330	338,676
11. Financial Liabilities	5,448,698	50,491	65,334	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-monetary Liabilities	-	-	-	-
13. Short-Term Liabilities (10+11+12)	8,811,586	110,124	74,664	338,676
14. Trade Payables	-	-	-	-
15. Financial Liabilities	7,571,951	97,571	67,443	-
16 a. Other Monetary Liabilities	-	-	-	-
16 b. Other Non-monetary Liabilities	-	-	-	-
17. Long-Term Liabilities (14+15+16)	7,571,951	97,571	67,443	-
18. Total Liabilities (13+17)	16,383,537	207,695	142,107	338,676
19. Off Balance Sheet Derivative Items				
Net Asset/(Liability) Position				
(19a-19b)	(1,238,881)	(18,000)	(9,300)	-
19a. Off balance sheet derivative asset amount	-	-	-	-
19b. Off balance sheet derivative liability	1,238,881	18,000	9,300	-
20. Off Balance Sheet Derivative Items'				
Net Asset/(Liability) Position (9-18+19)	(11,445,999)	(122,317)	(117,664)	(288,389)
21. Monetary Net Foreign Currency				
Assets/(Liabilities) Position				
(=1+2a+5+6a-10-11-12a-14-15-16a)	(10,207,118)	(104,317)	(108,364)	(288,389)
22. Fair Value of Financial Instruments				
Used for Foreign Hedge	20,660	646	(140)	-
23. Amount of Hedged Foreign Currency Assets	7,028,378	163,976	-	-
24. Amount of Hedged Foreign Currency Liabilities	-	-	-	-

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2024 (*)			
	TRY equivalent	USD	EUR	Other
1. Trade Receivables	4,103,302	63,740	23,989	4,842
2a. Monetary Financial Assets (including cash and bank accounts)	1,601,993	26,266	8,089	40
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	5,705,295	90,006	32,078	4,882
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	5,705,295	90,006	32,078	4,882
10. Trade Payables	4,285,528	87,323	4,971	10,690
11. Financial Liabilities	3,871,152	41,283	40,861	-
12a. Other Monetary Liabilities	-	-	-	-
12b. . Other Non-monetary Liabilities	-	-	-	-
13. Short-Term Liabilities (10+11+12)	8,156,680	128,606	45,832	10,690
14. Trade Payables	-	-	-	-
15. Financial Liabilities	1,140,040	12,500	11,704	-
16 a. Other Monetary Liabilities	-	-	-	-
16 b. Other Non-monetary Liabilities	-	-	-	-
17. Long-Term Liabilities (14+15+16)	1,140,040	12,500	11,704	-
18. Total Liabilities (13+17)	9,296,720	141,106	57,536	10,690
19. Off Balance Sheet Derivative Items				
Net Asset/(Liability) Position				
(19a-19b)	(1,656,406)	(27,570)	(7,970)	-
19a. Off balance sheet derivative asset amount	-	-	-	-
19b. Off balance sheet derivative liability amount	1,656,406	27,570	7,970	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	(5,247,831)	(78,670)	(33,428)	(5,808)
21. Monetary Net Foreign Currency Assets/(Liabilities) Position				
(=1+2a+5+6a-10-11-12a-14-15-16a)	(3,591,425)	(51,100)	(25,458)	(5,808)
22. Fair Value of Financial Instruments Used for Foreign Hedge	148,561	2,354	828	-
23. Amount of Hedged Foreign Currency Assets	5,290,355	114,561	-	-
24. Amount of Hedged Foreign Currency Liabilities	1,700,647	4,778	30,779	-

(*) In the foreign exchange position dated December 31, 2024, the values in the TRY equivalent column have been re-indexed on the basis of purchasing power as of December 31, 2025, and the foreign currency equivalents are shown at their historical value.

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

As of 31 December 2025, and 2024, the situations to reach of net foreign position in the Group's balance sheet with the changes in exchange rates are summarized in the table below:

31 December 2025	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY				
USD net asset/(liability)	(446,956)	446,956	-	-
Amount hedged for USD risk	(77,122)	77,122	-	-
USD net effect	(524,078)	524,078	-	-
In case of 10% appreciation of EUR against TRY				
EUR net asset/(liability)	(544,917)	544,917	-	-
Amount hedged for EUR risk	(46,766)	46,766	-	-
EUR net effect	(591,683)	591,683	-	-
31 December 2024				
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation of USD against TRY				
USD net asset/(liability)	(235,970)	235,970	276,267	(276,267)
Amount hedged for USD risk	(105,251)	105,251	(22,065)	22,065
USD net effect	(341,221)	341,221	254,202	(254,202)
In case of 10% appreciation of EUR against TRY				
EUR net asset/(liability)	(122,412)	122,412	-	-
Amount hedged for EUR risk	109,675	(109,675)	(147,999)	147,999
EUR net effect	(12,737)	12,737	(147,999)	147,999

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

Interest Risk

The Group is exposed to interest rate risk due to the borrowings with variable interest rates. Based on the existing balance sheet position as of 31 December 2025, assuming that all other variables remain constant, a 1% increase/decrease in interest rates would result in an increase/decrease of TRY 97,995 in profit before tax (31 December 2024: TRY 3,794). There are no capitalized financing costs related to investments in progress.

31 December 2025 31 December 2024

Fixed interest rate financial instruments

Financial assets

Cash and cash equivalents (*)	4,697,006	4,109,124
Financial investments	281,537	-

Financial liabilities

Lease liabilities	155,585	73,542
USD borrowings (fixed due to interest rate swaps)	7,228,075	2,262,268
TRY borrowings	6,595,130	4,018,394
EUR borrowings	3,234,151	2,326,222

Floating interest rate financial instruments

Financial investments

Shareholding participation shares	35,139	17,194
Financial funds	-	6,524

Financial liabilities

USD borrowings	6,366,779	221,365
EUR borrowings	3,432,724	158,005

(*) Cash and cash equivalents consist of bank deposits with maturity less than three months.

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk comprises the risks arising from the inability to fund the increase in the assets, the inability to cover the liabilities due and the operations performed in illiquid. In the framework of liquidity risk management, funding sources are being diversified, and sufficient cash and cash equivalents are held.

The breakdown of financial assets and liabilities according to their maturities is disclosed considering from balance sheet date to due date period. Financial assets and liabilities that have no certain due dates are classified in over one-year column.

31 December 2025:

Expected or maturities per agreement	Book value	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years	Over than 5 years
Non-derivative financial liabilities						
Financial liabilities	26,027,731	28,281,222	3,403,537	16,513,550	8,285,149	78,986
Trade payables	4,575,125	4,590,501	3,241,114	1,349,387	-	-
Lease liabilities	155,585	328,347	4,226	11,567	48,063	264,491
Due to related parties	454,614	454,614	454,614	-	-	-
	31,213,055	33,654,684	7,103,491	17,874,504	8,333,212	343,477

31 December 2024:

Expected or maturities per agreement	Book Value	Contractual cash outflows	Up to 3 months	3-12 months	1-5 years	Over than 5 years
Non-derivative financial liabilities						
Financial liabilities	8,354,154	9,253,030	398,385	7,656,797	1,197,848	-
Trade payables	4,388,951	4,719,496	4,069,190	650,306	-	-
Lease liabilities	73,542	274,742	4,410	11,749	40,416	218,167
Due to related parties	413,379	413,379	413,379	-	-	-
	13,230,026	14,660,647	4,885,364	8,318,852	1,238,264	218,167

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

Import and export information:

Import and export in TRY according to their original currency for the years ended at 31 December 2025 and 2024 are as follows:

Export	31 December 2025	31 December 2024
EUR	10,170,220	11,379,435
USD	7,630,722	6,688,177
Other	221,993	31,177
Total	18,022,935	18,098,789

Import	31 December 2025	31 December 2024
USD	11,326,647	18,019,718
EUR	2,109,907	1,759,795
Other	2,407,276	2,769,302
Total	15,843,830	22,548,815

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including financial liabilities, trade payables and due to related parties, as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

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NOT 31 - FINANCIAL RISK MANAGEMENT (Continued)

The ratio of net debt to equity is as follows:

	31 December 2025	31 December 2024
Total monetary liabilities (*)	31,213,055	13,230,026
Less: Cash and cash equivalents (Note 5)	(4,957,588)	(4,139,334)
Less: Financial investments (Note 6)	(327,053)	(23,718)
Net debt	25,928,414	9,066,974
Total shareholders' equity	33,637,784	31,253,012
Total capital	59,566,198	40,319,986
Debt/equity ratio	%44	%22

(*) It consists of short-term and long-term borrowings, short-term and long-term lease liabilities, trade payables to related parties and trade payables to other parties.

NOT 32 - FINANCIAL INSTRUMENTS

Fair value of financial instruments

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

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

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

Financial assets

Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. These balances are anticipated to close their book value.

The carrying values of significant portion of cash and cash equivalents are assumed to approximate to their fair value due to their short-term nature.

The carrying values of trade receivables are assumed to approximate to their fair value.

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NOT 32 - FINANCIAL INSTRUMENTS (Continued)

Financial liabilities

The fair values of short-term borrowings and trade payables are assumed to approximate to their carrying values due to their short-term nature.

The estimated fair values of foreign currency long-term borrowings are assumed to approximate to their carrying values due to bearing floating interest rates. The estimated fair values of long-term borrowings are calculated based on the effective market interest rates and the cash flow calculations are discounted accordingly (Note 8).

Fair value estimation:

Effective 1 January 2010, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that are, as prices) or indirectly (that are, derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (that are, unobservable inputs)

31 December 2025	Level 1	Level 2	Level 3
Financial investments	-	10,377	35,139
Derivative financial assets for hedging purposes	-	20,660	-
Total asset/(liabilities)	-	31,037	35,139
31 December 2024	Level 1	Level 2	Level 3
Financial investments	-	6,524	17,194
Derivative financial assets for hedging purposes	-	148,561	-
Total asset/(liabilities)	-	155,085	17,194

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs are observable in terms of the fair value of a financial instrument is included in level 2.