

(Convenience Translation of Consolidated Financial  
Statements and Related Disclosures and Footnotes  
Originally Issued in Turkish)

**ASELSAN ELEKTRONİK  
SANAYİ VE TİCARET ANONİM ŞİRKETİ  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITOR'S LIMITED REVIEW REPORT AS OF  
AND FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2024

10 September 2024

This report contains condensed consolidated interim financial  
information and related disclosures and footnotes comprising  
44 pages.



Bağımsız  
Denetim ve  
Yeminli Mali  
Müşavirlik A.Ş.



## Independent Auditor's Report on Review of Consolidated Interim Financial Statements

To the Board of Directors of Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries (together "the Group") as at 30 June 2024, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

Yeditepe Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.  
(Associate member of PRAXITY AISBL)



Yılmaz Güney,  
Partner  
10 September 2024, Istanbul, Turkey

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# ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Note References	Limited Reviewed 30 June 2024	Audited 31 December 2023
<b>ASSETS</b>			
<b>Current Assets</b>		<b>83.777.331</b>	<b>90.911.460</b>
Cash and Cash Equivalents	3	1.918.732	8.244.993
Trade Receivables	5	25.560.791	25.686.755
<i>From Related Parties</i>	4	11.852.128	11.283.349
<i>From Third Parties</i>		13.708.663	14.403.406
Other Receivables		1.351.390	2.058.751
<i>From Related Parties</i>		41.450	--
<i>From Third Parties</i>		1.309.940	2.058.751
Inventories	6	37.765.275	40.135.064
Prepaid Expenses	7	13.783.867	11.341.146
<i>From Related Parties</i>	4	1.814.617	1.951.857
<i>From Third Parties</i>		11.969.250	9.389.289
Other Current Assets		3.397.276	3.444.751
<b>Non-Current Assets</b>		<b>101.731.658</b>	<b>96.911.246</b>
Financial Investments		7.382.458	7.382.776
Trade Receivables	5	36.069.601	39.427.781
<i>From Related Parties</i>	4	27.878.427	29.807.500
<i>From Third Parties</i>		8.191.174	9.620.281
Other Receivables		8.272	9.079
<i>From Third Parties</i>		8.272	9.079
Equity Accounted Investments		1.051.119	1.072.511
Property, Plant and Equipment	8	29.979.271	29.599.254
Intangible Assets	8	18.420.562	15.152.460
Prepaid Expenses	7	2.264.786	3.067.683
<i>From Related Parties</i>	4	1.056.389	1.785.973
<i>From Third Parties</i>		1.208.397	1.281.710
Deferred Tax Assets	10	5.528.921	896.344
Other Non-Current Assets		1.026.668	303.358
<b>TOTAL ASSETS</b>		<b>185.508.989</b>	<b>187.822.706</b>

The accompanying notes are an integral part of the consolidated financial statements.

# ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Note References	Limited Reviewed 30 June 2024	Audited 31 December 2023
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>58.335.135</b>	<b>62.590.061</b>
Short-term Financial Liabilities	19	19.737.429	14.583.267
Short-term Portion of Long-term Financial Liabilities	19	6.521.182	8.877.204
Trade Payables	5	12.469.752	18.540.650
<i>To Related Parties</i>	4	2.732.327	3.994.838
<i>To Third Parties</i>		9.737.425	14.545.812
Employee Benefit Obligations		1.814.743	1.502.630
Other Payables		597.243	426.644
<i>To Related Parties</i>	4	510.000	332.976
<i>To Third Parties</i>		87.243	93.668
Government Grants and Incentives		57.691	71.689
Deferred Income	7	11.600.783	11.088.093
<i>To Related Parties</i>	4	5.923.233	3.240.979
<i>To Third Parties</i>		5.677.550	7.847.114
Corporate Tax Liability		5.119	--
Short-term Provisions		5.506.914	7.487.072
<i>For Employee Benefits</i>	12	952.714	1.992.955
<i>Other</i>	9	4.554.200	5.494.117
Other Current Liabilities		24.279	12.812
<b>Non-Current Liabilities</b>		<b>13.912.536</b>	<b>14.991.729</b>
Long-term Financial Liabilities	19	629.129	1.409.004
Trade Payables	5	--	94.176
<i>To Third Parties</i>	4	--	94.176
Other Payables		31.100	45.710
<i>To Third Parties</i>		31.100	45.710
Deferred Income	7	8.156.110	7.370.221
<i>To Related Parties</i>	4	4.984.891	4.569.262
<i>To Third Parties</i>		3.171.219	2.800.959
Long-term Provisions		5.075.783	6.066.548
<i>Long-term Provisions for Employee Benefits</i>	12	1.084.533	1.326.275
<i>Other</i>	9	3.991.250	4.740.273
Other Non-Current Liabilities		20.414	6.070

The accompanying notes are an integral part of the consolidated financial statements.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	<b>Note References</b>	<b>Limited Reviewed 30 June 2024</b>	<b>Audited 31 December 2023</b>
<b>EQUITY</b>		<b>113.261.318</b>	<b>110.240.916</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>112.080.372</b>	<b>108.907.072</b>
Share Capital	13	4.560.000	4.560.000
Inflation Adjustments on Share Capital Differences	13	20.286.172	20.286.172
Share Premiums		18.146.869	18.146.869
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		2.735.525	2.745.129
<i>Gain on Revaluation of Property, Plant and Equipment</i>		3.623.958	3.623.958
<i>Gain/ Loss on Remeasurement of Defined Benefit Plans</i>		(888.433)	(878.829)
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		(35.801)	70.177
<i>Cumulative Translation Adjustments</i>		(35.801)	70.177
Restricted Reserves	13	4.394.360	4.343.360
Retained Earnings		58.194.365	49.661.621
Net Profit for the Year		3.798.882	9.093.744
<b>Non-Controlling Interests</b>		<b>1.180.946</b>	<b>1.333.844</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>185.508.989</b>	<b>187.822.706</b>

The accompanying notes are an integral part of the consolidated financial statements.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Notes References	Limited Reviewed 1 January- 30 June 2024	Not Reviewed 1 April- 30 June 2024	Limited Reviewed 1 January- 30 June 2023	Not Reviewed 1 April- 30 June 2023
<b>PROFIT OR LOSS</b>					
Revenue	14	35.718.695	19.307.243	32.994.686	17.383.145
Cost of Sales (-)	14	(24.308.954)	(12.646.333)	(22.813.232)	(11.820.098)
<b>GROSS PROFIT</b>		<b>11.409.741</b>	<b>6.660.910</b>	<b>10.181.454</b>	<b>5.563.047</b>
General Administrative Expenses (-)		(2.203.991)	(1.082.160)	(1.855.834)	(994.629)
Marketing Expenses (-)		(891.186)	(524.348)	(653.350)	(358.062)
Research and Development Expenses (-)		(1.032.644)	(708.267)	(1.274.923)	(737.931)
Other Operating Income	15	8.516.934	2.242.836	21.594.986	15.614.729
Other Operating Expenses (-)	15	(6.484.970)	(2.134.191)	(11.735.394)	(7.339.501)
<b>OPERATING PROFIT</b>		<b>9.313.884</b>	<b>4.454.780</b>	<b>16.256.939</b>	<b>11.747.653</b>
Income From Investing Activities		64.017	47.725	33.821	34.927
Shares of profit/(losses) of Equity Accounted Investees		(20.511)	8.936	(8.153)	(5.304)
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSE</b>		<b>9.357.390</b>	<b>4.511.441</b>	<b>16.282.607</b>	<b>11.777.276</b>
Financial Income	16	453.687	161.788	720.318	189.732
Financial Expense (-)	17	(3.206.599)	(1.229.630)	(6.758.009)	(5.509.459)
Monetary Gain/(Loss)		(7.574.724)	(3.835.744)	(8.656.593)	(5.571.071)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>(970.246)</b>	<b>(392.145)</b>	<b>1.588.323</b>	<b>886.478</b>
<b>Tax Income from Continuing Operations</b>	10	<b>4.616.230</b>	<b>2.695.083</b>	<b>(20.793)</b>	<b>1.743.666</b>
- Current Corporate Tax Expense(-)		(13.145)	(7.875)	(1.914.828)	(1.914.286)
- Deferred Tax Income		4.629.375	2.702.958	1.894.035	3.657.952
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>3.645.984</b>	<b>2.302.938</b>	<b>1.567.530</b>	<b>2.630.144</b>
<b>Profit for the Period Attributable to Non-Controlling Interest Owners of the Company</b>		<b>3.645.984</b>	<b>2.302.938</b>	<b>1.567.530</b>	<b>2.630.144</b>
Non-Controlling Interest		(152.898)	25.802	(12.660)	5.376
Owners of the Company	18	3.798.882	2.277.136	1.580.190	2.624.768
<b>Earnings for per 100 Shares (in full kuruş)</b>	18	<b>83,31</b>	<b>49,94</b>	<b>69,31</b>	<b>115,12</b>

The accompanying notes are an integral part of the consolidated financial statements.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

Note References	Limited Reviewed 1 January- 30 June 2024	Not Reviewed 1 April- 30 June 2024	Limited Reviewed 1 January- 30 June 2023	Not Reviewed 1 April- 30 June 2023
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>				
<b>Items that will not to be reclassified subsequently in Profit or Loss</b>				
	<b>(9.604)</b>	<b>(9.604)</b>	<b>(244.743)</b>	<b>(244.743)</b>
Loss on Remeasurement of Defined Benefit Plans	12 (12.805)	(12.805)	(305.929)	(305.929)
Deferred Tax Income / (Expense)	3.201	3.201	61.186	61.186
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign Currency Exchange Differences	(105.978)	(57.790)	195.209	162.385
	(105.978)	(57.790)	195.209	162.385
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(115.582)</b>	<b>(67.394)</b>	<b>(49.534)</b>	<b>(82.358)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>3.530.402</b>	<b>2.235.544</b>	<b>1.517.996</b>	<b>2.547.786</b>
<b>Total Comprehensive Income Attributable to</b>				
Non-Controlling Interest	(152.898)	25.802	(12.660)	5.376
Owners of the Company	3.683.300	2.209.742	1.530.656	2.542.410
	<b>3.530.402</b>	<b>2.235.544</b>	<b>1.517.996</b>	<b>2.547.786</b>

The accompanying notes are an integral part of the consolidated financial statements.



# ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Other Comprehensive Income / Expense that will not to be Reclassified Subsequently to Profit or Loss					Other Comprehensive Income / Expense that may not to be Reclassified Subsequently to Profit or Loss			Retained Earnings				
	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	Revaluation Reserves	Remeasurement of Defined Benefit Plans	Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income	Translation Reserves	Restricted Reserves	Retained Earnings	Net Profit/(Loss) for the Year	Equity Attributable to Owners of the Company	Non-Controlling Interests	Equity
<b>Balance as of 1 January 2023</b>	<b>2.280.000</b>	<b>18.549.106</b>	<b>18.146.838</b>	<b>685.229</b>	<b>(665.630)</b>	<b>1.352.561</b>	<b>409.393</b>	<b>4.272.114</b>	<b>52.972.929</b>	<b>1.599.048</b>	<b>99.601.588</b>	<b>1.191.356</b>	<b>100.792.944</b>
Transfers	--	--	--	--	--	--	--	51.022	834.421	(885.443)	--	--	--
Total Comprehensive Income	--	--	--	--	(244.743)	--	195.209	--	--	1.580.190	1.530.656	(12.660)	1.517.996
Dividends	--	--	--	--	--	--	--	--	--	(713.605)	(713.605)	--	(713.605)
<b>Balance as of 30 June 2023 (Closing Balance)</b>	<b>2.280.000</b>	<b>18.549.106</b>	<b>18.146.838</b>	<b>685.229</b>	<b>(910.373)</b>	<b>1.352.561</b>	<b>604.602</b>	<b>4.323.136</b>	<b>53.807.350</b>	<b>1.580.190</b>	<b>100.418.639</b>	<b>1.178.696</b>	<b>101.597.335</b>
<b>Balance as of 1 January 2024</b>	<b>4.560.000</b>	<b>20.286.172</b>	<b>18.146.869</b>	<b>3.623.958</b>	<b>(878.829)</b>	<b>--</b>	<b>70.177</b>	<b>4.343.360</b>	<b>49.661.621</b>	<b>9.093.744</b>	<b>108.907.072</b>	<b>1.333.844</b>	<b>110.240.916</b>
Transfers	--	--	--	--	--	--	--	51.000	8.532.744	(8.583.744)	--	--	--
Total Comprehensive Income	--	--	--	--	(9.604)	--	(105.978)	--	--	3.798.882	3.683.300	(152.898)	3.530.402
Dividends	--	--	--	--	--	--	--	--	--	(510.000)	(510.000)	--	(510.000)
<b>Balance as of 30 June 2024 (Closing Balance)</b>	<b>4.560.000</b>	<b>20.286.172</b>	<b>18.146.869</b>	<b>3.623.958</b>	<b>(888.433)</b>	<b>--</b>	<b>(35.801)</b>	<b>4.394.360</b>	<b>58.194.365</b>	<b>3.798.882</b>	<b>112.080.372</b>	<b>1.180.946</b>	<b>113.261.318</b>

The accompanying notes are an integral part of the consolidated financial statements.

# ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

	Note References	Limited Reviewed 1 January- 30 June 2024	Limited Reviewed 1 January- 30 June 2023
<b>A.Cash Flows from Operating Activities</b>		<b>(1.899.023)</b>	<b>27.042</b>
Profit for the Period		3.645.984	1.567.530
<b>Adjustments to Reconcile Profit for the Period</b>		<b>2.142.063</b>	<b>12.283.195</b>
- Adjustments for Depreciation and Amortization Expense	8	1.412.991	1.590.643
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(75.586)	(27.346)
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	5	(9.295)	23.850
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	6	(66.291)	(51.196)
-Adjustments for Provisions		1.159.408	825.478
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	12	(454.004)	(362.838)
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		612.146	838.517
<i>Adjustments for (Reversal of) Warranty Provisions</i>		998.566	660.238
<i>Adjustments for (Reversal of) Other Provisions</i>		2.700	(310.439)
-Adjustments for Interest (Income) Expenses		(272.970)	119.320
<i>Adjustments for Interest Income</i>		(888.568)	(889.427)
<i>Adjustments for Interest Expense</i>		615.598	1.008.747
- Adjustments for Retained Profit of Equity Accounted Investees		20.511	8.153
- Adjustments for Tax (Income)/Expenses		(4.616.230)	20.793
-Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		4.582.078	5.191.694
-Other Adjustments to Reconcile Profit (Loss)		(68.139)	4.554.460
<b>Changes in Working Capital</b>		<b>(6.223.561)</b>	<b>(11.764.299)</b>
- Decrease (Increase) in Trade Receivables		867.608	(6.173.816)
- Decrease (Increase) in Other Receivables Related with Operations		298.121	408.640
- Decrease (Increase) in Inventories	6	2.597.345	(3.088.098)
- Decrease (Increase) in Prepaid Expenses	7	(1.747.496)	(4.217.060)
- Increase (Decrease) in Trade Payables	5	(1.596.505)	1.793.453
- Increase (Decrease) in Employee Benefit Obligations	12	610.081	277.387
-Adjustments for Stage of Completion of Construction or Service Contracts in Progress		(6.987.686)	(4.415.917)
- Increase (Decrease) in Other Operating Payables		(260.345)	(445.960)
- Increase (Decrease) in Government Grants and Subsidies		217	(37.353)
- Increase (Decrease) in Deferred Income		(2.615.569)	1.166.917
- Adjustments Related to Monetary Gain/ Losses		3.976.265	4.462.930
- Other Increase (Decrease) in Working Capital		(1.365.597)	(1.495.422)
<b>Cash Flows From Operations</b>		<b>(435.514)</b>	<b>2.086.426</b>
Payments Related with Provisions for Employee Benefits	12	(182.588)	(220.135)
Payments Related with Other Provisions		(1.272.895)	(892.229)
Income Taxes Refund (Paid)		(8.026)	(947.020)
<b>B.Cash Flows From Investing Activities</b>		<b>(8.406.796)</b>	<b>(10.540.051)</b>
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		244.311	29.017
Purchase of Property, Plant and Equipment	8	(1.870.506)	(2.443.325)
Purchase of Intangible Assets	8	(6.926.643)	(8.002.913)
Dividends Received		44.750	18.599
Other Cash Inflows (Outflows)		101.292	(141.429)
<b>C.Cash Flows From Financing Activities</b>		<b>5.664.298</b>	<b>2.171.947</b>
Proceeds from Borrowings		12.751.833	11.977.799
Repayments of Borrowings		(7.087.535)	(9.805.852)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)</b>		<b>(4.641.521)</b>	<b>(8.341.062)</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(41.096)</b>	<b>780.630</b>
<b>E. MONETARY GAIN/LOSS EFFECT ON CASH AND CASH EQUIVALENTS</b>		<b>(1.634.963)</b>	<b>(1.929.690)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)</b>		<b>(6.317.580)</b>	<b>(9.490.122)</b>
<b>F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>8.233.825</b>	<b>11.684.538</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)</b>	<b>3</b>	<b>1.916.245</b>	<b>2.194.416</b>

The accompanying notes are an integral part of the consolidated financial statements.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP

ASELSAN Elektronik Sanayi ve Ticaret Anonim Şirketi ("the Company") was established in order to engage principally in research, development, engineering, production, tests, assembly, integration and sales, after sales support, consultancy and trading activities, to provide and conduct all sorts of activities for project preparation, engineering, consultancy, service providing, training, contracting, construction, publishing, trading, operation and internet services regarding various software, equipment, system, tools, material and platforms in the fields of electrical, electronics, microwave, electro-optics, guidance, computer, data processing, encryption, security, mechanics, chemistry and related areas within the army, navy, air force and aerospace applications to all institutions, organizations, companies and individual consumers.

The Company was established at the end of 1975 as a corporation by Turkish Land Forces Foundation. The Company commenced its production activities in Macunköy Facilities in early 1979.

As of the reporting date, the Company has been organized under five divisions under the Vice Presidential Sector with regard to investment and production requirements of projects. These divisions comprise Communication and Information Technologies Vice Presidency ("HBT"), Radar and Electronic Warfare Systems Vice Presidency ("REHİS"), Defence Systems Technologies Vice Presidency ("SST") and Microelectronics, Guidance & Electro-Optics Vice Presidency ("MGEO") and Transportation, Security, Energy, Automation and Medical Systems Vice Presidency ("UGES").

In addition to the Vice Presidencies above, the Company organization also includes five Vice Presidencies to fulfil the planning, monitoring and analyzing functions: Financial Management Vice Presidency, Corporate Management Vice Presidency, Technology and Strategy Management Vice Presidency, Business Development and Marketing Vice Presidency, Supply Chain Management Vice Presidency and Malatya Campus Directorate. In addition to these, there are also Legal Affairs and Office of the Private Secretary.

The Internal Audit Department and Board of Directors Planning and Coordination Management have been established under the Board of Directors.

The Company maintains production and engineering operations in Ankara, Macunköy, Akyurt and Gölbaşı campuses and engineering operations in METU Teknokent, Hacettepe Teknokent, Teknopark İstanbul, Gebze Technology Development Zone, Aselsan Temelli Campus and Aselsan Malatya Campus. Headquarters is located in Ankara Macunköy.

Turkish Armed Forces Foundation ("TSKGV") is the main shareholder of the Company which holds 74,20 percent of the capital and maintains control of the Company. TSKGV was established on 17 June 1987 with the law number 3388, in order to manufacture or import guns, equipment and appliances needed for Turkish Armed Forces.

The Company is registered to Capital Markets Board of Türkiye ("CMB") and its shares have been quoted in Borsa İstanbul Anonim Şirketi ("BİST") since 1990. As of 31 March 2024, 25,80 percent of the Company's shares are publicly traded (31 December 2023: 25,80 percent) (Note 13).

The Company's trade registry address is Mehmet Akif Ersoy Mahallesi İstiklal Marşı Caddesi No:16 06200 Yenimahalle/Ankara. The average number of personnel employed by the Group as of 30 June 2024 is 12.020 (31 December 2023: 11.550).

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 1. ORGANIZATION AND OPERATIONS OF THE GROUP (continued)

The Company's consolidated subsidiaries are ASELSAN Baku ("ASELSAN Baku"), Aselsan Sivas Hassas Optik San. Tic. A.Ş. ("ASELSAN Optik"), Mikroelektronik Ar-Ge Tasarım ve Ticaret Ltd. Co. ("Mikro AR-GE"), ASELSANNET Elektronik ve Haberleşme Sistemleri Sanayi Ticaret İnşaat ve Taahhüt Ltd. Co. ("ASELSANNET"), Aselsan Konya Silah Sistemleri Anonim Şirketi ("ASELSAN Konya"), ASELSAN Malaysia Sdn. Bhd. ("ASELSAN Malaysia"), BİTES Savunma Havacılık ve Uzay Teknolojileri Yazılım A.Ş. ("BİTES"), Aselsan Global Dış Ticaret ve Pazarlama A.Ş. ("ASELSAN GLOBAL"), ASELSAN UKRAINE LLC. ("ASELSAN Ukrayna") and ULAK Haberleşme A.Ş. ("ULAK"). They are collectively referred as the "Group" in the accompanying notes.

The Company has six branch offices; Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi EP Co. ("ASELSAN South Africa"), ASELSAN Balkans ("ASELSAN Balkans"), ASELSAN Kıbrıs İleri Araştırma Merkezi ("ASELSAN N.Cyprus"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Katar ("ASELSAN Qatar"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Poland ("ASELSAN Poland") and ASELSAN Latin Amerika SpA ("ASELSAN Latin Amerika") located in Republic of South Africa, Macedonia, Turkish Republic of Northern Cyprus ("TRNC"), Qatar, Poland and Chile respectively. The branches are also included in the consolidated financial statements.

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 The Basis of Presentation

##### Statement of Compliance to TFRS

The accompanying consolidated financial statements are prepared in accordance with the requirements of CMB Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets" ("Communiqué"), which were published in the Official Gazette No: 28676 on 13 June 2013 and in accordance with the Turkish Financial Reporting Standards ("TFRS") and Interpretations that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The consolidated financial statements have been presented with examples of Financial Statement by the POA. All reports have suited the TFRS formats. The consolidated financial statements are prepared according to historical cost accounting except for the revaluation of land and financial instruments. The consolidated condensed financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with TAS 34 Interim Financial Reporting. The interim condensed financial statements do not contain all the information and explanations that should be included in the annual financial statements and should be read together with the annual consolidated financial statements of the Group as of 31 December 2023.

##### Approval of the Consolidated Financial Statements

These consolidated financial statements have been approved for issue by the Board of Directors with the resolution number 1241 on 10 September 2024. There is no authority other than General Assembly and legal entities that has the right to amend the consolidated financial statements.

##### Functional Currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment ("Functional Currency") in which the entity operates. The Company's reporting currency is Turkish Lira ("TL"). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional, and presentation currency of the Company for the consolidated financial statements. Amounts are expressed in thousands of TL or Foreign Currency unless otherwise stated. Kuruş, Turkish Currency subunit and 1 TL is equal to 100 Kuruş.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2.1 The Basis of Presentation (continued)

##### Preparation of Financial Statements in Hyperinflationary Periods

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Türkiye and preparing their financial statements in accordance with CMB Accounting Standards and therefore the preparation and presentation of financial statements in accordance with International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" is no longer required.

On 23 November 2023, Public Oversight Accounting and Auditing Standards Authority ("POA") announced the application of inflation accounting in Türkiye and according to the announcement, financial statements of entities applying TFRS for the annual reporting period ending on or after 31 December 2023 should be presented as adjusted for the effects of inflation in accordance with the related accounting principles in TAS 29. As of the date of these financial statements, inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 30 June 2024, 31 December 2023 and 30 June 2023.

IAS 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 using the general price index. One of the conditions that require the application of TAS 29 is a three-year cumulative inflation rate of approximately 100% or more. In Türkiye, based on the consumer price index ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"), the cumulative rate was 324% for the three-year period ended 30 June 2024 (31 December 2023: %268).

TAS 29 should also be applied if there are signs of hyperinflation, such as the public keeping their savings predominantly in foreign currencies, prices of goods and services being determined in foreign currencies, interest rates, wages and prices being linked to general price indices, and prices being determined with a maturity difference to compensate for losses in purchasing power, including short-term transactions, although there is no increase in price indices at the level mentioned above.

Adjustments for inflation have been calculated based on the coefficients calculated using the Consumer Price Index in Türkiye published by the Turkish Statistical Institute. As of 30 June 2024, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

<b>Period</b>	<b>Index</b>	<b>Correction Coefficient</b>
30 June 2024	2.319,29	1
31 December 2023	1.859,38	1,24735
30 June 2023	1.351,59	1,71597
31 December 2022	1.128,45	2,05529

##### The main lines of TAS 29 indexation transactions are as follows:

As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant consumer price index coefficients. Prior year amounts are restated in the same way. Financial statements of previous reporting periods have been restated to reflect the current purchasing power of money at the latest balance sheet date. The current period restatement factor has been applied to the prior period financial statements.

Monetary assets and liabilities are not restated because they are expressed in terms of the purchasing power of money at the balance sheet date. Monetary items are cash and items to be received or paid in cash.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2.2 The Basis of Presentation (continued)

Non-monetary assets and liabilities are restated by reflecting the changes in the general price index from the date of acquisition or initial recognition to the balance sheet date in their acquisition costs and accumulated amortization amounts. Accordingly, property, plant and equipment, intangible assets, right-of-use assets and similar assets are restated to their acquisition values, which do not exceed their market values. Depreciation has been restated in a similar manner. Amounts included in shareholders' equity have been restated by applying the consumer price indices for the periods in which such amounts were contributed to or arose within the Company. All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

The gain or loss arising on the net monetary position as a result of general inflation is the difference between the restatement adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

All items presented in the statement of cash flows are restated for the effects of inflation in the measuring unit current at the end of the reporting period. The effect of inflation on cash flows from operating, investing and financial activities is attributed to the related item and the monetary gain or loss on cash and cash equivalents is presented separately.

#### Basis of Consolidation

##### Subsidiaries:

The details of the subsidiaries of the Group are as follows:

Subsidiaries	Location	Functional Currency	Group's proportion of ownership and voting power held (%)		Main Activity
			30 June 2024	31 December 2023	
ASELSANNET	Türkiye	TL	100	100	Communication systems
ASELSAN Baku	Azerbaijan	AZN	100	100	Marketing and sales of the group products
ASELSAN GLOBAL	Türkiye	TL	100	100	Export
ASELSAN Optik	Türkiye	TL	80	80	Sensitive optic technologies
Mikro AR-GE	Türkiye	TL	85	85	Microelectronic R&D projects
ASELSAN Malaysia	Malaysia	MYR	100	100	Remote controlled weapon systems
ASELSAN Konya	Türkiye	TL	51	51	Weapon and weapon systems
BITES	Türkiye	TL	100	100	Defense, Aerospace, Space Technologies, Software
ASELSAN Ukraine	Ukraine	UAH	100	100	Marketing and sales of the group products
ULAK	Türkiye	TL	51	51	Communication systems

## **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **2.1 The Basis of Presentation (continued)**

##### **Basis of Consolidation (continued)**

##### **Subsidiaries (continued):**

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee when if facts and circumstances arise there are changes to one or more of the three elements of control listed above.

Even though the Company has voting rights less than a majority, if it has ability to manage the operation of the investee unintentionally, then the Group assess that it has control over that investee.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- comparison of voting rights of the Group and the others,
- potential voting rights held by the Group, and others,
- rights arising from contractual arrangements; and
- any additional facts and circumstances that indicate the Group has, or does have, the current ability to direct the relevant activities at the time that decisions need to be made (including voting patterns at previous shareholders' meeting).

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Each item of profit or loss and other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to align with the Group accounting policies and the Group's accounting policies.

All intragroup balances, equity, income and expenses, profits and losses and cash flows relating to transactions between members of the Group are eliminated during consolidation.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

#### 2.1 The Basis of Presentation (continued)

##### Basis of Consolidation (continued)

##### Joint Ventures

The details of the Group's interests in joint ventures as of 30 June 2024 and 31 December 2023 are as follows:

Joint Ventures	Principal Activity	Country of establishment and operation	Group's proportion of ownership and voting power held (%)	
			30 June 2024	31 December 2023
Mikro Nano Teknolojileri Sanayi ve Ticaret Anonim Şirketi ("ASELSAN BilKent")	Production of micro and nano sized devices which contains semi-conductive and similar technological materials	Türkiye	50	50
International Golden Group ("IGG") ASELSAN Integrated Systems LLC ("IGG ASELSAN")	Production, integration, sales and technical maintenance service of high technology product	United Arab Emirates	49	49
Kazakhstan ASELSAN Engineering LLP ("ASELSAN Kazakhstan")	Production, sales and technical maintenance service of electronic and electro-optic devices and systems	Kazakhstan	49	49
ASELSAN Middle East PSC ("ASELSAN Jordan")	Production, sales and technical maintenance service of electronic and electro-optic devices and systems	Jordan	49	49
TÜYAR Mikroelektronik Sanayi ve Ticaret Anonim Şirketi ("TÜYAR")	Production of micro and nano-sized devices containing semiconductor	Türkiye	51	51
BARQ QSTP LLC. ("BARQ QSTP LLC.")	Command and control systems, thermal and night vision camera, crypto, remote-controlled weapon systems	Qatar	48	48
Teknohab Teknoloji Geliştirme Bölgesi Yönetici Anonim Şirketi ("TEKNOHAB")	To create investment opportunities in technology intensive areas, provide job opportunities to researchers and skilled people, help technology transfers and facilitate foreign capital to enter our country that will enable high technology	Türkiye	13	13
EHSİM Elektronik Harp Sistemleri Müh. Tic. A.Ş. ("EHSİM")	Electronic Warfare and Tactical Command Systems	Türkiye	50	50
TR Eğitim ve Teknoloji A.Ş. ("TR Eğitim")	Realizing Human Resources studies, Consultancy with respect to HR studies, accreditation services and trainings for every level, educational, cultural, art, sports, fair organizations and digital marketing operations.	Türkiye	35	35
DASAL Havacılık Teknolojileri A.Ş. ("DASAL")	Aviation technologies	Türkiye	49	49
İstanbul Finans ve Teknoloji Merkezi ("İFTÜ")	To establish infrastructure activities for the development of the financial technology ecosystem	Türkiye	44	44
Adıyaman Kablo ve Konnektör A.Ş. ("Adıyaman Kablo")	Services of civil and military cables, connectors and harnesses and similar products and technologies to be offered to national and international markets, especially in the defense industry sector, and to carry out the sales and marketing, import and export of the said products, to provide training, maintenance and after-sales services.	Türkiye	15	--



## **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **2.1 The Basis of Presentation (continued)**

##### **Basis of Consolidation (continued)**

##### **Joint Ventures (continued):**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's joint ventures; EHSİM established in 1998, IGG ASELSAN and ASELSAN Kazakhstan established in 2011, ASELSAN Jordan established in 2012 and ASELSAN Bilkent established in 2014, TÜYAR established in 2017, TEKNOHAB established in 2018, TR Eğitim established in 2019, DASAL Havacılık Teknolojileri A.Ş. established in 2020 and İstanbul Finans ve Teknoloji Üssü A.Ş. established in 2022 were included in the condensed consolidated financial statements by using the equity method. Since BARQ QSTP LLC and Adıyaman Kablo have not started to operate yet, there is no material consolidation effect on the Group's financial statements.

#### **2.2 Comparative Information and Restatement of Prior Period Consolidated Financial Statements**

In order to determine the financial position and performance trends, the Group's consolidated financial statements are presented comparatively with the corresponding figures. For the purpose of having consistency with the current term's presentation of consolidated financial statements, comparative information is reclassified and significant differences are explained if necessary.

#### **2.3 Accounting Policies, Changes in Accounting Estimates and Errors**

Significant changes in accounting policies and errors are applied retrospectively and prior period financial statements are restated, changes in accounting estimates are reflected to the financial in current period profit/loss.

When change in estimate in accounting policies are related with only one period, changes are applied on the current period but if the estimated changes are for the following periods, changes are applied both on the current and following periods prospectively.

## **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **2.4 New and Revised Turkish Accounting Standards**

The accounting policies adopted in preparation of the consolidated financial statements as at 30 June 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2024 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

**a) The new standards, amendments and interpretations which are effective as at 1 January 2024 are as follows:**

##### **Amendments to TAS 1 – Non-Current Liabilities with Covenants**

On 20 December 2022, POA issued amendments to TAS 1 Non-Current Liabilities with Covenants. The amendments set out in ‘Non-current Liabilities with Covenants (Amendments to TAS 1)’ state that at the reporting date, the entity doesn't need to consider covenants to be complied with in the future, when considering the classification of the debt as current or non-current. Instead, the entity should disclose information about these covenants in the notes to the financial statements. With these changes, aims to help investors understand the risk that such debt could become repayable early and therefore, has improved the information being provided on the long-term debt.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

##### **Amendments to TFRS 16 – Lease Liability in a Sale and Leaseback**

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the sellerlessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8.

A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

## **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **2.4 New and Revised Turkish Accounting Standards (continued)**

##### **a) The new standards, amendments and interpretations which are effective as at 1 January 2024 are as follows (continued)**

###### **Amendments to TMS 7 and TFRS 7 – Supplier Finance Arrangements**

On 19 September 2023, POA issued amendments to TMS 7 and TFRS 7 Supplier Finance Arrangements.

With these amendments, companies are expected to disclose the following regarding supplier finance agreements:

- The terms and conditions of the arrangements,
- The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement. The carrying amounts, and associated line items, of the financial liabilities for which suppliers have already received payment from the finance providers,
- The range of payment due dates,
- Liquidity risk disclosures.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2024, with early application permitted. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

###### **Amendments to TMS 12 Income Taxes – International Tax Reform Pillar Two Model Rules**

On 19 September 2023, POA issued amendments to Amendments to TMS 12 Income Taxes - International Tax Reform Pillar Two Model Rules.

With amendments to the International Tax Reform Pillar Two Model Rules, to provide a better understanding of a company's income tax exposure resulting from the Pillar Two Model, additional disclosure obligations have been imposed on companies. As an exception to the requirements in TMS 12, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The exception which are recognized in International Tax Reform Pillar Two Model Rules are applicable immediately however, companies must make disclosures for annual reporting periods beginning on 1 January 2024. The amendments did not have a significant impact on the consolidated financial position and performance of the Group.

##### **b) Standards Issued But Not Yet Effective and Not Early Adopted as of 30 June 2024**

###### **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. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of IAS 21.

## **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **2.4 New and Revised Turkish Accounting Standards (continued)**

##### **b) Standards Issued But Not Yet Effective and Not Early Adopted as of 30 June 2024 (continued)**

###### **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;**

Effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The Group is assessing the potential impact on its consolidated financial statements resulting from IFRS S1.

###### **IFRS S2, 'Climate-related disclosures';**

Effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The Group is assessing the potential impact on its consolidated financial statements resulting from IFRS S2.

##### **c) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by POA**

The following amendments which are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

###### **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
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

###### **IFRS 19 Subsidiaries without Public Accountability: Disclosures;**

Effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. 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.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 3. CASH AND CASH EQUIVALENTS

	<b>30 June 2024</b>	<b>31 December 2023</b>
Cash	967	1.127
Bank		
- <i>Time deposits</i>	1.666.060	7.884.887
- <i>Demand deposits</i>	160.184	341.169
Other	89.034	6.642
<b>Cash and cash equivalents on the cash flow statement</b>	<b>1.916.245</b>	<b>8.233.825</b>
Interest income accruals	2.487	11.168
	<b>1.918.732</b>	<b>8.244.993</b>

As of 30 June 2024, the Group has time deposits denominated in foreign currencies with maturities on July 2024 (31 December 2023: January 2024), with the interest rates between 1,75 percent and 2,75 percent (31 December 2023: 2,50 percent and 3,50 percent) amounting to TL 175.214 (31 December 2023: TL 2.530.564) in several banks.

As of 30 June 2024, the Group has time deposits denominated in TL terms with maturities on July 2024 (31 December 2023: January 2024) with the interest rates between 48 percent and 50 percent (31 December 2023: 41,50 percent and 42 percent) amounting to TL 1.490.846 (31 December 2023: TL 5.354.323) in several banks.

## **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### **4. RELATED PARTY DISCLOSURES**

Transactions between the Company and its subsidiaries which are related parties of the Company have been eliminated on consolidation, therefore have not been disclosed in this note.

The trade receivables from related parties generally arise from sales activities with maturity of 1 year.

The trade payables to related parties generally arise from the purchase activities with maturities of 1-4 months.

Total amount of salaries and other short-term benefits paid for key management for the period ended 30 June 2024 is approximately TL 136.641 (The vast majority consists of paid wages and benefits.) (30 June 2023: TL 122.209).

The details of transactions between the Group and other related parties are disclosed in the following pages.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

#### 4. RELATED PARTY DISCLOSURES (continued)

	30 June 2024									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
Balances with related parties	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables <sup>1</sup>	Trading	Deferred Income
<b>Main shareholder</b>										
TSKGV	4	--	--	--	--	--	--	378.175	--	--
<b>Main shareholder’s subsidiaries and associates</b>										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	55.298	340.295	--	12.857	46.654	258.249	12.660	--	--	1.839
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	6.147	222.658	--	--	--	218.138	839	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	175.901	--	--	46.740	47.147	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	15.433	--	--	21.957	98.634	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	52.697	15.705	--	530.565	--	6.031	42.609	--	--	114.390
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	3.086.109	--	--	2.415.990	--	868	253.734	--	--	192.404
<b>Financial Instruments</b>										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPİLSAN”)	1	24.286	--	--	--	25.812	4.697	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	2.933.898	277.591	41.450	330.229	814.928	1.803.492	308.807	--	--	73.915
<b>Joint ventures and its related parties</b>										
ASELSAN Bilkent Mikro Nano	--	210.824	--	--	60.665	27.227	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	5.784	--	--	--	904	--	--	--	--
IGG	35.680	--	--	4.236	--	--	--	--	--	3.532
IGG ASELSAN	15.380	36.730	--	--	--	23.059	--	--	--	--
ASELSAN Kazakistan	395.022	--	--	60.476	--	268	41.226	--	--	--
ASELSAN Jordan	117.122	--	--	--	--	25.587	5.861	--	--	13.205
TÜBİTAK BİLGEM	--	63.978	--	--	24.436	75.131	--	--	--	--
TÜBİTAK-UME	--	836	--	--	--	224	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	22.789	37.780	--	279.692	1.218	--	5.528	--	--	--
TÜBİTAK SAGE Savunma Sanayii	25.813	252.143	--	9.707	20.936	98.864	361	--	--	--
Savunma Sanayii Başkanlığı (“SSB”)	5.106.165	--	--	24.234.675	--	--	2.676.870	--	--	4.569.136
SSTEK	3	--	--	--	--	--	2.570.041	--	--	16.470
EHSİM	--	134.673	--	--	18.855	12.328	--	--	--	--
DASAL	--	--	--	--	--	1.131	--	--	--	--
TR Eğitim	--	--	--	--	--	9.233	--	--	--	--
<b>Shares offered to the public</b>								131.825		
	<b>11.852.128</b>	<b>1.814.617</b>	<b>41.450</b>	<b>27.878.427</b>	<b>1.056.389</b>	<b>2.732.327</b>	<b>5.923.233</b>	<b>510.000</b>	--	<b>4.984.891</b>

<sup>1</sup> All other short term payable is 2023 dividend payments.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

#### 4. RELATED PARTY DISCLOSURES (continued)

	31 December 2023									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables <sup>1</sup>	Trading	Deferred Income
<b>Balances with related parties</b>										
<b>Main shareholder</b>										
TSKGV	144	--	--	--	--	--	--	332.976	--	--
<b>Main shareholder’s subsidiaries and associates</b>										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	100.608	364.073	--	19.600	55.243	506.929	--	--	--	--
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	11.133	254.648	--	--	5.471	219.040	1.397	--	--	708
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	274.772	--	--	--	97.041	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	44.552	--	--	13.719	232.578	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	677.861	25.042	--	482.568	--	31.636	--	--	--	242.554
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	2.184.874	--	--	2.145.144	--	904	166.198	--	--	192.737
<b>Financial Instruments</b>										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPİLSAN”)	615	50.837	--	--	--	95.326	5.859	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	2.541.317	185.167	--	378.206	1.591.872	2.201.368	304.152	--	--	89.084
<b>Joint ventures and its related parties</b>										
ASELSAN Bilkent Mikro Nano	--	245.775	--	--	26.885	118.821	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	37	6.664	--	--	--	16.483	--	--	--	--
IGG	321.626	--	--	5.283	--	0	--	--	--	--
IGG ASELSAN	42.938	32.396	--	--	4.524	26.520	--	--	--	--
ASELSAN Kazakistan	480.364	--	--	--	--	300	56	--	--	21
ASELSAN Jordan	176.713	--	--	--	--	45.786	7.094	--	--	--
TÜBİTAK BİLGEM	--	96.648	--	--	12.769	72.730	--	--	--	--
TÜBİTAK-UME	--	843	--	--	--	674	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	37.427	9662	--	205.049	1.796	15.885	27.531	--	--	15.778
TÜBİTAK SAGE Savunma Sanayii	13.695	346.987	--	--	55.296	269.439	6.175	--	--	--
Savunma Sanayii Başkanlığı (“SSB”)	4.693.997	--	--	26.571.650	--	--	2.538.012	--	--	3.625.276
SSTEK	--	--	--	--	--	--	184.505	--	--	403.104
EHSİM	--	13.791	--	--	18.398	33.343	--	--	--	--
DASAL	--	--	--	--	--	9.842	--	--	--	--
TR Eğitim	--	--	--	--	--	193	--	--	--	--
	<b>11.283.349</b>	<b>1.951.857</b>	--	<b>29.807.500</b>	<b>1.785.973</b>	<b>3.994.838</b>	<b>3.240.979</b>	<b>332.976</b>	--	<b>4.569.262</b>

<sup>1</sup> All other short term payable is 2022 dividend payments.



## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

### 4. RELATED PARTY DISCLOSURES (continued)

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
<b>Transactions with related parties</b>	<b>Purchases</b>	<b>Purchases</b>	<b>Purchases</b>	<b>Purchases</b>
<b><u>Main Shareholder</u></b>				
TSKGV	934	445	2.037	986
<b><u>Main shareholder’s shareholders/subsidiaries/associates</u></b>				
NETAŞ	92.920	61.127	142.571	120.487
İŞBİR	105.267	56.281	240.917	105.012
HTR	432.992	239.840	202.790	109.759
TUSAŞ	353	97	17.583	--
HAVELSAN	64.227	54.672	75.852	28.403
STM	6.075	2.837	8.215	4.845
<b><u>Financial Investments</u></b>				
ROKETSAN	182	182	40.750	40.750
ASPİLSAN	86.266	45.405	33.430	19.926
<b><u>Joint ventures and its related parties</u></b>				
İHSAN DOĞRAMACI BİLKENT ÜNİVERSİTESİ	1.348	765	18.746	18.746
TÜBİTAK BİLGEM	82.869	1.009	101.609	66.574
TÜBİTAK-UME	781	244	1.454	590
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	2.586	--	--	--
DASAL	2.499	2.499	6.307	6.307
TÜBİTAK SAGE SAVUNMA SANAYİİ	201.456	73.166	45.648	37.372
	<b>1.080.755</b>	<b>538.569</b>	<b>937.909</b>	<b>559.757</b>
	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
<b>Transactions with related parties</b>	<b>Sales</b>	<b>Sales</b>	<b>Sales</b>	<b>Sales</b>
<b><u>Main Shareholder</u></b>				
TSKGV	213	165	622	285
<b><u>Main shareholder’s shareholders/subsidiaries /associates</u></b>				
TUSAŞ	7.817.445	4.272.881	4.655.406	4.244.658
STM	2.602.971	1.052.941	775.645	482.216
HAVELSAN	36.339	25.174	90.454	85.932
HTR	17.239	5.764	10.553	8.398
TEI	--	--	36.255	36.255
İŞBİR	--	--	6.187	6.187
<b><u>Financial Investments</u></b>				
ROKETSAN	1.352.450	719.186	1.287.713	1.026.967
ASPİLSAN	114	--	1.332	--
<b><u>Joint ventures and its related parties</u></b>				
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	74.452	41.718	51.809	25.138
TÜBİTAK SAGE SAVUNMA SANAYİİ	32.538	--	18.161	4.033
SAVUNMA SANAYİİ BAŞKANLIĞI	34.516.148	21.460.057	38.449.897	29.891.432
SSTEK	39.327	27.398	182.134	8.418
	<b>46.489.236</b>	<b>27.605.284</b>	<b>45.566.168</b>	<b>35.819.919</b>

Transactions with related parties are generally related to the purchases and sales of goods and services related to projects under TFRS 15 “Revenue from Contracts with Customers”.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

**5. TRADE RECEIVABLES AND PAYABLES****a) Trade receivables**

Details of the Group's trade receivables are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Short-term trade receivables</b>		
Trade receivables	13.653.681	14.355.154
Trade receivables from related parties (Note 4)	11.852.128	11.283.349
Notes receivable	41.614	30.766
Other receivables	13.368	17.486
Doubtful trade receivables	56.786	66.081
Allowance for doubtful trade receivables (-)	(56.786)	(66.081)
	<b>25.560.791</b>	<b>25.686.755</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Long-term trade receivables</b>		
Unbilled receivables from contracts with customers	7.464.942	8.818.977
Trade receivables	726.232	801.304
Unbilled receivables from contracts with customers - Related party (Note 4)	27.875.539	29.804.269
Trade receivables from related parties (Note 4)	2.888	3.231
	<b>36.069.601</b>	<b>39.427.781</b>

The movement for the Group's allowance for doubtful receivables is as follows:

	<b>30 June 2024</b>	<b>30 June 2023</b>
Opening balance	66.081	62.316
Provision for the period	3.809	34.138
Monetary gain/(loss)	(13.104)	(10.288)
<b>Closing balance</b>	<b>56.786</b>	<b>86.166</b>

**b) Trade payables**

Details of The Group's trade payables are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Short-term trade payables</b>		
Trade payables	9.171.137	12.898.152
Due to related parties (Note 4)	2.732.327	3.994.838
Notes payable	441.647	1.352.353
Other trade payables	124.641	295.307
	<b>12.469.752</b>	<b>18.540.650</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Long-term trade payables</b>		
Other trade payables	--	7.600
Notes Payable	--	86.576
	<b>--</b>	<b>94.176</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

**6. INVENTORIES**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Raw materials	23.948.216	23.021.465
Work-in progress	10.577.075	11.494.937
Goods in transit <sup>1</sup>	14.521	2.163.047
Finished goods	2.042.703	2.701.248
Other inventories	599.447	206.508
Trade goods	612.379	643.216
Allowance for impairment on inventories (-)	(29.066)	(95.357)
	<b>37.765.275</b>	<b>40.135.064</b>

The Group provides an allowance for impairment on inventories when the inventories net realizable values are lower than their costs or when they are determined as slow-moving inventories.

The Group has identified raw material, work-in progress and finished goods inventories below net realizable value within the current year.

Impaired inventory movements for the period ended in 30 June are as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	95.357	112.150
Provision for the period	45.355	34.950
Provision unrealised	(111.646)	(86.146)
<b>Closing balance</b>	<b>29.066</b>	<b>60.954</b>

<sup>1</sup> Goods in transit includes the goods for which significant risks and rewards of ownership has been transferred to the Group due to their shipping terms.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

**7. PREPAID EXPENSES AND DEFERRED INCOME**

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Short-term prepaid expenses</b>		
Order advances given for inventory purchases	8.761.143	7.121.492
Short-term order advances given to related parties for inventory purchases (Note 4)	1.814.617	1.951.857
Work advances	736.724	396.673
Prepaid expenses	2.471.383	1.871.124
	<b>13.783.867</b>	<b>11.341.146</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Long-term prepaid expenses</b>		
Long-term order advances given to related parties for inventory purchases (Note 4)	1.056.389	1.785.973
Order advances given for inventory purchases	339.718	176.306
Order advances given for fixed assets purchases	234.701	342.375
Prepaid expenses	633.978	763.029
	<b>2.264.786</b>	<b>3.067.683</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Short-term deferred income</b>		
Order advances received	2.455.036	3.398.447
Order advances received from related parties (Note 4)	5.923.233	3.240.979
Deferred income	3.222.514	4.448.667
	<b>11.600.783</b>	<b>11.088.093</b>

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Long-term deferred income</b>		
Order advances received	2.274.535	2.525.149
Order advances received from related parties (Note 4)	4.984.891	4.569.262
Deferred income	896.684	275.810
	<b>8.156.110</b>	<b>7.370.221</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

**8. PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Property, Plant and Equipment</b>	<b>Intangible Assets</b>
Opening balance as of 1 January 2024	50.291.641	25.219.426
Additions	1.873.763	6.926.643
Disposals	(1.397.214)	(3.417.489)
<b>Closing balance as of 30 June 2024</b>	<b>50.768.190</b>	<b>28.728.580</b>
<b>Accumulated Depreciation and Amortisation</b>		
Opening balance as of 1 January 2024	20.692.387	10.066.966
Change for the period <sup>1</sup>	1.168.318	405.939
Disposals	(1.071.786)	(164.887)
<b>Closing balance as of 30 June 2024</b>	<b>20.788.919</b>	<b>10.308.018</b>
<b>Net book value as of 30 June 2024</b>	<b>29.979.271</b>	<b>18.420.562</b>
<b>Net book value as of 31 December 2023</b>	<b>29.599.254</b>	<b>15.152.460</b>
<b>Cost</b>		
Opening balance as of 1 January 2023	40.942.626	19.954.609
Additions	2.461.918	8.002.913
Disposals	(251.695)	(5.218.692)
<b>Closing balance as of 30 June 2023</b>	<b>43.152.849</b>	<b>22.738.830</b>
<b>Accumulated Depreciation and Amortisation</b>		
Opening balance as of 1 January 2023	17.923.460	8.565.000
Change for the period	1.060.542	726.698
Disposals	(227.985)	(60.217)
<b>Closing balance as of 30 June 2023</b>	<b>18.756.017</b>	<b>9.231.481</b>
<b>Net book value as of 30 June 2023</b>	<b>24.396.832</b>	<b>13.507.349</b>
<b>Net book value as of 31 December 2022</b>	<b>23.019.166</b>	<b>11.389.609</b>

In accordance with TFRS 13 “Fair Value Measurement” standard, fair values of the lands are considered as level three of fair value hierarchy, since measurement techniques do not include observable market inputs.

<sup>1</sup> The amount of amortization related to inventories are TL 161.266 in the year 2024 (June 2023: TL 196.597)

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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**9. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES****a) Provisions**

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Other short-term provisions</b>		
Provision for warranties <sup>1</sup>	2.767.437	3.473.433
Provision for onerous contracts	224.688	269.632
Provision for delay penalties <sup>2</sup>	1.359.750	1.500.622
Sales commission	4.758	5.935
Provision for legal cases	35.244	45.389
Provision for cost expenses	149.729	185.186
Other	12.594	13.920
	<b>4.554.200</b>	<b>5.494.117</b>
<b>Other long-term provisions</b>		
Provision for delay penalties	334.056	416.683
Provision for onerous contracts	3.657.194	4.323.590
	<b>3.991.250</b>	<b>4.740.273</b>

**b) Legal cases**

There has not been any final judicial decision against the Group due to the responsibility related with work accidents within 2024.

As of the dates 30 June 2024 and 31 December 2023, according to the declarations written by the legal counselors, the lawsuits and legal executions in favor of and against the Group are as follows:

	<b>2024</b>	<b>2023</b>
<b>Description</b>		
a) Ongoing lawsuits filed by the Group	41.691	49.295
b) Execution proceedings carried out by the Group	715.460	829.370
c) Ongoing lawsuits filed against the Group	35.244	36.290
d) Executions against the Group	12.055	18.213
e) Lawsuits finalized against the Group within the period	3.411	11.051
f) Lawsuits finalized in favor of the Group within the period	3.054	8.625

- a) Ongoing lawsuits filed by the Group are comprised of lawsuits for patents, trademarks and lawsuits filed by the Group due to the disagreements related to previous lawsuits. These lawsuits will not be recognised in the financial statements until they are finalized.
- b) Execution of proceedings carried out by the Group are comprised of lawsuits that would result in favor of the Group that will be recognised as revenue under "Other Operating Income" line when they are collected.
- c) The Company made provisions for all lawsuits filed against the Group and recognised as "Provisions" in the statement of financial position and "Other Operating Expense" in the statement of profit or loss and other comprehensive income.
- d) Executions against the Group are not included in Financial Statements.
- e) Lawsuits finalized against the Group are recognised in the statement of profit or loss to the extent that the amount differs from the amount previously provided. Amounts in excess of the amount previously provided are recognised under 'Other Operating Expense' when the penalty is paid.
- f) Lawsuits finalized in favor of the Group are recognised in statement of profit or loss and other comprehensive income under "Other Operating Income" line when the final judgement is determined.

<sup>1</sup> The Group's provision for warranty is based on sales under warranty are estimated in accordance with historical data. Provision for warranty is calculated by using warranty rate included in the contract as long as the invoice issued throughout the life of the Contract

<sup>2</sup> Provision for delay penalties and fines are calculated in accordance with interest rates mentioned in the agreement for default and within the client's knowledge.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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### 10. TAX

"Deferred Tax Assets" of the Group as of 30 June 2024 is TL 5.528.921. The amount is comprised of the items below.

	<b>30 June 2024</b>	<b>31 December 2023</b>
Carried Forward R&D Incentives Effect	7.253.885	4.426.041
Temporary Differences	(1.724.964)	(3.529.697)
<b>Deferred Tax Assets - Net</b>	<b>5.528.921</b>	<b>896.344</b>

The earnings gained within the scope of Technology Development Zones Law numbered 4691 and the Support of Research and Development Activities Law numbered 5746 were exempted from corporate tax until 31 December 2028.

Forecasts and expected duration of research and development incentives are considered in calculating deferred tax asset.

In accordance with the law numbered 5746 pertaining to 1 January-30 June 2024 period the Group has calculated "Deferred Tax Asset" amounting to TL 7.253.885 from Research and Development expenses comprising "Outstanding Research and Development Deductions".

	<b>30 June 2024</b>	<b>30 June 2023</b>
Profit before tax from continuing operations	(970.246)	1.588.323
Tax (expense)/income recognized in profit or loss	4.616.230	(20.793)
Effective tax rate	(%476)	(%1)

Effective tax rate is calculated by dividing profit before tax from continuing operations to net tax income recognized in profit or loss.

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### 11. COMMITMENTS AND CONTINGENCIES

#### a) Guarantees received

	<b>30 June 2024</b>	<b>31 December 2023</b>
Letters of guarantees received from the suppliers	8.783.325	11.282.789
Collaterals received from the customers	646.896	748.246
Letters of guarantees received from the customers	35.060	33.238
Collaterals received from the suppliers	1.146.674	1.244.030
Letters of guarantees received from the suppliers	120.547	37.725
	<b>10.732.502</b>	<b>13.346.028</b>

#### b) Collaterals / Pledges / Mortgages ("CPM") given

The collaterals/pledges/mortgages ("CPM") given by the Group as of 30 June 2024 and 31 December 2023 is as follows:

In accordance with the terms of the Patrol and Anti-Submarine Warfare Ship Projects ("MİLGEM"), the Company is a guarantor if HAVELSAN cannot fulfill the obligations in this project of an amount of USD 294.118.



## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 June 2024, unless otherwise indicated.)

#### 11. COMMITMENTS AND CONTINGENCIES (continued)

##### c) Guarantees given

30 June 2024	TL Equivalent	TL	USD	EURO	Rumen Leyi	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	13.715.441	1.926.095	251.633	99.530	4.004	535
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	140.514	--	--	4.000	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
D. Total amount of other CPM given						
i. Total Amount of CPM on behalf of the main partner						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C <sup>1</sup>						
-Collateral	41.689	--	1.270	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
<b>Total</b>	<b>13.897.644</b>	<b>1.926.095</b>	<b>252.903</b>	<b>103.530</b>	<b>4.004</b>	<b>535</b>

<sup>1</sup> The ratio of the other CPM given by the Group to equity as of 30 June 2024 is 0,04 percent. TL 41.689 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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### 11. COMMITMENTS AND CONTINGENCIES (continued)

#### c) Guarantees given (continued)

31 December 2023	TL Equivalent	TL	USD	EURO	Rumen Leyi	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	19.028.197	1.701.037	304.953	149.406	6.952	535
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	162.524	--	--	4.000	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
D. Total amount of other CPM given						
i. Total Amount of CPM on behalf of the main partner						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C <sup>1</sup>						
-Collateral	77.845	--	2.120	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
<b>Total</b>	<b>19.268.566</b>	<b>1.701.037</b>	<b>307.073</b>	<b>153.406</b>	<b>6.952</b>	<b>535</b>

<sup>1</sup> The ratio of the other CPM given by the Group to equity as of 31 December 2023 is 0,07 percent. TL 77.845 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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### 12. EMPLOYEE BENEFITS

#### a) Short-term provisions for employee benefits

	<b>30 June 2024</b>	<b>31 December 2023</b>
Provision for vacation pay and overtime	952.714	875.198
Bonus provision	--	1.117.757
	<b>952.714</b>	<b>1.992.955</b>

As of 30 June the movement of the provision for vacation pay and overtime is as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	875.198	692.653
Provision for the period	385.856	556.785
Provision paid during the period	(103.997)	(112.723)
Provision realized during the period	(30.793)	(22.966)
Monetary gain/(loss)	(173.550)	(209.827)
<b>Closing balance</b>	<b>952.714</b>	<b>903.922</b>

#### b) Long-term provisions for employee benefits

	<b>30 June 2024</b>	<b>31 December 2023</b>
Provision for severance pay	1.084.533	1.326.275
	<b>1.084.533</b>	<b>1.326.275</b>

As of 30 June the movement of severance and retirement pays are as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	1.326.275	1.190.827
Actuarial Loss/Gain	12.805	305.929
Interest cost	16.543	14.745
Service cost	70.499	100.954
Payments	(78.591)	(107.412)
Monetary gain/(loss)	(262.998)	(196.562)
<b>Closing balance</b>	<b>1.084.533</b>	<b>1.308.481</b>

#### Provision for severance pay:

In accordance with the Labor Law Legislations, the Group is obliged to make legal severance indemnity payments to entitled employees whose employment has been terminated. Furthermore, with regard to Social Security Law numbered 506 dated 6 March 1981, number 2422 dated 25 August 1999 and law numbered 4447, article 60 denotes the legal obligation to make severance payments to all employees who are entitled to indemnity by the date of leave of employment.

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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### 12. EMPLOYEE BENEFITS (continued)

#### Provision for severance pay (continued)

Certain provisions regarding services before retirement, has been annulled on 23 May 2002 during the revision of the related law. As of 30 June 2024 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 35.058,58 (31 December 2023: TL 35.058,58)

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

Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>(%)</b>	<b>(%)</b>
Interest rate	25,50	25,50
Inflation rate	21,70	21,70
Discount ratio	3,12	3,12
Estimation of probability of retirement ratio	94	94

## ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

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### 13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

#### Capital

<u>Shareholders</u>	<u>Share (%)</u>	<u>30 June 2024</u>	<u>Share (%)</u>	<u>31 December 2023</u>
TSKGV	74,20	3.383.302	74,20	3.383.302
Publicly held	25,80	1.176.698	25,80	1.176.698
Nominal capital	100	4.560.000	100	4.560.000
Share capital adjustment		20.286.172		20.286.172
<b>Inflation adjusted capital</b>		<b>24.846.172</b>		<b>24.846.172</b>

The Group's nominal capital is TL 4.560.000 comprising 4.560.000.000 shares each of which is TL 1. A total of 2.421.818.182 of the shares constitutes "Group A" and 2.138.181.818 of the shares constitutes "Group B" shares. All of the shares are nominative. "Group A" shares are privileged nominative shares and 6 Members of the Board of Directors are assigned from the holders of nominative "Group A" type shareholders or from the ones nominated by "Group A" type shareholders. Moreover, the Board of Directors shall be authorized in matters regarding issuing preferred shares or issuing shares above the nominal values. Regarding capital increases by restricting preemptive rights, the shares to be issued shall be "Group B". In accordance with the CMB's legislation, other Members of the Board of Directors, not including elected Independent Members of the Board of Directors, are assigned from nominative "Group A" shareholders or elected from among candidate nominated by "Group A" shareholders.

#### Restricted reserves

In accordance with Capital Markets Board's Communique Serial II No:19.1 "Share of Profit", effective as of 1 February 2014, and with regard to the Turkish Commercial Code ("TCC"), legal reserves in publicly held companies will be generated by 5 percent of income until it reaches 20 percent of paid-in share capital. After the 5 percent of the dividend is paid to shareholders, 10 percent of the total distributed to shareholders and employees can be added in the other legal reserve. Under the TCC, the legal reserves can be used only to offset losses for the going concern of the company or to prevent unemployment as long as the amount does not exceed 50 percent of the paid-in capital.

#### Retained Earnings

Accumulated profits apart from net profit for the year and extraordinary reserves which is accumulated profit by nature are shown under retained earnings.

#### Profit distribution

Publicly traded companies perform dividend distribution in accordance with Capital Markets Board's Communique Serial II No: 19.1 "Share of Profit", effective as of 1 February 2014.

Shareholders, distribute dividend with general assembly decision, within the context of profit distribution policies set by general assembly and related regulations. As part of the communique, no specific minimum distribution ratio is indicated. Companies pay dividend as defined in their articles of association or dividend distribution policies.

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### 13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (continued)

#### Retained Earnings (continued)

As a result of the 49th Ordinary General Assembly Meeting of the Company held on 14 June 2024; of the net profit for the period obtained from its activities in 2023;

- In accordance with Article 519/(1) of the Turkish Commercial Code, General Legal Reserves amounting to TL 456.000.000,- is going to be allocated,

- Out of net distributable profit to the shareholders for the period, calculated in the framework of the dividend distribution regulations and decisions of the Capital Markets Board, gross, TL 510.000.000,- (Kuruş 11,184211 per share of TL 1 and 11,184211% on the basis of the capital) (net TL 459.000.000,- Kuruş 10,06579 per share of TL 1 and 10,06579% on the basis of the capital) shall be distributed in the form of cash,

- In accordance with Article 519/2 of the Turkish Commercial Code, General Legal Reserves amounting to TL 28.200.000,- is going to be allocated,

- The remaining profit is going to be allocated as Extraordinary Legal Reserves,

and distribution of the cash dividends to the shareholders is decided to be distributed as of 25 November 2024.

### 14. REVENUE AND COST OF SALES

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
<b>a) Revenue</b>				
Domestic sales	30.883.069	17.489.931	29.226.382	14.830.382
Export sales	4.835.626	1.817.312	3.768.304	2.552.763
	<b>35.718.695</b>	<b>19.307.243</b>	<b>32.994.686</b>	<b>17.383.145</b>
<b>Revenue Recognized Regarding Performance Obligation</b>				
Over time	26.410.083	12.761.874	23.615.221	10.623.702
Point in time	9.308.612	6.545.369	9.379.465	6.759.443
	<b>35.718.695</b>	<b>19.307.243</b>	<b>32.994.686</b>	<b>17.383.145</b>
<b>b) Cost of Sales (-)</b>				
Cost of raw materials and supplies (-)	17.756.264	8.960.408	16.365.558	8.368.697
Cost of merchandise goods sold (-)	910.079	309.317	553.470	321.556
Cost of services sold (-)	4.856.382	2.944.251	5.278.634	2.813.835
Cost of other sales (-)	786.229	432.357	615.570	316.010
	<b>24.308.954</b>	<b>12.646.333</b>	<b>22.813.232</b>	<b>11.820.098</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

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**15. OTHER OPERATING INCOME AND EXPENSES**

	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
<b>a) Other Operating Income</b>				
Foreign currency exchange differences from operations	6.636.827	1.585.285	20.633.236	15.573.664
Amortized cost effect of trade payables	873.325	(53.154)	858.452	6.898
Other income	1.006.782	710.705	103.298	34.167
	<b>8.516.934</b>	<b>2.242.836</b>	<b>21.594.986</b>	<b>15.614.729</b>
<b>b) Other Operating Expense (-)</b>				
Foreign currency exchange differences from operations	4.809.635	1.386.554	10.266.950	6.550.592
Amortized cost effect of trade receivables	615.598	150.737	1.008.748	599.031
Other expense and losses	1.059.737	596.900	459.696	189.878
	<b>6.484.970</b>	<b>2.134.191</b>	<b>11.735.394</b>	<b>7.339.501</b>

**16. FINANCIAL INCOME**

	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Interest income	284.194	77.475	327.468	101.192
Foreign currency exchange gain from bank loans	169.493	84.313	392.850	88.540
	<b>453.687</b>	<b>161.788</b>	<b>720.318</b>	<b>189.732</b>

**17. FINANCIAL EXPENSES**

	<b>1 January- 30 June 2024</b>	<b>1 April- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2023</b>
Interest cost of borrowings	1.686.377	925.615	965.649	543.890
Foreign currency exchange losses from bank loans	1.503.679	287.472	5.767.058	4.940.267
Interest cost related with employee benefits	16.543	16.543	25.302	25.302
	<b>3.206.599</b>	<b>1.229.630</b>	<b>6.758.009</b>	<b>5.509.459</b>

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### 18. EARNINGS PER SHARE

Earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period. The Group does not have diluted shares.

For the 30 June 2024 and 2023 earnings per share calculations are as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Number of shares outstanding (in thousands)	4.560.000	4.560.000	2.280.000	2.280.000
Net profit – TL	3.798.882	2.277.136	1.580.190	2.624.768
<b>Earnings per 100 shares (Kuruş)</b>	<b>83,31</b>	<b>49,94</b>	<b>69,31</b>	<b>115,12</b>
<b>Diluted Earnings per 100 shares (Kuruş)</b>	<b>83,31</b>	<b>49,94</b>	<b>69,31</b>	<b>115,12</b>

### 19. FINANCIAL LIABILITIES

#### Financial Liabilities

		30 June 2024	31 December 2023
Short-term financial liabilities	Unsecured loan	18.827.928	13.808.068
Other short-term financial liabilities	Unsecured loan	909.501	775.199
Current portion of long-term financial liabilities	Unsecured loan	6.521.182	8.877.204
<b>Total short-term financial liabilities</b>		<b>26.258.611</b>	<b>23.460.471</b>
Other long-term financial liabilities	Unsecured loan	629.129	1.409.004
<b>Total long-term financial liabilities</b>		<b>629.129</b>	<b>1.409.004</b>
<b>Total financial liabilities</b>		<b>26.887.740</b>	<b>24.869.475</b>

As of 30 June 2024, TL 6.604.139 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between August 2024 and May 2025 and the interest rates between 4,29 percent and 5,20 percent. As of 30 June 2024, TL 7.263.172 of financial debts within short-term borrowings consist of USD Rediscount Foreign Currency Loans, which have maturity dates due between July 2024 and October 2024 and the interest rate is between 5,25 percent and 6,95 percent. As of 30 June 2024, TL 4.960.617 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between July 2024 and April 2025 and the interest rates between 24,08 percent and 27,50 percent.

As of 30 June 2024, there are TL 2.353.609 Rediscount EUR Loans within the short-term borrowings, which have maturity dates due between July 2024, and the interest rates between 8,85 percent and 9,10 percent. As of 30 June 2024, there are TL 3.667.573 Rediscount USD Loans within the short-term borrowings, which have maturity dates due between August 2024 and February 2025, and the interest rates between 5,25 percent and 9,00 percent.



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### 19. FINANCIAL LIABILITIES (continued)

#### Financial Liabilities (continued)

As of 30 June 2024, TL 500.000 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between October 2024 and November 2024 and the interest rates 10,50 percent.

As of 30 June 2024, TL 845.223 of remaining short-term financial debts consist of credit card debts with a maturity of 45 days with 1,00 percent interest rate to pay social security payments. As of 30 June 2024, TL 64.278 of current portion of long-term financial liabilities were taken within the scope of investment credit, which have maturity dates due July 2024, and the interest rates 15 percent. As of 30 June 2024, TL 629.129 of financial debts included in the long-term borrowings were taken within the scope of investment credit, which have maturity dates due October 2025 and the interest rate is between 21 percent and 24 percent.

As of 31 December 2023, TL 5.830.096 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between January 2024 and December 2024 and the interest rates between 4,39 percent and 6,50 percent. As of 31 December 2023, TL 1.944.884 of financial debts within short-term borrowings consist of USD Rediscount Foreign Currency Loans, which have maturity dates due between January 2024 and October 2024 and the interest rate is between 6,95 percent and 7,92 percent.

As of 31 December 2023, TL 6.033.088 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between May 2024 and November 2024 and the interest rates between 14 percent and 27,50 percent. As of 31 December 2023, there are TL 3.399.455 Rediscount EUR Loans within the short-term borrowings, which have maturity dates due between July 2024 and September 2024, and the interest rates between 8,85 percent and 9,10 percent. As of 31 December 2023, there are TL 4.854.076 Rediscount USD Loans within the short-term borrowings, which have maturity dates due between January 2024 and October 2024, and the interest rates between 7,20 percent and 9,00 percent.

As of 31 December 2023, TL 623.673 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between October 2024 and November 2024 and the interest rates 10,50 percent. As of 31 December 2023, TL 698.102 of remaining short-term financial debts consist of credit card debts with a maturity of 45 days with 1,00 percent interest rate to pay social security payments.

As of 31 December 2023, TL 77.097 of current portion of long-term financial liabilities were taken within the scope of investment credit, which have maturity dates due March 2024, and the interest rates 15 percent.

As of 31 December 2023, TL 291.304 of the financial debts included in the long-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due March 2025 and the interest rate varies according to EURIBOR. As of 31 December 2023, TL 1.117.700 of financial debts included in the long-term borrowings were taken within the scope of investment credit, which have maturity dates due October 2025 and the interest rate is between 21 percent and 24 percent.

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### 20. FOREIGN EXCHANGE POSITION

FOREIGN EXCHANGE POSITION						
30 June 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other <sup>1</sup>
1. Trade receivables	20.825.327	380.897	12.503.414	236.900	8.321.913	--
2a. Monetary financial assets (including cash, bank)	256.798	4.806	157.776	2.347	82.455	16.567
2b. Non- monetary financial assets	5.787.508	56.850	1.866.184	34.297	1.204.810	101.090
3. Other	12.621	72	2.370	99	3.461	6.790
<b>4. Current assets (1+2+3)</b>	<b>26.882.254</b>	<b>442.625</b>	<b>14.529.744</b>	<b>273.643</b>	<b>9.612.639</b>	<b>124.447</b>
5. Trade receivables	27.401.262	487.523	16.003.516	324.460	11.397.746	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	1.109.939	1.311	43.041	20.848	732.357	12.866
7. Other	84.257	2.136	70.129	297	10.423	3.705
<b>8. Long-term assets (5+6+7)</b>	<b>28.595.458</b>	<b>490.970</b>	<b>16.116.686</b>	<b>345.605</b>	<b>12.140.526</b>	<b>16.571</b>
<b>9. Total assets (4+8)</b>	<b>55.477.712</b>	<b>933.595</b>	<b>30.646.430</b>	<b>619.248</b>	<b>21.753.165</b>	<b>141.018</b>
10. Trade payables	5.741.665	78.520	2.577.528	85.498	3.003.423	160.714
11. Financial liabilities	19.790.388	330.000	10.832.646	255.000	8.957.742	--
12a. Other monetary financial liabilities	32.969	275	9.034	52	1.836	22.099
12b. Other non-monetary financial liabilities	1.831.695	273.515	8.978.460	179.491	6.305.228	--
<b>13. Current liabilities (10+11+12)</b>	<b>27.396.717</b>	<b>682.310</b>	<b>22.397.668</b>	<b>520.041</b>	<b>18.268.229</b>	<b>182.813</b>
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	--	--	--	--	--	--
16a. Other monetary financial liabilities	6.560	132	4.329	64	2.231	--
16b. Other non-monetary financial liabilities	4.379.688	143.018	4.694.741	76.014	2.670.247	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>4.386.248</b>	<b>143.150</b>	<b>4.699.070</b>	<b>76.078</b>	<b>2.672.478</b>	<b>--</b>

<sup>1</sup> Comprises of the currencies CAD, CHF, GBP, JPY, AUD, DKK, ZAR, AED, PHP, SAR.

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### 20. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
30 June 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other
<b>18. Total liabilities (13+17)</b>	<b>31.782.965</b>	<b>825.460</b>	<b>27.096.738</b>	<b>596.119</b>	<b>20.940.707</b>	<b>182.813</b>
<b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>	--	--	--	--	--	--
<b>19a. Hedged total financial assets</b>	--	--	--	--	--	--
<b>19b. Hedged total financial liabilities</b>	--	--	--	--	--	--
<b>20. Net foreign currency asset/liability (9-18+19)</b>	<b>23.694.747</b>	<b>108.135</b>	<b>3.549.692</b>	<b>23.129</b>	<b>812.458</b>	<b>(41.795)</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>22.911.805</b>	<b>464.299</b>	<b>15.241.169</b>	<b>223.093</b>	<b>7.836.882</b>	<b>(166.246)</b>
<b>22. Fair value of derivative financial instruments used in foreign currency hedge</b>	--	--	--	--	--	--
<b>23. Hedged foreign currency assets</b>	--	--	--	--	--	--
<b>24. Hedged foreign currency liabilities</b>	--	--	--	--	--	--
<b>25. Exports</b>	<b>4.908.212</b>	<b>48.759</b>	<b>1.532.483</b>	<b>74.345</b>	<b>2.468.660</b>	<b>907.069</b>
<b>26. Imports</b>	<b>9.137.612</b>	<b>177.767</b>	<b>5.835.406</b>	<b>74.214</b>	<b>2.607.018</b>	<b>695.188</b>

Accompanying foreign exchange position which was prepared in accordance with TAS is different from the foreign exchange position of the financial statement which is prepared according to General Communiqué on Accounting System Application (GCASA). The difference is mainly due to the adjustments and classifications which are related with TFRS 15 .

“For TL functional currency” calculations regarding “Other non-monetary assets” and “Other non-monetary liabilities” presented under foreign currency position, advances received are considered with regard to historic values therefore “TL equivalent of currency as at balance sheet date” differentiate.

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**20. FOREIGN EXCHANGE POSITION (continued)**

FOREIGN EXCHANGE POSITION						
31 December 2023	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other <sup>1</sup>
1. Trade receivables	17.335.497	357.159	13.114.739	103.881	4.220.758	--
2a. Monetary financial assets (including cash, bank)	2.611.150	53.431	1.961.955	15.509	630.155	19.040
2b. Non- monetary financial assets	6.411.032	54.252	1.992.105	40.888	1.661.330	83.693
3. Other	4.668	109	4.018	8	326	324
<b>4. Current assets (1+2+3)</b>	<b>26.362.347</b>	<b>464.951</b>	<b>17.072.817</b>	<b>160.286</b>	<b>6.512.569</b>	<b>103.057</b>
5. Trade receivables	30.543.892	451.020	16.561.287	344.137	13.982.605	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	1.363.751	2.176	79.910	24.114	979.791	14.501
7. Other	39.939	590	21.656	326	13.244	5.039
<b>8. Long-term assets (5+6+7)</b>	<b>31.947.582</b>	<b>453.786</b>	<b>16.662.853</b>	<b>368.577</b>	<b>14.975.640</b>	<b>19.540</b>
<b>9. Total assets (4+8)</b>	<b>58.309.929</b>	<b>918.737</b>	<b>33.735.670</b>	<b>528.863</b>	<b>21.488.209</b>	<b>122.597</b>
10. Trade payables	8.276.739	111.244	4.092.195	96.208	3.916.059	268.485
11. Financial liabilities	16.012.247	177.833	6.541.750	232.667	9.470.497	--
12a. Other monetary financial liabilities	52.951	645	23.720	119	4.845	24.386
12b. Other non-monetary financial liabilities	10.078.146	203.199	7.474.867	133.213	5.422.319	--
<b>13. Current liabilities (10+11+12)</b>	<b>34.420.083</b>	<b>492.921</b>	<b>18.132.532</b>	<b>462.207</b>	<b>18.813.720</b>	<b>292.871</b>
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	339.201	--	--	8.333	339.201	--
16a. Other monetary financial liabilities	4.782	130	4.782	--	--	--
16b. Other non-monetary financial liabilities	2.107.373	141.717	5.213.181	75.659	3.079.631	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>2.451.356</b>	<b>141.847</b>	<b>5.217.963</b>	<b>83.992</b>	<b>3.418.832</b>	<b>--</b>

<sup>1</sup> Comprises of the currencies CAD, CHF, GBP, JPY, AUD, DKK, ZAR, AED, PHP, SAR.

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**20. FOREIGN EXCHANGE POSITION (continued)**

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2023</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other</b>
<b>18. Total liabilities (13+17)</b>	<b>36.871.439</b>	<b>634.768</b>	<b>23.350.495</b>	<b>546.199</b>	<b>22.232.552</b>	<b>292.871</b>
<b>19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)</b>	--	--	--	--	--	--
<b>19a. Hedged total financial assets</b>	--	--	--	--	--	--
<b>19b. Hedged total financial liabilities</b>	--	--	--	--	--	--
<b>20. Net foreign currency asset/liability (9-18+19)</b>	<b>21.438.490</b>	<b>283.969</b>	<b>10.385.175</b>	<b>(17.336)</b>	<b>(744.343)</b>	<b>(170.274)</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>25.804.619</b>	<b>571.758</b>	<b>20.975.534</b>	<b>126.200</b>	<b>5.102.916</b>	<b>(273.831)</b>
<b>22. Fair value of derivative financial instruments used in foreign currency hedge</b>	--	--	--	--	--	--
<b>23. Hedged foreign currency assets</b>	--	--	--	--	--	--
<b>24. Hedged foreign currency liabilities</b>	--	--	--	--	--	--
<b>25. Exports</b>	<b>8.073.022</b>	<b>127.833</b>	<b>4.008.347</b>	<b>125.518</b>	<b>4.064.675</b>	--
<b>26. Imports</b>	<b>21.169.684</b>	<b>347.796</b>	<b>12.770.933</b>	<b>161.502</b>	<b>6.561.964</b>	<b>1.836.787</b>

Accompanying foreign exchange position which was prepared in accordance with TAS is different from the foreign exchange position of the financial statement which is prepared according to General Communiqué on Accounting System Application (GCASA). The difference is mainly due to the adjustments and classifications which are related with TFRS 15.

“For TL functional currency” calculations regarding “Other non-monetary assets” and “Other non-monetary liabilities” presented under foreign currency position, advances received are considered with regard to historic values therefore “TL equivalent of currency as at balance sheet date” differentiate.

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### 20. FOREIGN EXCHANGE POSITION (continued)

#### Foreign currency sensitivity

The Group is exposed to foreign currency risk with respect to USD and EURO.

The following table details the Group's sensitivity to a 10 percent increase and decrease in foreign exchange rates. 10 percent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and present 10 percent change in foreign currency rates. This analysis does not include Group companies' balance sheet items which have functional currency other than TL. The effects of 10 percent changes in foreign currency rate on financial statements is as follows;

<b>Foreign currency sensitivity table</b>				
<b>30 June 2024</b>				
	<b>Profit/Loss</b>		<b>Equity<sup>1</sup></b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD against TL by 10%:</b>				
1- USD denominated net assets/(liabilities)	1.524.117	(1.524.117)	1.524.117	(1.524.117)
2- Hedged amount against USD risk (-)	--	--	--	--
<b>3- Net effect of USD (1+2)</b>	<b>1.524.117</b>	<b>(1.524.117)</b>	<b>1.524.117</b>	<b>(1.524.117)</b>
<b>Change of EURO against TL by 10%:</b>				
4- EURO denominated net assets/(liabilities)	783.688	(783.688)	783.688	(783.688)
5- Hedged amount against EURO risk (-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	<b>783.688</b>	<b>(783.688)</b>	<b>783.688</b>	<b>(783.688)</b>
<b>Change of other currencies against TL by 10%:</b>				
7- Other currencies denominated net assets/(liabilities)	(16.625)	16.625	(16.625)	16.625
8- Hedged amount against other currencies risk (-)	--	--	--	--
<b>9- Net effect of other currencies (7+8)</b>	<b>(16.625)</b>	<b>16.625</b>	<b>(16.625)</b>	<b>16.625</b>

<sup>1</sup> Comprises of profit/loss effect.

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**20. FOREIGN EXCHANGE POSITION (continued)**

**Foreign currency sensitivity (continued)**

<b>Foreign currency sensitivity table</b>				
<b>31 December 2023</b>				
	<b>Profit/Loss</b>		<b>Equity<sup>1</sup></b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD against TL by 10%:</b>				
1- USD denominated net assets/(liabilities)	2.097.553	(2.097.553)	2.097.553	(2.097.553)
2- Hedged amount against USD risk (-)	--	--	--	--
<b>3- Net effect of USD (1+2)</b>	<b>2.097.553</b>	<b>(2.097.553)</b>	<b>2.097.553</b>	<b>(2.097.553)</b>
<b>Change of EURO against TL by 10%:</b>				
4- EURO denominated net assets/(liabilities)	510.292	(510.292)	510.292	(510.292)
5- Hedged amount against EURO risk (-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	<b>510.292</b>	<b>(510.292)</b>	<b>510.292</b>	<b>(510.292)</b>
<b>Change of other currencies against TL by 10%:</b>				
7- Other currencies denominated net assets/(liabilities)	(27.383)	27.383	(27.383)	27.383
8- Hedged amount against other currencies risk (-)	--	--	--	--
<b>9- Net effect of other currencies (7+8)</b>	<b>(27.383)</b>	<b>27.383</b>	<b>(27.383)</b>	<b>27.383</b>

**21. EVENTS AFTER THE REPORTING PERIOD**

After the reporting period, the Group have signed contracts amounting to USD 370 Million.

<sup>1</sup> Comprises of profit/loss effect.