

(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
AS OF AND FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2024

15 October 2024

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

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

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

		Not Limited Reviewed 30 September 2024	Audited 31 December 2023
	Note References		
ASSETS			
Current Assets		92.709.300	99.020.344
Cash and Cash Equivalents	3	3.596.825	8.980.409
Trade Receivables	5	26.856.057	27.977.895
<i>From Related Parties</i>	4	10.963.057	12.289.771
<i>From Third Parties</i>		15.893.000	15.688.124
Other Receivables		1.960.077	2.242.382
<i>From Related Parties</i>	4	41.450	--
<i>From Third Parties</i>		1.918.627	2.242.382
Inventories	6	42.149.974	43.714.927
Prepaid Expenses	7	14.904.216	12.352.724
<i>From Related Parties</i>	4	1.987.961	2.125.953
<i>From Third Parties</i>		12.916.255	10.226.771
Other Current Assets		3.242.151	3.752.007
Non-Current Assets		119.599.528	105.555.284
Financial Investments		8.040.177	8.041.286
Trade Receivables	5	42.735.113	42.944.557
<i>From Related Parties</i>	4	33.205.589	32.466.192
<i>From Third Parties</i>		9.529.524	10.478.365
Other Receivables		9.105	9.889
<i>From Third Parties</i>		9.105	9.889
Equity Accounted Investments		1.152.995	1.168.174
Property, Plant and Equipment	8	33.535.715	32.239.372
Intangible Assets	8	22.176.861	16.503.989
Prepaid Expenses	7	2.912.901	3.341.307
<i>From Related Parties</i>	4	1.101.128	1.945.273
<i>From Third Parties</i>		1.811.773	1.396.034
Deferred Tax Assets	10	8.118.054	976.294
Other Non-Current Assets		918.607	330.416
TOTAL ASSETS		212.308.828	204.575.628

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 SEPTEMBER 2024

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

	Note References	Not Limited Reviewed 30 September 2024	Audited 31 December 2023
LIABILITIES			
Current Liabilities		61.036.098	68.172.807
Short-term Financial Liabilities	19	23.084.722	15.884.028
Short-term Portion of Long-term Financial Liabilities	19	7.108.620	9.669.009
Trade Payables	5	13.166.242	20.194.391
<i>To Related Parties</i>	4	1.328.400	4.351.159
<i>To Third Parties</i>		11.837.842	15.843.232
Employee Benefit Obligations		2.261.991	1.636.657
Other Payables		628.547	464.699
<i>To Related Parties</i>	4	510.000	362.675
<i>To Third Parties</i>		118.547	102.024
Government Grants and Incentives		59.108	78.084
Deferred Income	7	8.961.361	12.077.100
<i>To Related Parties</i>	4	4.617.350	3.530.059
<i>To Third Parties</i>		4.344.011	8.547.041
Corporate Tax Liability		--	--
Short-term Provisions		5.744.991	8.154.884
<i>For Employee Benefits</i>	12	877.431	2.170.718
<i>Other</i>	9	4.867.560	5.984.166
Other Current Liabilities		20.516	13.955
Non-Current Liabilities		25.918.868	16.328.923
Long-term Financial Liabilities	19	3.191.645	1.534.681
Trade Payables	5	--	102.576
<i>To Third Parties</i>	4	--	102.576
Other Payables		28.581	49.788
<i>To Third Parties</i>		28.581	49.788
Deferred Income	7	17.482.281	8.027.611
<i>To Related Parties</i>	4	11.315.334	4.976.820
<i>To Third Parties</i>		6.166.947	3.050.791
Long-term Provisions		5.201.531	6.607.656
<i>Long-term Provisions for Employee Benefits</i>	12	1.210.281	1.444.572
<i>Other</i>	9	3.991.250	5.163.084
Other Non-Current Liabilities		14.830	6.611

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

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

	Note References	Not Limited Reviewed 30 September 2024	Audited 31 December 2023
EQUITY		125.353.862	120.073.898
Equity Attributable to Equity Holders of the Parent		123.968.063	118.621.082
Share Capital	13	4.560.000	4.560.000
Inflation Adjustments on Share Capital Differences	13	22.502.337	22.502.337
Share Premiums		19.765.486	19.765.486
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		2.829.457	2.989.981
<i>Gain on Revaluation of Property, Plant and Equipment</i>		3.947.198	3.947.198
<i>Gain/ Loss on Remeasurement of Defined Benefit Plans</i>		(1.117.741)	(957.217)
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		(47.774)	76.437
<i>Cumulative Translation Adjustments</i>		(47.774)	76.437
Restricted Reserves	13	4.781.768	4.730.768
Retained Earnings		63.435.073	54.091.209
Net Profit for the Year		6.141.716	9.904.864
Non-Controlling Interests		1.385.799	1.452.816
TOTAL LIABILITIES AND EQUITY		212.308.828	204.575.628

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

	Notes References	Not Limited Reviewed 1 January- 30 September 2024	Not Limited Reviewed 1 July- 30 September 2024	Not Limited Reviewed 1 January- 30 September 2023	Not Limited Reviewed 1 July- 30 September 2023
PROFIT OR LOSS					
Revenue	14	60.715.973	21.811.334	53.063.438	17.125.778
Cost of Sales (-)	14	(41.944.798)	(15.467.596)	(38.213.775)	(13.365.707)
GROSS PROFIT		18.771.175	6.343.738	14.849.663	3.760.071
General Administrative Expenses (-)		(3.533.729)	(1.133.152)	(2.650.605)	(629.239)
Marketing Expenses (-)		(1.479.027)	(508.352)	(1.154.774)	(443.149)
Research and Development Expenses (-)		(1.606.559)	(481.807)	(1.406.229)	(17.589)
Other Operating Income	15	12.822.069	3.545.464	29.886.282	6.365.123
Other Operating Expenses (-)	15	(10.605.887)	(3.542.489)	(16.746.422)	(3.964.286)
OPERATING PROFIT		14.368.042	4.223.402	22.777.915	5.070.931
Income From Investing Activities		69.951	224	38.770	1.932
Shares of profit/(losses) of Equity Accounted Investees		(24.437)	(2.096)	(8.934)	(53)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		14.413.556	4.221.530	22.807.751	5.072.810
Financial Income	16	678.610	184.456	1.295.672	511.106
Financial Expense (-)	17	(5.632.085)	(2.139.472)	(8.256.918)	(896.125)
Monetary Gain/(Loss)		(10.461.915)	(2.211.560)	(10.880.966)	(1.452.247)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(1.001.834)	54.954	4.965.539	3.235.544
Tax Income from Continuing Operations	10	7.076.533	2.048.556	(608.137)	(585.490)
- Current Corporate Tax Expense(-)		(11.904)	2.413	(1.681.423)	404.198
- Deferred Tax Income		7.088.437	2.046.143	1.073.286	(989.688)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		6.074.699	2.103.510	4.357.402	2.650.054
Profit for the Period Attributable to		6.074.699	2.103.510	4.357.402	2.650.054
Non-Controlling Interest		(67.017)	99.518	73.437	87.227
Owners of the Company	18	6.141.716	2.003.992	4.283.965	2.562.827
		6.074.699	2.103.510	4.357.402	2.650.054
Earnings for per 100 Shares (in full kuruş)	18	134,69	43,95	93,95	56,20

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

	Note References	Not Limited Reviewed 1 January- 30 September 2024	Not Limited Reviewed 1 July- 30 September 2024	Not Limited Reviewed 1 January- 30 September 2023	Not Limited Reviewed 1 July- 30 September 2023
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS					
Items that will not to be reclassified subsequently in Profit or Loss					
Loss on Remeasurement of Defined Benefit Plans	12	(160.524)	(150.064)	(187.150)	79.423
Deferred Tax Income / (Expense)		(213.847)	(199.900)	(233.938)	99.279
		53.323	49.836	46.788	(19.856)
Items that may be reclassified subsequently to profit or loss					
Foreign Currency Exchange Differences		(124.211)	(8.780)	183.305	(29.316)
		(124.211)	(8.780)	183.305	(29.316)
OTHER COMPREHENSIVE INCOME		(284.735)	(158.844)	(3.845)	50.107
TOTAL COMPREHENSIVE INCOME		5.789.964	1.944.666	4.353.557	2.700.161
Total Comprehensive Income Attributable to					
Non-Controlling Interest		(67.017)	99.518	73.437	87.226
Owners of the Company		5.856.981	1.845.148	4.280.120	2.612.935
		5.789.964	1.944.666	4.353.557	2.700.161

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ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	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				
				Revaluation Reserves	Remeasurement of Defined Benefit Plans	Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other	Translation Reserves	Restricted Reserves	Retained Earnings	Net Profit/(Loss) for the Year	Equity Attributable to Owners of the Company	Non-Controlling Interests	Equity
Balance as of 1 January 2023	2.280.000	20.406.987	19.765.471	746.349	(725.002)	1.473.204	445.909	4.653.171	57.697.923	1.741.678	108.485.690	1.297.621	109.783.311
Transfers	--	--	--	--	--	--	--	55.574	908.848	(964.422)	--	--	--
Capital Increase	2.280.000	2.150.360	--	--	--	--	--	--	(4.430.360)	--	--	--	--
Total Comprehensive Income	--	--	--	--	(187.150)	--	183.305	--	--	4.283.965	4.280.120	73.437	4.353.557
Dividends	--	--	--	--	--	--	--	--	--	(777.256)	(777.256)	--	(777.256)
Consolidation Effect of New Share Acquisitions	--	--	--	--	--	--	--	--	--	--	--	18.824	18.824
Balance as of 30 September 2023 (Closing Balance)	4.560.000	22.557.347	19.765.471	746.349	(912.152)	1.473.204	629.214	4.708.745	54.176.411	4.283.965	111.988.554	1.389.882	113.378.436
Balance as of 1 January 2024	4.560.000	22.502.337	19.765.486	3.947.198	(957.217)	--	76.437	4.730.768	54.091.209	9.904.864	118.621.082	1.452.816	120.073.898
Transfers	--	--	--	--	--	--	--	51.000	9.343.864	(9.394.864)	--	--	--
Total Comprehensive Income	--	--	--	--	(160.524)	--	(124.211)	--	--	6.141.716	5.856.981	(67.017)	5.789.964
Dividends	--	--	--	--	--	--	--	--	--	(510.000)	(510.000)	--	(510.000)
Balance as of 30 September 2024 (Closing Balance)	4.560.000	22.502.337	19.765.486	3.947.198	(1.117.741)	--	(47.774)	4.781.768	63.435.073	6.141.716	123.968.063	1.385.799	125.353.862

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

	Note References	Not Limited Reviewed 1 January- 30 September 2024	Not Limited Reviewed 1 January- 30 September 2023
A.Cash Flows from Operating Activities		903.430	3.845.805
Profit for the Period		6.074.699	4.357.402
Adjustments to Reconcile Profit for the Period		4.777.075	13.028.585
- Adjustments for Depreciation and Amortization Expense	8	2.243.836	3.075.832
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(50.942)	(18.847)
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	5	(14.251)	9.807
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	6	(36.691)	(28.654)
-Adjustments for Provisions		2.300.833	1.914.671
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	12	(440.346)	(304.233)
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		779.669	1.166.968
<i>Adjustments for (Reversal of) Warranty Provisions</i>		1.791.992	1.249.590
<i>Adjustments for (Reversal of) Other Provisions</i>		169.518	(197.654)
-Adjustments for Interest (Income) Expenses		(377.051)	(305.041)
<i>Adjustments for Interest Income</i>		(890.734)	(877.532)
<i>Adjustments for Interest Expense</i>		513.683	572.491
- Adjustments for Retained Profit of Equity Accounted Investees		24.437	8.934
- Adjustments for Tax (Income)/Expenses		(7.076.533)	608.137
-Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		5.177.766	5.166.692
-Other Adjustments to Reconcile Profit (Loss)		2.534.729	2.578.207
Changes in Working Capital		(7.502.317)	(10.937.570)
- Decrease (Increase) in Trade Receivables		(1.931.146)	(6.266.770)
- Decrease (Increase) in Other Receivables Related with Operations		(311.399)	(91.316)
- Decrease (Increase) in Inventories	6	1.860.538	(6.356.292)
- Decrease (Increase) in Prepaid Expenses	7	(2.088.346)	(3.765.669)
- Increase (Decrease) in Trade Payables	5	(903.193)	4.046.492
- Increase (Decrease) in Employee Benefit Obligations	12	1.057.329	691.479
-Adjustments for Stage of Completion of Construction or Service Contracts in Progress		(9.585.639)	(11.481.090)
- Increase (Decrease) in Other Operating Payables		(231.561)	(446.773)
- Increase (Decrease) in Government Grants and Subsidies		1.634	(55.974)
- Increase (Decrease) in Deferred Income		(32.415)	4.317.227
- Adjustments Related to Monetary Gain/ Losses		5.764.811	9.795.620
- Other Increase (Decrease) in Working Capital		(1.102.930)	(1.324.504)
Cash Flows From Operations		3.349.457	6.448.417
Payments Related with Provisions for Employee Benefits	12	(346.823)	(300.220)
Payments Related with Other Provisions		(2.087.300)	(1.310.884)
Income Taxes Refund (Paid)		(11.904)	(991.508)
B.Cash Flows From Investing Activities		(14.775.957)	(13.501.948)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		390.627	(31.258)
Purchase of Property, Plant and Equipment	8	(3.574.385)	(5.183.229)
Purchase of Intangible Assets	8	(11.583.187)	(8.178.984)
Dividends Received		44.727	19.693
Other Cash Inflows (Outflows)		(53.739)	(128.170)
C.Cash Flows From Financing Activities		10.867.614	3.046.734
Proceeds from Borrowings		24.203.445	14.305.657
Repayments of Borrowings		(13.335.831)	(11.079.207)
Dividends Paid		--	(179.716)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		(3.004.913)	(6.609.409)
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		3.872	697.978
E. MONETARY GAIN/LOSS EFFECT ON CASH AND CASH EQUIVALENTS		(2.370.379)	(4.235.450)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		(5.371.420)	(10.146.881)
F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		8.968.245	12.726.757
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	3	3.596.825	2.579.876

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 30 September 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 September 2024 is 12.226 (31 December 2023: 11.550).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 seven 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"), ASELSAN Latin Amerika SpA ("ASELSAN Latin Amerika") and ASELSAN Technologies Limited ("ASELSAN UAE") located in Republic of South Africa, Macedonia, Turkish Republic of Northern Cyprus ("TRNC"), Qatar, Poland, Chile and United Arab Emirates, 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 nine months ended 30 September 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 1245 on 15 October 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 September 2024, 31 December 2023 and 30 September 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 343% for the three-year period ended 30 September 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 September 2024, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

Period	Index	Correction Coefficient
30 September 2024	2.526,16	1
31 December 2023	1.859,38	1,35860
30 September 2023	1.691,04	1,49385
31 December 2022	1.128,45	2,23861

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

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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 September 2024	31 December 2023	
ASELSANNET	Türkiye	TL	100	100	Communication systems
ASELSAN Bakü	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
BİTES	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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 September 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 September 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 activities are at micro level, 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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 September 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

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.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024
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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 September 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.

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

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 September 2024, unless otherwise indicated.)

2.4 New and Revised Turkish Accounting Standards (continued)

b) Standards Issued But Not Yet Effective and Not Early Adopted as of 30 September 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.

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3. CASH AND CASH EQUIVALENTS

	30 September 2024	31 December 2023
Cash	1.042	1.227
Bank		
- <i>Time deposits</i>	2.481.886	8.588.183
- <i>Demand deposits</i>	1.010.181	371.599
Other	103.716	7.236
Cash and cash equivalents on the cash flow statement	3.596.825	8.968.245
Interest income accruals	--	12.164
	3.596.825	8.980.409

As of 30 September 2024, the Group has time deposits denominated in foreign currencies with maturities on October 2024 (31 December 2023: January 2024), with the interest rates between 0,50 percent and 3,05 percent (31 December 2023: 2,50 percent and 3,50 percent) amounting to TL 1.045.674 (31 December 2023: TL 2.756.279) in several banks.

As of 30 September 2024, the Group has time deposits denominated in TL terms with maturities on October 2024 (31 December 2023: January 2024) with the interest rates between 48,50 percent and 49,10 percent (31 December 2023: 41,50 percent and 42 percent) amounting to TL 1.436.212 (31 December 2023: TL 5.831.904) in several banks.

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 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 top level executive for the period ended 30 September 2024 is approximately TL 240.407 (The vast majority consists of paid wages and benefits.) (30 September 2023: TL 211.841).

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 NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

4. RELATED PARTY DISCLOSURES (continued)

Balances with related parties	30 September 2024									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables ¹	Trading	Deferred Income
Main shareholder										
TSKGV	58	--	--	--	--	--	--	378.175	--	--
Main shareholder's subsidiaries and associates										
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	40.918	529.228	--	12.118	48.548	242.111	1.129	--	--	291.360
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	5.783	235.136	--	--	57.806	250.850	11.851	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	--	215.297	--	--	42.113	78.460	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	--	9.628	--	--	19.123	65.165	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	310.317	20.737	--	716.538	--	17.987	15.028	--	--	159.039
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	3.386.162	--	--	2.068.263	--	2	50.704	--	--	242.514
Financial Instruments										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi ("ASPİLSAN")	7	26.315	--	--	--	16.961	4.697	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	2.814.867	76.428	41.450	335.304	830.852	431.643	349.331	--	--	284.098
Joint ventures and its related parties										
ASELSAN Bilkent Mikro Nano	--	251.078	--	--	60.993	29.694	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	6.221	--	--	--	654	--	--	--	--
IGG	20.972	--	--	--	--	--	--	--	--	3.532
IGG ASELSAN	6.511	39.989	--	--	--	24.782	--	--	--	--
ASELSAN Kazakistan	262.784	--	--	59.682	--	278	13.446	--	--	--
ASELSAN Jordan	116.407	--	--	--	--	26.571	5.861	--	--	--
TÜBİTAK BİLGEM	--	87.791	--	--	13.771	18.571	--	--	--	--
TÜBİTAK-UME	--	1.134	--	--	--	85	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	12.253	41.602	--	291.260	997	--	5.490	--	--	13.477
TÜBİTAK SAGE Savunma Sanayii	111	275.807	--	--	22.926	108.766	1.435	--	--	--
Savunma Sanayii Başkanlığı ("SSB")	3.985.853	--	--	29.722.424	--	--	1.565.748	--	--	10.304.844
SSTEK	3	--	--	--	--	--	2.592.630	--	--	16.470
EHSİM	--	171.570	--	--	3.999	11.343	--	--	--	--
DASAL	51	--	--	--	--	1.477	--	--	--	--
TR Eğitim	--	--	--	--	--	3.000	--	--	--	--
Shares offered to the public	--	--	--	--	--	--	--	131.825	--	--
	10.963.057	1.987.961	41.450	33.205.589	1.101.128	1.328.400	4.617.350	510.000	--	11.315.334

¹ All other short term payable is 2023 dividend payments.

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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 ¹	Trading	Deferred Income
Balances with related parties										
<u>Main shareholder</u>										
TSKGV	157	--	--	--	--	--	--	362.675	--	--
<u>Main shareholder’s subsidiaries and associates</u>										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	109.581	396.547	--	21.348	60.170	552.145	--	--	--	--
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	12.126	277.361	--	--	5.959	238.577	1.521	--	--	771
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	299.280	--	--	--	105.697	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	48.526	--	--	14.943	253.323	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	738.323	27.276	--	525.611	--	34.458	--	--	--	264.189
Türk Havacılık ve Uzak Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	2.379.754	--	--	2.336.481	--	985	181.022	--	--	209.928
<u>Financial Instruments</u>										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPİLSAN”)	670	55.371	--	--	--	103.829	6.382	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	2.767.992	201.684	--	411.940	1.733.860	2.397.716	331.281	--	--	97.031
<u>Joint ventures and its related parties</u>										
ASELSAN Bilkent Mikro Nano	--	267.697	--	--	29.283	129.420	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	40	7.258	--	--	--	17.953	--	--	--	--
IGG	350.314	--	--	5.755	--	--	--	--	--	--
IGG ASELSAN	46.768	35.286	--	--	4.927	28.886	--	--	--	--
ASELSAN Kazakistan	523.210	--	--	--	--	327	61	--	--	23
ASELSAN Jordan	192.475	--	--	--	--	49.870	7.727	--	--	--
TÜBİTAK BİLGEM	--	105.268	--	--	13.908	79.217	--	--	--	--
TÜBİTAK-UME	--	918	--	--	--	734	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	40.765	10.524	--	223.338	1.956	17.302	29.987	--	--	17.185
TÜBİTAK SAGE Savunma Sanayii	14.916	377.936	--	--	60.228	293.472	6.725	--	--	--
Savunma Sanayii Başkanlığı (“SSB”)	5.112.680	--	--	28.941.719	--	--	2.764.391	--	--	3.948.634
SSTEK	--	--	--	--	--	--	200.962	--	--	439.059
EHSİM	--	15.021	--	--	20.039	36.317	--	--	--	--
DASAL	--	--	--	--	--	10.720	--	--	--	--
TR Eğitim	--	--	--	--	--	211	--	--	--	--
	12.289.771	2.125.953	--	32.466.192	1.945.273	4.351.159	3.530.059	362.675	--	4.976.820

¹ All other short term payable is 2022 dividend payments.

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4. RELATED PARTY DISCLOSURES (continued)

	1 January- 30 Sptember 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Transactions with related parties	Purchases	Purchases	Purchases	Purchases
Main Shareholder				
TSKGV	1.466	448	3.111	892
Main shareholder’s shareholders/subsidiaries/associates				
NETAŞ	120.584	19.376	333.575	178.287
İŞBİR	191.918	77.261	335.813	73.407
HTR	676.001	204.389	381.219	160.341
TUSAŞ	12.400	12.015	27.085	7.934
HAVELSAN	240.468	170.512	99.034	16.416
STM	28.848	22.231	34.639	25.691
Financial Investments				
ROKETSAN	4.624	4.426	2.686.821	2.642.437
ASPİLSAN	135.873	41.912	79.498	43.086
Joint ventures and its related parties				
İHSAN DOĞRAMACI BİLKENT ÜNİVERSİTESİ	2.047	578	23.259	2.841
TÜBİTAK BİLGEM	94.650	4.390	133.261	22.589
TÜBİTAK-UME	2.207	1.357	1.934	350
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	2.732	--	--	--
SSTEK	--	--	301	301
DASAL	2.936	214	--	--
TÜBİTAK SAGE SAVUNMA SANAYİİ	298.155	78.730	248.877	199.157
	1.814.909	637.839	4.388.427	3.373.729
	1 January- 30 Sptember 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Transactions with related parties	Sales	Sales	Sales	Sales
Main Shareholder				
TSKGV	398	166	34.726	34.049
Main shareholder’s shareholders/subsidiaries /associates				
TUSAŞ	13.917.620	5.402.895	13.486.125	8.415.478
STM	3.304.937	469.793	2.021.524	1.176.695
HAVELSAN	138.145	98.566	131.671	33.148
HTR	29.588	10.811	19.869	8.375
TEİ	--	--	36.888	--
İŞBİR	--	--	6.295	--
Financial Investments				
ROKETSAN	1.809.308	336.226	2.508.536	1.105.965
ASPİLSAN	125	1	2.715	1.264
Joint ventures and its related parties				
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	108.324	27.231	48.047	--
TÜBİTAK SAGE SAVUNMA SANAYİİ	--	--	28.683	8.902
SAVUNMA SANAYİİ BAŞKANLIĞI	62.036.901	24.442.071	73.244.582	31.365.131
SSTEK	53.465	10.631	216.654	18.275
	81.398.811	30.798.391	91.786.315	42.167.282

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”.

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

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

	30 September 2024	31 December 2023
Short-term trade receivables		
Trade receivables	15.837.672	15.635.567
Trade receivables from related parties (Note 4)	10.963.057	12.289.771
Notes receivable	41.950	33.511
Other receivables	13.378	19.046
Doubtful trade receivables	57.724	71.975
Allowance for doubtful trade receivables (-)	(57.724)	(71.975)
	26.856.057	27.977.895

	30 September 2024	31 December 2023
Long-term trade receivables		
Unbilled receivables from contracts with customers	8.741.997	9.605.589
Trade receivables	787.527	872.776
Unbilled receivables from contracts with customers - Related party (Note 4)	33.205.029	32.462.673
Trade receivables from related parties (Note 4)	560	3.519
	42.735.113	42.944.557

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

	30 September 2024	30 September 2023
Opening balance	71.975	67.874
Provision for the period	4.746	32.388
Monetary gain/(loss)	(18.997)	(22.581)
Closing balance	57.724	77.681

b) Trade payables

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

	30 September 2024	31 December 2023
Short-term trade payables		
Trade payables	11.304.797	14.048.608
Due to related parties (Note 4)	1.328.400	4.351.159
Notes payable	458.903	1.472.977
Other trade payables	74.142	321.647
	13.166.242	20.194.391

	30 September 2024	31 December 2023
Long-term trade payables		
Other trade payables	--	8.278
Notes Payable	--	94.298
	--	102.576

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6. INVENTORIES

	30 September 2024	31 December 2023
Raw materials	25.721.945	25.074.874
Work-in progress	12.287.390	12.520.232
Goods in transit ¹	14.521	2.355.981
Finished goods	2.692.036	2.942.187
Other inventories	729.919	224.927
Trade goods	771.334	700.588
Allowance for impairment on inventories (-)	(67.171)	(103.862)
	42.149.974	43.714.927

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 September are as follows:

	2024	2023
Opening balance	103.862	122.153
Provision for the period	74.955	46.341
Provision unrealised	(111.646)	(74.995)
Closing balance	67.171	93.499

¹ 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.

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7. PREPAID EXPENSES AND DEFERRED INCOME

	30 September 2024	31 December 2023
Short-term prepaid expenses		
Order advances given for inventory purchases	10.138.567	7.756.697
Short-term order advances given to related parties for inventory purchases (Note 4)	1.987.961	2.125.953
Work advances	1.044.422	432.054
Prepaid expenses	1.733.266	2.038.020
	14.904.216	12.352.724

	30 September 2024	31 December 2023
Long-term prepaid expenses		
Long-term order advances given to related parties for inventory purchases (Note 4)	1.101.128	1.945.273
Order advances given for inventory purchases	607.448	192.031
Order advances given for fixed assets purchases	407.653	372.914
Prepaid expenses	796.672	831.089
	2.912.901	3.341.307

	30 September 2024	31 December 2023
Short-term deferred income		
Order advances received	2.834.173	3.701.573
Order advances received from related parties (Note 4)	4.617.350	3.530.059
Deffered income	1.509.838	4.845.468
	8.961.361	12.077.100

	30 September 2024	31 December 2023
Long-term deferred income		
Order advances received	2.455.602	2.750.380
Order advances received from related parties (Note 4)	11.315.334	4.976.820
Deferred income	3.711.345	300.411
	17.482.281	8.027.611

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8. PROPERTY, PLANT AND EQUIPMENT

Cost	Property, Plant and Equipment	Intangible Assets
Opening balance as of 1 January 2024	54.777.424	27.468.883
Additions	3.579.276	11.583.187
Disposals	(1.447.436)	(5.376.473)
Closing balance as of 30 September 2024	56.909.264	33.675.597
Accumulated Depreciation and Amortisation		
Opening balance as of 1 January 2024	22.538.052	10.964.894
Change for the period ¹	1.851.776	650.955
Disposals	(1.016.279)	(117.113)
Closing balance as of 30 September 2024	23.373.549	11.498.736
Net book value as of 30 September 2024	33.535.715	22.176.861
Net book value as of 31 December 2023	32.239.372	16.503.989

Cost	Property, Plant and Equipment	Intangible Assets
Opening balance as of 1 January 2023	44.594.560	21.734.488
Additions	5.220.690	8.178.984
Disposals	(343.528)	(3.130.340)
Closing balance as of 30 September 2023	49.471.722	26.783.132
Accumulated Depreciation and Amortisation		
Opening balance as of 1 January 2023	19.522.168	9.328.966
Change for the period	2.261.515	1.115.819
Disposals	(316.597)	(65.595)
Closing balance as of 30 September 2023	21.467.086	10.379.190
Net book value as of 30 September 2023	28.004.636	16.403.942
Net book value as of 31 December 2022	25.072.392	12.405.522

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.

¹ The amount of amortization related to inventories are TL 258.895 in the year 2024 (September 2023: TL 301.502)

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9. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	30 September 2024	31 December 2023
Other short-term provisions		
Provision for warranties ¹	2.861.644	3.783.248
Provision for onerous contracts	224.688	293.682
Provision for delay penalties ²	1.406.143	1.634.470
Sales commission	4.758	6.464
Provision for legal cases	41.188	49.438
Provision for cost expenses	251.470	201.703
Other	77.669	15.161
	4.867.560	5.984.166
Other long-term provisions		
Provision for delay penalties	334.056	453.849
Provision for onerous contracts	3.657.194	4.709.235
	3.991.250	5.163.084

b) Legal cases

There has not been any final judicial decision against the Group due to the responsibility related with work accidents within first 9 months of 2024.

As of the dates 30 September 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:

	2024	2023
Description		
a) Ongoing lawsuits filed by the Group	43.721	53.692
b) Execution proceedings carried out by the Group	772.090	903.346
c) Ongoing lawsuits filed against the Group	41.188	39.527
d) Executions against the Group	17.045	19.837
e) Lawsuits finalized against the Group within the period	4.659	12.037
f) Lawsuits finalized in favor of the Group within the period	3.407	9.394

- 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.

¹ 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

² 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.

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10. TAX

"Deferred Tax Assets" of the Group as of 30 September 2024 is TL 8.118.054. The amount is comprised of the items below.

	30 September 2024	31 December 2023
Carried Forward R&D Incentives Effect	9.238.744	4.820.824
Temporary Differences	(1.120.690)	(3.844.530)
Deferred Tax Assets - Net	8.118.054	976.294

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, expected duration of research and development incentives and temporary differences are considered in calculating deferred tax asset.

In accordance with the law numbered 5746 pertaining to 1 January-30 September 2024 period the Group has calculated "Deferred Tax Asset" amounting to TL 9.238.744 from Research and Development expenses comprising "Outstanding Research and Development Deductions".

	30 September 2024	30 September 2023
Profit before tax from continuing operations	(1.001.834)	4.965.539
Tax (expense)/income recognized in profit or loss	7.076.533	(608.137)
Effective tax rate	%706	(%12)

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

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11. COMMITMENTS AND CONTINGENCIES

a) Guarantees received

	30 September 2024	31 December 2023
Letters of guarantees received from the suppliers	9.395.123	12.289.162
Collaterals received from the customers	700.091	814.986
Letters of guarantees received from the customers	40.385	36.203
Collaterals received from the suppliers	1.259.626	1.354.992
Letters of guarantees received from the suppliers	145.419	41.090
	11.540.644	14.536.433

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

The collaterals/pledges/mortgages ("CPM") given by the Group as of 30 September 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 294.124.

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11. COMMITMENTS AND CONTINGENCIES (continued)

c) Guarantees given

30 September 2024	TL Equivalent	TL	USD	EURO	Rumen Leyi	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	15.609.364	2.187.046	272.907	107.453	4.004	359
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	152.072	--	--	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 ¹						
-Collateral	43.294	--	1.270	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	15.804.730	2.187.046	274.177	111.453	4.004	359

¹ The ratio of the other CPM given by the Group to equity as of 30 September 2024 is 0,03 percent. TL 43.294 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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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	20.725.424	1.852.761	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	177.021	--	--	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 ¹						
-Collateral	84.789	--	2.120	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	20.987.234	1.852.761	307.073	153.406	6.952	535

¹ The ratio of the other CPM given by the Group to equity as of 31 December 2023 is 0,07 percent. TL 84.789 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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12. EMPLOYEE BENEFITS

a) Short-term provisions for employee benefits

	30 September 2024	31 December 2023
Provision for vacation pay and overtime	877.431	953.261
Bonus provision	--	1.217.457
	877.431	2.170.718

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

	2024	2023
Opening balance	953.261	629.882
Provision for the period	425.718	499.965
Provision paid during the period	(199.697)	(161.628)
Provision realized during the period	(50.238)	(36.805)
Monetary gain/(loss)	(251.613)	(209.554)
Closing balance	877.431	721.860

b) Long-term provisions for employee benefits

	30 September 2024	31 December 2023
Provision for severance pay	1.210.281	1.444.572
	1.210.281	1.444.572

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

	2024	2023
Opening balance	1.444.572	1.297.043
Actuarial Loss/Gain	213.847	283.167
Interest cost	23.591	18.650
Service cost	56.692	46.040
Payments	(147.126)	(138.592)
Monetary gain/(loss)	(381.295)	(431.512)
Closing balance	1.210.281	1.074.796

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.

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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 September 2024 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 41.828,42 (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:

	30 September 2024	31 December 2023
	(%)	(%)
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

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13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital

<u>Shareholders</u>	<u>Share (%) 30 September 2024</u>	<u>Share (%) 31 December 2023</u>
TSKGV	74,20	74,20
Publicly held	25,80	25,80
Nominal capital	100,00	100,00
Share capital adjustment	22.502.337	22.502.337
Inflation adjusted capital	27.062.337	27.062.337

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 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
a) Revenue				
Domestic sales	52.710.198	19.072.501	47.836.226	16.002.986
Export sales	8.005.775	2.738.833	5.227.212	1.122.792
	60.715.973	21.811.334	53.063.438	17.125.778

Revenue Recognized Regarding Performance Obligation	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Over time	42.890.170	14.124.429	37.962.606	12.241.015
Point in time	17.825.803	7.686.905	15.100.832	4.884.763
	60.715.973	21.811.334	53.063.438	17.125.778

b) Cost of Sales (-)	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Cost of raw materials and supplies (-)	30.593.638	11.253.596	28.138.685	10.313.395
Cost of merchandise goods sold (-)	1.150.698	159.444	915.989	313.152
Cost of services sold (-)	9.023.793	3.734.244	8.285.761	2.536.297
Cost of other sales (-)	1.176.669	320.312	873.340	202.863
	41.944.798	15.467.596	38.213.775	13.365.707

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15. OTHER OPERATING INCOME AND EXPENSES

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
a) Other Operating Income				
Foreign currency exchange differences from operations	9.955.302	2.726.500	28.885.259	6.411.633
Amortized cost effect of trade payables	870.146	(81.076)	843.362	(91.660)
Other income	1.996.621	900.040	157.661	45.150
	12.822.069	3.545.464	29.886.282	6.365.123
	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
b) Other Operating Expense (-)				
Foreign currency exchange differences from operations	7.848.437	2.609.805	15.668.377	4.485.663
Amortized cost effect of trade receivables	513.683	(156.823)	572.491	(526.233)
Other expense and losses	2.243.767	1.089.507	505.554	4.856
	10.605.887	3.542.489	16.746.422	3.964.286

16. FINANCIAL INCOME

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Interest income	458.871	149.328	463.995	107.319
Foreign currency exchange gain from bank loans	219.739	35.128	831.677	403.787
	678.610	184.456	1.295.672	511.106

17. FINANCIAL EXPENSES

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Interest cost of borrowings	2.796.224	959.431	1.529.324	468.332
Foreign currency exchange losses from bank loans	2.812.270	1.174.469	6.708.944	427.490
Interest cost related with employee benefits	23.591	5.572	18.650	303
	5.632.085	2.139.472	8.256.918	896.125

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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 September 2024 and 2023 earnings per share calculations are as follows:

	1 January- 30 September 2024	1 July- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2023
Number of shares outstanding (in thousands)	4.560.000	4.560.000	4.560.000	4.560.000
Net profit – TL	6.141.716	2.003.992	4.283.965	2.562.827
Earnings per 100 shares (Kuruş)	134,69	43,95	93,95	56,20
Diluted Earnings per 100 shares (Kuruş)	134,69	43,95	93,95	56,20

19. FINANCIAL LIABILITIES

Financial Liabilities

		30 September 2024	31 December 2023
Short-term financial liabilities	Unsecured loan	22.095.002	15.039.685
Other short-term financial liabilities	Unsecured loan	989.720	844.343
Current portion of long-term financial liabilities	Unsecured loan	7.108.620	9.669.009
Total short-term financial liabilities		30.193.342	25.553.037
Other long-term financial liabilities	Unsecured loan	3.191.645	1.534.681
Total long-term financial liabilities		3.191.645	1.534.681
Total financial liabilities		33.384.987	27.087.718

As of 30 September 2024, TL 9.428.464 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between November 2024 and May 2025 and the interest rates between 4,29 percent and 5,95 percent. As of 30 September 2024, TL 8.058.203 of financial debts within short-term borrowings consist of USD Rediscount Foreign Currency Loans, which have maturity dates due between October 2024 and August 2025 and the interest rate is between 5,40 percent and 6,95 percent. As of 30 September 2024, TL 4.608.335 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between October 2024 and April 2025 and the interest rates between 24,08 percent and 26,93 percent.

As of 30 September 2024, there are TL 3.231.530 Rediscount EUR Loans within the short-term borrowings, which have maturity dates due between July 2025 and September 2025, and the interest rates between 4,99 percent and 5,00 percent.

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19. FINANCIAL LIABILITIES (continued)

Financial Liabilities (continued)

As of 30 September 2024, there are TL 3.377.090 Rediscount USD Loans within the short-term borrowings, which have maturity dates due between October 2024 and August 2025, and the interest rates between 5,25 percent and 7,65 percent. As of 30 September 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 September 2024, TL 934.256 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 September 2024, TL 55.464 of current portion of long-term financial liabilities were taken within the scope of investment credit, which have maturity dates due October 2024, and the interest rates 15 percent.

As of 30 September 2024, TL 1.712.198 of the financial debts included in the long-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due October 2025 and the interest rates 4,99 percent. As of 30 September 2024, TL 1.479.447 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 6.350.114 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 2.118.360 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 6.571.211 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 3.702.669 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 5.287.038 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 679.302 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 760.369 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 83.974 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 317.287 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 1.217.394 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 September 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other ¹
1. Trade receivables	23.457.119	384.815	13.130.278	270.539	10.326.841	--
2a. Monetary financial assets (including cash, bank)	1.101.268	21.497	733.500	9.155	349.443	18.325
2b. Non- monetary financial assets	6.938.790	79.164	2.701.170	36.026	1.375.163	144.158
3. Other	13.845	72	2.461	291	11.090	294
4. Current assets (1+2+3)	31.511.022	485.548	16.567.409	316.011	12.062.537	162.777
5. Trade receivables	33.121.972	494.875	16.885.613	425.354	16.236.359	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	990.305	665	22.701	2.321	88.586	14.173
7. Other	133.264	1.406	47.975	2.112	80.618	4.671
8. Long-term assets (5+6+7)	34.245.541	496.946	16.956.289	429.787	16.405.563	18.843
9. Total assets (4+8)	65.756.563	982.494	33.523.698	745.798	28.468.100	181.621
10. Trade payables	5.204.840	95.047	3.248.957	46.072	1.761.814	194.069
11. Financial liabilities	23.962.938	328.500	11.228.951	333.000	12.733.987	--
12a. Other monetary financial liabilities	35.724	275	9.417	52	1.974	24.334
12b. Other non-monetary financial liabilities	8.819.896	223.731	7.633.921	191.792	7.320.980	--
13. Current liabilities (10+11+12)	38.023.398	647.553	22.121.246	570.916	21.818.755	218.402
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	1.720.809	--	--	45.000	1.720.809	--
16a. Other monetary financial liabilities	6.936	132	4.508	64	2.428	--
16b. Other non-monetary financial liabilities	1.008.079	135.848	4.635.262	32.972	1.260.845	--
17. Non-current liabilities (14+15+16)	2.735.824	135.980	4.639.770	78.036	2.984.082	--

¹ 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 September 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other
18. Total liabilities (13+17)	40.759.222	783.533	26.761.016	648.952	24.802.837	218.402
19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)	--	--	--	--	--	--
19a. Hedged total financial assets	--	--	--	--	--	--
19b. Hedged total financial liabilities	--	--	--	--	--	--
20. Net foreign currency asset/liability (9- 18+19)	24.997.341	198.961	6.762.682	96.846	3.665.263	(36.781)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)	26.749.112	477.233	16.257.558	280.860	10.691.631	(200.077)
22. Fair value of derivative financial instruments used in foreign currency hedge	--	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--	--
25. Exports	7.010.859	80.605	2.648.920	106.532	3.558.123	803.816
26. Imports	13.850.667	258.910	8.850.195	102.926	3.935.928	1.064.544

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 ¹
1. Trade receivables	18.881.744	357.159	14.284.514	103.881	4.597.230	--
2a. Monetary financial assets (including cash, bank)	2.844.053	53.431	2.136.953	15.509	686.362	20.738
2b. Non- monetary financial assets	6.982.867	54.252	2.169.792	40.888	1.809.513	91.159
3. Other	5.084	109	4.376	8	355	353
4. Current assets (1+2+3)	28.713.748	464.951	18.595.635	160.286	7.093.460	112.250
5. Trade receivables	33.268.267	451.020	18.038.478	344.137	15.229.789	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	1.485.391	2.176	87.038	24.114	1.067.184	15.795
7. Other	43.501	590	23.588	326	14.426	5.487
8. Long-term assets (5+6+7)	34.797.159	453.786	18.149.104	368.577	16.311.399	21.282
9. Total assets (4+8)	63.510.907	918.737	36.744.739	528.863	23.404.859	133.532
10. Trade payables	9.014.986	111.244	4.457.200	96.208	4.265.353	292.433
11. Financial liabilities	17.440.465	177.833	7.125.244	232.667	10.315.221	--
12a. Other monetary financial liabilities	57.674	645	25.835	119	5.278	26.561
12b. Other non-monetary financial liabilities	10.977.070	203.199	8.141.591	133.213	5.905.964	--
13. Current liabilities (10+11+12)	37.490.195	492.921	19.749.870	462.207	20.491.816	318.994
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	369.456	--	--	8.333	369.456	--
16a. Other monetary financial liabilities	5.209	130	5.209	--	--	--
16b. Other non-monetary financial liabilities	2.295.341	141.717	5.678.173	75.659	3.354.320	--
17. Non-current liabilities (14+15+16)	2.670.006	141.847	5.683.382	83.992	3.723.776	--

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

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
18. Total liabilities (13+17)	40.160.201	634.768	25.433.252	546.199	24.215.592	318.994
19. Net asset/liability position of off-balance sheet derivative financial instruments (19a-19b)	--	--	--	--	--	--
19a. Hedged total financial assets	--	--	--	--	--	--
19b. Hedged total financial liabilities	--	--	--	--	--	--
20. Net foreign currency asset/liability (9-18+19)	23.350.706	283.969	11.311.487	(17.336)	(810.733)	(185.462)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	28.106.274	571.758	22.846.457	126.200	5.558.073	(298.256)
22. Fair value of derivative financial instruments used in foreign currency hedge	--	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--	--
25. Exports	8.793.099	127.833	4.365.873	125.518	4.427.226	--
26. Imports	23.057.922	347.796	13.910.042	161.502	7.147.260	2.000.620

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

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;

Foreign currency sensitivity table				
30 September 2024				
	Profit/Loss		Equity¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	1.625.756	(1.625.756)	1.625.756	(1.625.756)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	1.625.756	(1.625.756)	1.625.756	(1.625.756)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	1.069.163	(1.069.163)	1.069.163	(1.069.163)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	1.069.163	(1.069.163)	1.069.163	(1.069.163)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/(liabilities)	(20.008)	20.008	(20.008)	20.008
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(20.008)	20.008	(20.008)	20.008

¹ Comprises of profit/loss effect.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

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

20. FOREIGN EXCHANGE POSITION (continued)

Foreign currency sensitivity (continued)

Foreign currency sensitivity table				
31 December 2023				
	Profit/Loss		Equity ¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	2.284.645	(2.284.645)	2.284.645	(2.284.645)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	2.284.645	(2.284.645)	2.284.645	(2.284.645)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	555.807	(555.807)	555.807	(555.807)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	555.807	(555.807)	555.807	(555.807)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/(liabilities)	(29.826)	29.826	(29.826)	29.826
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(29.826)	29.826	(29.826)	29.826

21. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group have signed contracts amounting to USD 28 Million.

¹ Comprises of profit/loss effect.