

(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**

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR  
ENDED 31 DECEMBER 2024 WITH INDEPENDENT  
AUDITORS' REPORT THEREON

25 February 2025

This report contains independent audit report comprising  
consolidated financial statements and footnotes  
comprising 97 pages.



Bağımsız  
Denetim ve  
Yeminli Mali  
Müşavirlik A.Ş.



(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors**

**Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi**

### **A) Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the Matter is Handled
<b><i>Revenue – Accounting of Revenue Recognised Over Time</i></b>	Our audit procedures included, in addition to others, the following;
An important part of Group's revenue is generated from construction contracts which are recognised over time. Revenue recognised over time is mainly due to contracts made with the Presidency of Defense Industry. The Group recognises revenue over-time if any of the following conditions is met:	Controlling the terms of the contract in accordance with the criteria of over time accounting
a) The customer simultaneously receives and consumes the benefits as the entity performs	Cross-check of the amounts subject to revenue calculation with contracts,
b) The customer controls the asset as the entity creates or enhances it,	Controlling monthly changes of variables that directly affect revenue such as profitability on project basis,
c) Group's performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date	Analytical review of the accuracy of expected loss provision,
	Performing control tests and test of details for contract cost,
	Questioning the annual changes of over-time revenue and related costs.
Due to the fact that over-time revenue is one of the Group's core business volume and size indicators, implementation of related accounting standards is complex and includes management estimates and judgements, this issue has been considered to be a key audit matter.	
Accounting policies and amounts of the revenue detailed in Note 2.5 and Note 20 respectively.	



## Key Audit Matters

### *Capitalization of Development Cost*

The Group capitalizes development costs which are related with development activities and approved by the management.

Capitalized development costs amount to a net book value of TRL 21.154.321 thousand as 31 December 2024 in the accompanying consolidated financial statements.

Capitalized development costs on the consolidated financial statements as of 31 December 2024 is significant for our audit due to variety of nature of costs, management judgments involved in the capitalization process and projects contract costs.

Explanations about intangible assets including the capitalized development costs have been disclosed in Note 12.

## How the Matter is Handled

Our audit procedures included, amongst others, the following ;

Examinations of nature of capitalized development costs related to each project,

Examinations of the suitability of management assessments for projects at development phase

Performing test of details for development costs,

Assessment of Group's management approval process,

Additionally, inquiries have been performed with project engineers and executives involved in research and development activities in related division of the Group.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In independent audit, the responsibilities of us as independent auditors are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority, we exercise professional judgment and maintain professional skepticism throughout the audit.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**B) Reports on Independent Auditor's Responsibilities Arising from Other Regulatory Requirements**

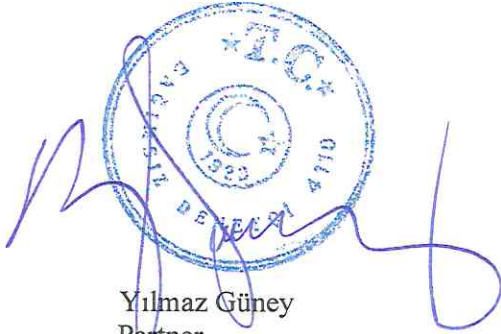
1) Pursuant to Article 398 of the Turkish Commercial Code ("TCC") no. 6102, the auditor's report on early detection of risk system and the authorized committee is submitted to the Company's Board of Directors on 25 February 2025.

2) Pursuant to subparagraph 4, Article 402 of "TCC", no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2024 is not in compliance with the code and provisions of the Parent Company's articles of association in relation to financial reporting.

3) Pursuant to subparagraph 4, Article 402 of "TCC", the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Yılmaz Güney is the auditor responsible for conducting and finalizing this independent audit.

Yeditepe Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.  
(Associate Member of Praxity AISBL)



Yılmaz Güney  
Partner  
İstanbul, 25 February 2025

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**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

		Audited	
	Note References	31 December 2024	31 December 2023
ASSETS			
Current Assets		106.118.918	105.228.911
Cash and Cash Equivalents	3	16.637.264	9.543.479
Trade Receivables	6	28.355.434	29.732.106
From Related Parties	5	12.644.260	13.060.339
From Third Parties		15.711.174	16.671.767
Other Receivables	7	2.485.446	2.382.979
From Third Parties		2.485.446	2.382.979
Inventories	9	43.471.734	46.455.849
Prepaid Expenses	10	12.212.061	13.127.239
From Related Parties	5	1.912.275	2.259.250
From Third Parties		10.299.786	10.867.989
Other Current Assets	18	2.956.979	3.987.259
Non-Current Assets		136.678.593	112.173.590
Financial Investments	30	8.089.405	8.545.473
Trade Receivables	6	54.978.938	45.637.177
From Related Parties	5	40.140.620	34.501.820
From Third Parties		14.838.318	11.135.357
Other Receivables	7	11.898	10.509
From Third Parties		11.898	10.509
Equity Accounted Investments	8	1.332.264	1.241.418
Property, Plant and Equipment	11	37.409.042	34.260.777
Intangible Assets	12	21.831.379	17.538.788
Prepaid Expenses	10	3.738.690	3.550.807
From Related Parties	5	1.326.936	2.067.242
From Third Parties		2.411.754	1.483.565
Deferred Tax Assets	28	8.148.087	1.037.507
Other Non-Current Assets	18	1.138.890	351.134
TOTAL ASSETS		242.797.511	217.402.501

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 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

		Audited	
	Note	31 December	31 December
	References	2024	2023
LIABILITIES			
Current Liabilities		69.761.393	72.447.236
Short-term Financial Liabilities	31	13.564.768	16.879.955
Short-term Portion of Long-term Financial Liabilities	31	9.270.807	10.275.255
Trade Payables	6	19.760.534	21.460.577
<i>To Related Parties</i>	5	2.458.623	4.623.976
<i>To Third Parties</i>		17.301.911	16.836.601
Employee Benefit Obligations	17	3.540.568	1.739.276
Other Payables	7	548.563	493.835
<i>To Related Parties</i>	5	340.357	385.415
<i>To Third Parties</i>		208.206	108.420
Government Grants and Incentives	13	66.034	82.979
Deferred Income	10	13.004.540	12.834.333
<i>To Related Parties</i>	5	6.068.288	3.751.393
<i>To Third Parties</i>		6.936.252	9.082.940
Short-term Provisions		9.970.620	8.666.195
<i>For Employee Benefits</i>	17	3.057.915	2.306.821
<i>Other</i>	15	6.912.705	6.359.374
Other Current Liabilities	18	34.959	14.831
Non-Current Liabilities		31.676.969	17.352.761
Long-term Financial Liabilities	31	9.726.747	1.630.905
Trade Payables	6	--	109.007
<i>To Third Parties</i>		--	109.007
Other Payables	7	19.300	52.909
<i>To Third Parties</i>		19.300	52.909
Deferred Income	10	11.828.502	8.530.942
<i>To Related Parties</i>	5	7.004.192	5.288.866
<i>To Third Parties</i>		4.824.310	3.242.076
Long-term Provisions		10.062.241	7.021.956
<i>Long-term Provisions for Employee Benefits</i>	17	1.051.359	1.535.147
<i>Other</i>	15	9.010.882	5.486.809
Other Non-Current Liabilities	18	40.179	7.042

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 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.

	Note References	Audited	
		31 December 2024	31 December 2023
<b>EQUITY</b>		<b>141.359.149</b>	<b>127.602.504</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>140.298.941</b>	<b>126.058.597</b>
Share Capital	19	4.560.000	4.560.000
Inflation Adjustments on Share Capital Differences	19	24.199.143	24.199.143
Share Premiums		21.004.764	21.004.764
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		3.316.985	3.177.453
<i>Gain on Revaluation of Property, Plant and Equipment</i>		4.594.565	4.194.687
<i>Gain/ Loss on Remeasurement of Defined Benefit Plans</i>		(1.277.580)	(1.017.234)
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		(606.702)	81.229
<i>Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income</i>		(489.897)	--
<i>Cumulative Translation Adjustments</i>		(116.805)	81.229
Restricted Reserves	19	5.078.387	5.027.387
Retained Earnings		67.447.621	57.482.723
Net Profit for the Year		15.298.743	10.525.898
<b>Non-Controlling Interests</b>		<b>1.060.208</b>	<b>1.543.907</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>242.797.511</b>	<b>217.402.501</b>

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Note References	Audited	
		1 January- 31 December 2024	1 January- 31 December 2023
<b>PROFIT OR LOSS</b>			
Revenue	20	120.205.594	106.252.343
Cost of Sales (-)	20	(82.047.403)	(77.224.731)
<b>GROSS PROFIT</b>		<b>38.158.191</b>	<b>29.027.612</b>
General Administrative Expenses (-)	21	(5.275.649)	(4.891.203)
Marketing Expenses (-)	21	(2.629.612)	(2.088.462)
Research and Development Expenses (-)	21	(3.318.260)	(3.819.905)
Other Operating Income	22	17.478.735	48.391.368
Other Operating Expenses (-)	22	(17.097.770)	(30.562.625)
<b>OPERATING PROFIT</b>		<b>27.315.635</b>	<b>36.056.785</b>
Income From Investing Activities	23	85.101	49.539
Shares of Profit of Equity Accounted Investees	8	(57.994)	(2.127)
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSE</b>		<b>27.342.742</b>	<b>36.104.197</b>
Financial Income	24	1.768.193	1.706.117
Financial Expense (-)	25	(6.975.655)	(12.753.697)
Monetary Gain/(Loss)	26	(13.869.427)	(14.647.438)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>8.265.853</b>	<b>10.409.179</b>
<b>Tax Income from Continuing Operations</b>		<b>6.956.866</b>	<b>237.695</b>
- Current Corporate Tax Expense(-)	28	(54.072)	(1.630.375)
- Deferred Tax Income	28	7.010.938	1.868.070
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>15.222.719</b>	<b>10.646.874</b>
<b>Profit for the Period Attributable to</b>		<b>15.222.719</b>	<b>10.646.874</b>
Non-Controlling Interest		(76.024)	120.976
Owners of the Company	29	15.298.743	10.525.898
		<b>15.222.719</b>	<b>10.646.874</b>
<b>Earnings for per 100 Shares (in full kuruş)</b>	<b>29</b>	<b>335,50</b>	<b>230,83</b>

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	<b>Note References</b>	<b>Audited</b>	
		<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>PROFIT FOR THE YEAR</b>		<b>15.222.719</b>	<b>10.646.874</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not to be Reclassified Subsequently in Profit or Loss</b>		<b>139.532</b>	<b>3.154.767</b>
Gain on Remeasurement of Defined Benefit Plans	17	(347.128)	(329.033)
Gain on Revaluation of Property, Plant and Equipment	27	457.003	3.887.476
Deferred Tax Expense	27-28	29.657	(403.676)
<b>Items that may be Reclassified Subsequently to Profit or Loss</b>		<b>(687.931)</b>	<b>(1.958.213)</b>
Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income	27	(559.882)	(1.669.946)
Cumulative Translation Adjustments	27	(198.034)	(392.639)
Deferred Tax Expense	27-28	69.985	104.372
<b>OTHER COMPREHENSIVE INCOME</b>		<b>(548.399)</b>	<b>1.196.554</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>14.674.320</b>	<b>11.843.428</b>
<b>Total Comprehensive Income Attributable to</b>			
Non-Controlling Interest		(76.024)	120.976
Owners of the Company		14.750.344	11.722.452
		<b>14.674.320</b>	<b>11.843.428</b>

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



# ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

				Other Comprehensive Income / Expense that will not to be Reclassified Subsequently to Profit or Loss		Other Comprehensive Income / Expense that may not to be Reclassified Subsequently to Profit or Loss			Retained Earnings				
	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	Revaluation Reserves	Remeasurement of Defined Benefit Plans	Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensi ve income	Translation Reserves	Restricted Reserves	Retained Earnings	Net Profit/(Loss) for the Year	Equity Attributable to Owners of the Company	Non- Controlling Interests	Equity
<b>Balance as of 1 January 2023</b>	<b>2.280.000</b>	<b>21.829.459</b>	<b>21.004.764</b>	<b>793.145</b>	<b>(770.459)</b>	<b>1.565.574</b>	<b>473.868</b>	<b>4.944.924</b>	<b>61.315.577</b>	<b>1.850.881</b>	<b>115.287.733</b>	<b>1.378.981</b>	<b>116.666.714</b>
Transfers	--	--	--	--	--	--	--	82.463	816.830	(899.293)	--	--	--
Capital Increase	2.280.000	2.369.684	--	--	--	--	--	--	(4.649.684)	--	--	--	--
Total Comprehensive Income	--	--	--	3.401.542	(246.775)	(1.565.574)	(392.639)	--	--	10.525.898	11.722.452	120.976	<b>11.843.428</b>
Consolidation Effect of Share													
Change in Establishment	--	--	--	--	--	--	--	--	--	--	--	43.950	<b>43.950</b>
Dividends	--	--	--	--	--	--	--	--	--	(951.588)	(951.588)	--	<b>(951.588)</b>
<b>Balance as of 31 December 2023 (Closing Balance)</b>	<b>4.560.000</b>	<b>24.199.143</b>	<b>21.004.764</b>	<b>4.194.687</b>	<b>(1.017.234)</b>	<b>--</b>	<b>81.229</b>	<b>5.027.387</b>	<b>57.482.723</b>	<b>10.525.898</b>	<b>126.058.597</b>	<b>1.543.907</b>	<b>127.602.504</b>
<b>Balance as of 1 January 2024</b>	<b>4.560.000</b>	<b>24.199.143</b>	<b>21.004.764</b>	<b>4.194.687</b>	<b>(1.017.234)</b>	<b>--</b>	<b>81.229</b>	<b>5.027.387</b>	<b>57.482.723</b>	<b>10.525.898</b>	<b>126.058.597</b>	<b>1.543.907</b>	<b>127.602.504</b>
Transfers	--	--	--	--	--	--	--	51.000	9.964.898	(10.015.898)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	399.878	(260.346)	(489.897)	(198.034)	--	--	15.298.743	14.750.344	(76.024)	<b>14.674.320</b>
Consolidation Effect of Share													
Change in Establishment	--	--	--	--	--	--	--	--	--	--	--	(407.675)	<b>(407.675)</b>
Dividends	--	--	--	--	--	--	--	--	--	(510.000)	(510.000)	--	<b>(510.000)</b>
<b>Balance as of 31 December 2024 (Closing Balance)</b>	<b>4.560.000</b>	<b>24.199.143</b>	<b>21.004.764</b>	<b>4.594.565</b>	<b>(1.277.580)</b>	<b>(489.897)</b>	<b>(116.805)</b>	<b>5.078.387</b>	<b>67.447.621</b>	<b>15.298.743</b>	<b>140.298.941</b>	<b>1.060.208</b>	<b>141.359.149</b>

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

	Note References	Audited	
		1 January- 31 December 2024	1 January- 31 December 2023
<b>A.Cash Flows from Operating Activities</b>		<b>21.417.440</b>	<b>12.091.527</b>
Profit for the Period		15.222.719	10.646.873
<b>Adjustments to Reconcile Profit for the Period</b>		<b>21.161.401</b>	<b>21.735.275</b>
- Adjustments for Depreciation and Amortization Expense	11-12	3.299.534	4.912.003
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(133.649)	(58.841)
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	6	(44.197)	4.358
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	9	(89.452)	(63.199)
- Adjustments for Provisions		13.007.987	6.299.828
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	17	1.944.867	1.891.380
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>	15	6.422.662	1.743.833
<i>Adjustments for (Reversal of) Warranty Provisions</i>	15	4.021.428	3.007.541
<i>Adjustments for (Reversal of) Other Provisions</i>	15	619.030	(342.926)
- Adjustments for Interest (Income) Expenses		(353.238)	448.845
<i>Adjustments for Interest Income</i>	22-24	(1.057.804)	(1.226.172)
<i>Adjustments for Interest Expense</i>	22-25	704.566	1.675.017
- Adjustments for Retained Profit of Equity Accounted Investees	8	57.994	2.127
- Adjustments for Tax (Income)/Expenses	27	(6.956.866)	(237.695)
- Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		9.846.966	6.812.374
- Other Adjustments to Reconcile Profit (Loss)		2.392.673	3.556.634
<b>Changes in Working Capital</b>		<b>(10.724.390)</b>	<b>(16.036.032)</b>
- Decrease (Increase) in Trade Receivables		2.216.579	(27.186.075)
- Decrease (Increase) in Other Receivables Related with Operations		(103.856)	(902.593)
- Decrease (Increase) in Inventories		3.444.884	(5.988.068)
- Decrease (Increase) in Prepaid Expenses	10	806.634	(1.738.790)
- Increase (Decrease) in Trade Payables		(798.165)	8.536.700
- Increase (Decrease) in Employee Benefit Obligations		1.801.292	819.238
- Adjustments for Stage of Completion of Construction or Service Contracts in Progress		(14.090.356)	(2.487.925)
- Increase (Decrease) in Other Operating Payables		(319.238)	(645.952)
- Increase (Decrease) in Government Grants and Subsidies		(16.945)	(83.206)
- Increase (Decrease) in Deferred Income		6.716.086	2.206.059
- Adjustments Related to Monetary Gain/ Losses		(10.736.934)	12.300.198
- Other Increase (Decrease) in Working Capital		355.629	(865.618)
<b>Cash Flows From Operations</b>		<b>25.659.730</b>	<b>16.346.116</b>
Payments Related with Provisions for Employee Benefits	17	(843.751)	(472.990)
Payments Related with Other Provisions	15	(3.344.467)	(2.150.791)
Income Taxes Refund (Paid)		(54.072)	(1.630.808)
<b>B.Cash Flows From Investing Activities</b>		<b>(21.347.846)</b>	<b>(16.865.758)</b>
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		664.391	444.283
Purchase of Property, Plant and Equipment	11	(6.027.026)	(7.640.660)
Purchase of Intangible Assets	12	(15.271.921)	(10.330.984)
Dividends Received	23	44.750	22.219
Other Cash Outflows		(758.040)	639.384
<b>C.Cash Flows From Financing Activities</b>		<b>10.017.341</b>	<b>5.993.544</b>
Proceeds from Borrowings		34.580.193	28.177.107
Repayments of Borrowings		(24.393.209)	(21.867.034)
Dividends Paid	19	(169.643)	(316.529)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)</b>		<b>10.086.935</b>	<b>1.219.313</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(46.776)</b>	<b>104.903</b>
<b>E. MONETARY GAIN/LOSS EFFECT ON CASH AND CASH EQUIVALENTS</b>		<b>(2.933.450)</b>	<b>(5.318.384)</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)</b>		<b>7.106.709</b>	<b>(3.994.168)</b>
<b>F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>9.530.555</b>	<b>13.524.723</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)</b>	<b>3</b>	<b>16.637.264</b>	<b>9.530.555</b>

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**1. ORGANIZATION AND OPERATIONS OF THE GROUP**

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

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

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

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

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

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

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

The Company is registered to Capital Markets Board of Türkiye ("CMB") and its shares have been quoted in Borsa İstanbul Anonim Şirketi ("BİST") since 1990. As of 31 December 2024, 25,80 percent of the Company's shares are publicly traded (31 December 2023: 25,80 percent) (Note 19).

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 31 December 2024 is 12.014 (31 December 2023: 11.550).

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 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"), ASELSAN Latin Amerika SpA ("ASELSAN Latin Amerika") and ASELSAN Technologies Limited ("ASELSAN UAE"). They are collectively referred as the "Group" in the accompanying notes.

The Company has five 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") and ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Poland ("ASELSAN Poland") located in Republic of South Africa, Macedonia, Turkish Republic of Northern Cyprus ("TRNC"), Qatar and Poland, 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 has 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.

###### Approval of the Consolidated Financial Statements

These consolidated financial statements have been approved for issue by the Board of Directors with the resolution number 1259 on 25 February 2025. There is no authority other than General Assembly and legal entities 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.

###### 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.



(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 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 (continued)**

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 31 December 2023 and 31 December 2024.

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 291% for the three-year period ended 31 December 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 31 December 2024, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

<b>Period</b>	<b>Index</b>	<b>Correction Coefficient</b>
31 Aralık 2024	2.684,55	1
31 Aralık 2023	1.859,38	1,44379
31 Aralık 2022	1.128,45	2,37897

**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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

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

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.

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.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)****2.3 The Basis of Presentation (continued)****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
			31 December 2024	31 December 2023	
ASELSANNET	Türkiye	TL	100	100	Communication systems
ASELSAN Baku	Azerbaijan	AZN	100	100	Marketing and sales of the group products
ASELSAN Global	Türkiye	TL	100	100	Export
ASELSAN Optik	Türkiye	TL	80	80	Sensitive optic technologies
Mikro AR-GE	Türkiye	TL	85	85	Microelectronic R&D projects
ASELSAN Malaysia	Malaysia	MYR	100	100	Remote controlled weapon systems
ASELSAN Konya	Türkiye	TL	51	51	Weapon and weapon systems
BITES	Türkiye	TL	100	100	Defense, Aerospace, Space Technologies, Software
ASELSAN Ukraine	Ukraine	UAH	100	100	Marketing and sales of the group products
ASELSAN Latin Amerika	Chile	CLP	100	--	Marketing and business development
ASELSAN UAE	BAE	AED	100	100	Marketing and business development

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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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

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

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

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



**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 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 31 December 2024 and 2023 are as follows:

Joint Ventures	Principal Activity	Country of establishment and operation	Group's proportion of ownership and voting power held (%)	
			31 December 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")	Manufacturing, testing, maintenance-repair and marketing of remote control system	United Arab Emirates	49	49
Kazakhstan ASELSAN Engineering LLP ("ASELSAN Kazakhstan")	Manufacturing, development and maintenance repair of electronic 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")	Manage and operate the technology development zone	Türkiye	13	13
EHSİM Elektronik Harp Sistemleri Müh. Tic. A.Ş. ("EHSİM")	Electronic warfare systems, tactical command and control systems & decoy target systems	Türkiye	50	50
TR Eğitim ve Teknoloji A.Ş. ("TR Eğitim")	Human Resources Studies, consultancy and training activities, certification activities, training software activities, publishing activities	Türkiye	35	35
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")	Production, design and sale of cables, connectors, cabling and similar products and technologies	Türkiye	15	--
ULAK Haberleşme A.Ş. ("ULAK")	Design, development and engineering activities of broadband communication devices and mobile communication systems	Türkiye	51	51

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 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 and ULAK established in 2017, TEKNOHAB established in 2018, TR Eğitim established in 2019, İFTÜ established in 2022, and Adıyaman Kablo established in 2024 were included in the condensed consolidated financial statements by using the equity method. Since BARQ QSTP LLC is 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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 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 31 December 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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

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

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

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

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

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

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

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

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

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

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

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

**b) Standards Issued But Not Yet Effective and Not Early Adopted as of 31 December 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.



(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

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

**b) Standards Issued But Not Yet Effective and Not Early Adopted as of 31 December 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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies**

**Related Parties**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity;

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Transaction with related party is a transfer of resources, services or liabilities between the reporting entity and the related party, disregarding it is with or without a value.

**Revenue**

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

It replaces existing revenue recognition guidance, including TAS 18 Revenue, TAS 11 Construction Contracts and TFRYK 13 Customer Loyalty Programmes.

**General model for revenue recognition**

TFRS 15 requires revenue recognition for all contracts with customers to follow the five-step approach to revenue recognition.

***Step 1: Identifying the contract with customers***

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Group accounts the contracts as a single contract.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)****2.5 Summary of Significant Accounting Policies (continued)*****Step 2: Identifying the performance obligations***

Group defines 'performance obligation' as a unit of account for revenue recognition. The Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation either a good or service that is distinct; or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. A contract may contain promises to deliver a series of distinct goods or services that are substantially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

***Step 3: Determining the transaction price***

In order to determine the transaction price, the Group assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Group considers variable elements of consideration, as well as the existence of a significant financing component.

**Significant financing component**

The Group revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service.

As a practical expedient, the Group does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Group's performance throughout the period, the Group concludes that the period between performance and payment is never more than 12 months, therefore the expedient is applied.

**Variable consideration**

The Group identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

***Step 4: Allocating the transaction price to performance obligations***

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

***Step 5: Revenue Recognition***

The Group recognises revenue over-time if any of the following conditions is met:

- customer simultaneously receives and consumes the benefits as the entity performs, or
- the customer controls the asset as the entity creates or enhances it, or
- Group's performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Group uses a method that measures the work performed reliably. The Group uses cost incurred to measure the progress towards to completion of the project where the input method is used and uses units transferred to measure the progress towards to completion of the project where the output method is used. If a performance obligation is not satisfied over time, then the Group recognise revenue at the point in time at which it transfers control of the good or service to the customer.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies (continued)**

The Group recognises a provision in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets" when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

**Contract modifications**

The Group recognises a contract modification as a separate contract if the modification results in a promise to deliver additional goods or services that are distinct and an increase in the price of the contract by an amount of consideration that reflects the entity's stand-alone selling price of those goods or services adjusted to reflect the circumstances of the contract.

If the goods or services are distinct, then the entity accounts for the modification as if it were a termination of the existing contract and the creation of a new contract.

If the modification to the contract does not add distinct goods or services, then the entity accounts for it on a combined basis with the original contract, as if the additional goods or services were part of the initial contract.

**Dividend and interest income**

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**The Rental Income**

The rental income is charged to the statement of profit or loss on a straight line method bases over the period of the lease.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Inventories are valued on the basis of the project according to the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to realize sales. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

**Property, Plant and Equipment**

Land held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any increase in the fair value arising on the revaluation of such land is recognized in gain on revaluation of property.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)****2.5 Summary of Significant Accounting Policies (continued)****Property, Plant and Equipment (continued)**

A decrease in the carrying amount arising on the revaluation of such land is recognized in profit or loss to the extent that it exceeds the balance in the accumulated in the equity, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve inequity is transferred directly to retained earnings.

Land is not depreciated. Property, plant and equipment other than lands are carried at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Borrowing cost is capitalized when the assets took a substantial period of time to get ready for their intended use or sale.

These assets are classified to property, plant, and equipment when the assets are completed and ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. If the ownership of the finance lease is not obvious at the end of the leasing period, it is depreciated over their expected useful lives or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The maintenance and repair expenses arising from changing any part of the fixed assets can be realized if the economic benefit of the asset is increased. All other expenses are recognized in the expense accounts in the consolidated profit and loss when they are realized.

The useful lives of Property, Plant and Equipment are as follows:

	<b><u>Useful life</u></b>
Buildings	5-50 years
Land improvements	7-25 years
Machinery and equipment	2-35 years
Motor vehicles	3-7 years
Furniture and fixtures	2-50 years
Leasehold improvements	2-11 years
Other tangible assets	2-20 years

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Intangible Assets**

**Intangible assets acquired**

Intangible assets acquired are recognized at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods are reviewed at the end of each annual reporting period, with the effect of any changes in accounting estimates for on a prospective basis.

**Trademarks and Licenses**

Acquired licenses are shown at historical cost. Licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives.

**Computer software**

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

**Right-of-use assets**

The Group reflects the non-cancellable operating leases over one year, which include the right to control the use of the asset defined in the contract, as a right-of-use asset in the accounting records. The right of use is calculated by discounting the lease payments to their present value over the interest rate stated in the contract, either explicitly or secretly. Right-of-use asset is amortized over the lease term.

**Internally generated intangible assets – Research and Development**

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- The intention to complete the intangible asset and use or sell it,
- The ability to use or sell the intangible asset,
- How the intangible asset will generate probable future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)****2.5 Summary of Significant Accounting Policies (continued)****Intangible Assets (continued)****Internally generated intangible assets – R&D expenditure (continued)**

The amount initially recognized for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The useful lives of the intangible assets are as follows:

	<b><u>Useful life</u></b>
Rights	1-15 years
Computer software	2-3 years
Development expenditures	1-5 years

**Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalization is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

**Financial Instruments**

TFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces TAS 39 Financial Instruments: Recognition and Measurement.

**i. Classification – Financial assets**

TFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value Through Other Comprehensive Income ("FVOCI") and Fair Value Through Profit or Loss ("FVTPL"). The standard eliminates the existing TAS 39 categories of held to maturity, loans and receivables and available for sale. Financial investments classified as "Available for Sale Financial Assets" in accordance with TAS 39 are classified as FVOCI in accordance with TFRS 9.

Under TFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Group does not have any embedded derivatives as of reporting date.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Financial Instruments (continued)**

**ii. Impairment – Financial assets and contract assets**

TFRS 9 replaces the 'incurred loss' model in TAS 39 with a forward-looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

The new impairment model applies to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under TFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement (simplified approach) is always applied to trade receivables and contract assets without a significant financing component.

**iii. Classification – Financial liabilities**

TFRS 9 largely retains the existing requirements in TAS 39 for the classification of financial liabilities.

However, under TAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas under TFRS 9 these fair value changes are generally presented as follows:

The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of change in the fair value is presented in profit or loss.

The Group has not identified any liability for the fair value recognized in profit or loss and has no objective purpose.

**iv. Hedge accounting**

When initially applying TFRS 9, the Group may choose as its accounting policy to continue to apply the hedge accounting requirements of TAS 39 instead of the requirements in TFRS 9. During selection of the accounting policies, TFRS 9 gives option of continuing with TAS 39 hedge accounting principles and deferring hedge accounting rules in accordance with TFRS 9. The Group does not apply hedge accounting.



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

**2.5 Summary of Significant Accounting Policies (continued)**

**Capital**

**Common Stocks**

Common stocks are classified as equity. Incremental costs that can be directly attributable to the issue of ordinary shares are recognised as a deduction from equity considering the tax effect.

**Leasing**

**Leasing- the group as lessor**

The Group recognizes the contracts that include the right to control the use of an asset, the transfer of it for a specified period and for a certain price, as lease agreements and accounts for the relevant contractual rights as "right-of-use asset".

The right-of-use asset includes the initial measurement amount of the lease liability, all lease incentives and discounts related to the lease, all direct costs incurred and all costs related to dismantling / moving the defined asset. The Group applies the short-term lease registration exemption for assets that have a lease term of twelve months or less from the start date and do not have a purchase option.

The Group depreciates the right-of-use asset based on the lease term and values it at cost.

The lease obligation, on the other hand, is measured over the present value of unrealized lease payments at the actual start date. Lease payments are discounted using the implied interest rate, if any, otherwise the lessee's alternative borrowing interest rate.

**Foreign Currency Transactions**

**Foreign currency transactions and balances**

The financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates as its "functional currency". For the purpose of the consolidated financial statements, the operational results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation for consolidated financial statements.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.6 Summary of Significant Accounting Policies (continued)**

**Foreign Currency Transactions (continued)**

**Foreign currency transactions and balances (continued)**

In preparing the financial statements of the individual entities, transactions in foreign currencies (other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items (including advances) denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are accounted for the period in profit or loss in which they are incurred except for the following cases:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

**Earnings per Share**

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

In Türkiye, companies can increase their share capital by distributing "bonus shares" to shareholders from retained earnings. In computing earnings per share, such "bonus share" distributions are assessed as issued shares. Accordingly, the weighted average number of shares is computed by taking into consideration of the retrospective effects of the share distributions.

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Events After the Reporting Period**

Events after the reporting periods include all events that take place between the balance sheet date and the date of authorization for the release of the financial statements, although the events occurred after the announcements related to the net profit/loss or even after the public disclosure of other selective financial information.

In the case that events occur requiring an adjustment, the Group adjusts the amount recognized in its consolidated financial statements to reflect the adjustments after the balance sheet date.

**Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made for the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties related with the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Operating Segments**

Operations of the Company are technical system design, development, production and after-sales services for various products for defense industry. One kind of operating segment has occurred in consequence of similarities between methods that are used for products, quality of services and processes, client's type and class, and distribution or presentation of products. It is not required to disclose segment reporting for the consolidated subsidiaries, since revenue profit/loss and assets are below 10 percent of consolidated amounts.

**Government Grants and Incentives**

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Taxes Calculated on the Basis of the Company's Earnings**

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Taxes Calculated on the Basis of the Company's Earnings (continued)**

**Deferred tax (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Current and deferred tax for the period**

Tax, provided that it is not related with a transaction directly recognized in equity, is classified in the statement of profit or loss. Otherwise, tax is recognized under equity.

**Employee Benefits**

**Termination and retirement benefits**

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per TAS 19 "Employee Benefits" ("TAS 19").

The retirement benefit obligation recognized in the consolidated financial statements represents the present value of the defined benefit obligation.

The actuarial gains and losses are recognized in other comprehensive income.

**Dividend and bonus plans**

The Group recognizes a liability and an expense for bonuses and dividend, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.5 Summary of Significant Accounting Policies (continued)**

**Employee Benefits (continued)**

**Statement of Cash Flows**

Current period statement of cash flows is categorized and reported as operating, investing and financing.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**Non-Current Assets Held for Sale**

Non-current assets are classified as "assets held for sale" when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. The assets can be a part of the Entity, disposal group as a single fixed asset.

**2.6 Critical Accounting Judgments and Estimates**

**Critical judgments in applying the Group's accounting policies**

In the process of applying the accounting policies, which are described in note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

**Deferred tax**

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

**2.6 Critical Accounting Judgments and Estimates (continued)**

**Critical judgments in applying the Group's accounting policies (continued)**

**Deferred tax (continued)**

The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then provision is set for some portion of or all of the deferred tax assets (Note 28).

**Liabilities with respect to employee benefits**

The Group makes various assumptions on discount, inflation rate, wage increase rate, the probability of quitting voluntarily for calculating provisions for employee benefits and retirement pays (Note 17).

**Useful lives of tangible and intangible assets**

The Group amortizes the non-current assets based on the useful lives of those assets stated in the accounting policies (Note 11-12).

**Escalation**

As of the reporting dates, the amounts of the projects subject to escalation are calculated with respect to the provisions of the contracts and estimated in accordance with TFRS 15 "Revenue from Contracts with Customers".

**Provision for guarantee expenses**

The Group calculates provision, according to the budgeted estimations for specific parts of the sales under the scope of warranty that needs specific guarantee calculations, and according to the realizations in previous years for the remaining part of the sales (Note 15).

**Development Expenses**

As of reporting dates, the Management assess the recoverability of the expenses regarding the Group's development activities. These expenses are started to be amortized with respect to their useful lives when their development phases are completed and it becomes probable that there is an associated economic benefit. When the development phase is completed and no economic benefit is foreseen, the related expenses are recognized in consolidated income statement (Note 12).



**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**3. CASH AND CASH EQUIVALENTS**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash	1.064	1.304
Bank		
- <i>Time deposit</i>	15.436.603	9.126.661
- <i>Demand deposit</i>	1.050.160	394.898
Other	149.437	7.692
<b>Cash and cash equivalents on the cash flow statement</b>	<b>16.637.264</b>	<b>9.530.555</b>
Interest income accruals	--	12.924
	<b>16.637.264</b>	<b>9.543.479</b>

As of 31 December 2024, the Group has time deposits denominated in foreign currencies with maturities on January 2025 (31 December 2023: January 2024), with the interest rates between 0,50 percent and 3 percent (31 December 2023: 2,50 percent and 3,50 percent) amounting to TL 1.873.089 (31 December 2023: TL 2.929.097) in several banks.

As of 31 December 2024, the Group has time deposits denominated in TL terms with maturities on January 2025 (31 December 2023: January 2024) with the interest rates between 48,50 percent and 49,25 percent (31 December 2023: 41,50 percent and 42,00 percent) amounting to TL 13.563.514 (31 December 2023: TL 6.197.564) in several banks.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**4. INTERESTS IN OTHER ENTITIES****a) Subsidiaries**

Details of the Group's material subsidiaries as of 31 December are as follows:

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

**Composition of the Group**

Explained in Note 1.

**Change in the Group's ownership interest in a subsidiary:**

Change in the Group's subsidiaries ownership is explained in Note 2.1

**b) Joint Ventures**

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

#### **5. 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 maturities of 1 year.

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

Total amount of salaries and other short-term benefits paid for key management for the period ended 31 December 2024 is approximately TL 368.485 (The vast majority consists of paid wages and benefits.) (31 December 2023: TL 385.968).

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 YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

	31 December 2024									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables¹	Trading	Deferred Income
Balances with related parties										
Main shareholder										
TSKGV	--	--	--	--	--	--	--	340.357	--	--
Main shareholder’s subsidiaries and associates										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	51.907	540.715	--	14.818	207.112	845.770	6	--	--	643.486
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	41.186	223.300	--	--	51.535	527.150	11.851	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	187.410	--	--	42.099	77.256	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	8.204	--	--	18.527	42.308	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	137.819	20.725	--	745.830	--	18.321	--	--	--	632.133
Tusaş Motor Sanayii Anonim Şirketi (“TEİ”)	43.853	--	--	--	--	--	--	--	--	--
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	4.035.731	--	--	2.310.786	--	14.134	359.211	--	--	--
Financial Instruments										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPİLSAN”)	--	23.766	--	--	4.826	19.164	4.697	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	3.750.514	75.052	--	393.294	830.853	464.670	516.322	--	--	262.645
Joint ventures and its related parties										
ASELSAN Bilkent Mikro Nano	--	245.937	--	--	73.482	88.244	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	6.221	--	--	--	37	--	--	--	--
IGG	21.670	--	--	3.038	--	--	2.334	--	--	--
IGG ASELSAN	6.065	36.380	--	--	3.627	24.227	--	--	--	--
ASELSAN Kazakistan	298.626	--	--	59.682	--	288	1.381	--	--	--
ASELSAN Jordan	123.051	--	--	--	--	26.057	348	--	--	5.513
TÜBİTAK BİLGEM	--	84.949	--	--	13.886	100.892	--	--	--	--
TÜBİTAK-UME	--	2.494	--	--	--	3	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	9.858	45.597	--	307.947	1.283	3.729	5.515	--	--	13.795
TÜBİTAK SAGE Savunma Sanayii	30.027	196.544	--	9.707	77.070	154.584	1.020	--	--	--
Savunma Sanayi Başkanlığı (“SSB”)	3.161.285	--	--	36.295.518	--	--	4.766.811	--	--	5.430.149
SSTEK	3	--	--	--	--	--	398.792	--	--	16.471
ULAK	932.665	2.374	--	--	--	3.266	--	--	--	--
TÜYAR	--	52.128	--	--	--	--	--	--	--	--
EHSİM	--	160.479	--	--	2.636	48.523	--	--	--	--
Shares offered to the public	--	--	--	--	--	--	--	--	--	--
	12.644.260	1.912.275	--	40.140.620	1.326.936	2.458.623	6.068.288	340.357	--	7.004.192

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

### 5. RELATED PARTY DISCLOSURES (continued)

	31 December 2023									
	Receivables					Payables				
	Short-term		Other Receivables	Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses		Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables <sup>1</sup>	Trading	Deferred Income
<b>Balances with related parties</b>										
<b><u>Main shareholder</u></b>										
TSKGV	167	--	--	--	--	--	--	385.415	--	--
<b><u>Main shareholder’s subsidiaries and associates</u></b>										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	116.452	421.410	--	22.687	63.943	586.764	--	--	--	--
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	12.886	294.752	--	--	6.333	253.536	1.617	--	--	819
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	318.045	--	--	--	112.324	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	51.569	--	--	15.880	269.207	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	784.615	28.986	--	558.567	--	36.619	--	--	--	280.753
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	2.528.965	--	--	2.482.978	--	1.047	192.372	--	--	223.090
<b><u>Financial Instruments</u></b>										
ASPIİSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPIİSAN”)	711	58.843	--	--	--	110.339	6.782	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	2.941.545	214.329	--	437.769	1.842.572	2.548.053	352.052	--	--	103.116
<b><u>Joint ventures and its related parties</u></b>										
ASELSAN Bilkent Mikro Nano	--	284.481	--	--	31.119	137.534	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	43	7.713	--	--	--	19.079	--	--	--	--
IGG	372.279	--	--	6.116	--	--	--	--	--	--
IGG ASELSAN	49.701	37.498	--	--	5.236	30.697	--	--	--	--
ASELSAN Kazakhstan	556.015	--	--	--	--	347	64	--	--	24
ASELSAN Jordan	204.544	--	--	--	--	52.997	8.211	--	--	--
TÜBİTAK BİLGEM	--	111.869	--	--	14.780	84.184	--	--	--	--
TÜBİTAK-UME	--	976	--	--	--	780	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	43.321	11.184	--	237.341	2.079	18.386	31.867	--	--	18.263
TÜBİTAK SAGE Savunma Sanayii	15.851	401.633	--	--	64.004	311.873	7.147	--	--	--
Savunma Sanayi Başkanlığı (“SSB”)	5.433.244	--	--	30.756.362	--	--	2.937.718	--	--	4.196.213
SSTEK	--	--	--	--	--	--	213.563	--	--	466.588
EHSİM	--	15.962	--	--	21.296	38.594	--	--	--	--
DASAL	--	--	--	--	--	11.392	--	--	--	--
TR Eğitim	--	--	--	--	--	224	--	--	--	--
<b><u>Shares offered to the public</u></b>	--	--	--	--	--	--	--	--	--	--
	<b>13.060.339</b>	<b>2.259.250</b>	<b>--</b>	<b>34.501.820</b>	<b>2.067.242</b>	<b>4.623.976</b>	<b>3.751.393</b>	<b>385.415</b>	<b>--</b>	<b>5.288.866</b>

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**5. RELATED PARTY DISCLOSURES (continued)**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>Transactions with related parties</b>	<b>Purchases</b>	<b>Purchases</b>
<b><u>Main Shareholder</u></b>		
TSKGV	2.105	3.388
<b><u>Main shareholder's subsidiaries and associates</u></b>		
NETAŞ	152.112	393.838
STM	47.290	47.160
İŞBİR	322.818	409.055
HTR	1.210.471	535.555
TUSAŞ	28.120	23.812
HAVELSAN	1.091.204	432.375
<b><u>Financial Instruments</u></b>		
ROKETSAN	58.231	3.542.013
ASPILSAN	171.293	164.092
<b><u>Joint ventures and its related parties</u></b>		
İHSAN DOĞRAMACI BİLKENT ÜNİVERSİTESİ	2.094	35.470
TÜBİTAK BİLGEM	207.945	185.979
IGG	200.974	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	7.052	--
TÜBİTAK UME	2.973	3.019
TÜBİTAK SAGE SAVUNMA SANAYİİ	580.378	399.562
SSTEK	777	235
	<b>4.085.837</b>	<b>6.175.553</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**5. RELATED PARTY DISCLOSURES (continued)**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>Transactions with related parties</b>	<b>Sales</b>	<b>Sales</b>
<b><u>Main Shareholder</u></b>		
TSKGV	565	27.315
<b><u>Main shareholder's subsidiaries and associates</u></b>		
TUSAŞ	11.170.655	14.676.122
STM	1.149.117	4.038.933
HAVELSAN	157.946	201.227
HTR	62.973	36.640
İŞBİR	--	6.801
TEI	115.027	--
<b><u>Financial Instruments</u></b>		
ROKETSAN	2.422.052	3.627.938
ASPIŁSAN	2.241	2.704
<b><u>Joint ventures and its related parties</u></b>		
İHSAN DOĞRAMACI BİLKENT ÜNİVERSİTESİ	--	112
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	5.660	37.511
TÜBİTAK SAGE SAVUNMA SANAYİİ	14.473	32.516
SSB	64.151.578	83.159.805
SSTEK	5.108.001	303.569
	<b>84.360.288</b>	<b>106.151.193</b>

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term trade receivables</b>		
Trade receivables	15.661.995	16.615.916
Trade receivables from related parties (Note 5)	12.644.260	13.060.339
Notes receivable	40.681	35.611
Other receivable	8.498	20.240
Doubtful trade receivables	32.291	76.488
Allowance for doubtful trade receivables (-)	(32.291)	(76.488)
	<b>28.355.434</b>	<b>29.732.106</b>
<b>Long-term trade receivables</b>		
Unbilled receivables from contracts with customers	14.074.580	10.207.858
Trade receivables	763.738	927.499
Unbilled receivables from contracts with customers -Related party (Note 5)	40.140.620	34.498.080
Trade receivables from related parties (Note 5)	--	3.740
	<b>54.978.938</b>	<b>45.637.177</b>

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
Opening balance	76.488	72.130
Provision for the period	(20.686)	32.713
Monetary gain/(loss)	(23.511)	(28.355)
<b>Closing balance</b>	<b>32.291</b>	<b>76.488</b>

The sectorial distribution of trade receivables is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Public sector	46.875.565	43.214.700
Private sector	30.298.329	22.747.613
Receivables from companies operating abroad	6.160.478	9.406.970
<b>Total receivables</b>	<b>83.334.372</b>	<b>75.369.283</b>

Receivables from public sector represent the receivables are due from the Presidency of Defense Industry and other public entities. The Group's operations are based on contracts and no other collaterals are obtained from the customers.



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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**6. TRADE RECEIVABLES AND PAYABLES (continued)****b) Trade payables**

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term trade payables</b>		
Trade payables	15.763.624	14.929.454
Due to related parties (Note 5)	2.458.623	4.623.976
Notes payable	1.124.644	1.565.332
Other trade payables	413.643	341.815
	<b>19.760.534</b>	<b>21.460.577</b>
<b>Long-term trade payables</b>		
Other trade payables	--	8.797
Notes payables	--	100.210
	<b>--</b>	<b>109.007</b>

**7. OTHER RECEIVABLES AND PAYABLES****a) Other receivables**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term other receivables</b>		
Receivables from tax office <sup>1</sup>	1.926.488	1.928.750
Deposits and guarantees given	15.196	19.168
Other <sup>2</sup>	543.762	435.061
	<b>2.485.446</b>	<b>2.382.979</b>
<b>Long-term other receivables</b>		
Deposits and guarantees given	<b>11.898</b>	<b>10.509</b>

**b) Other payables**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term other payables</b>		
Short-term other payables	134.053	66.354
Deposits and guarantees received	57.784	19.144
Leasing liabilities	16.369	22.922
Short-term other payables to related parties (Note 5)	340.357	385.415
	<b>548.563</b>	<b>493.835</b>
<b>Long-term other payables</b>		
Deposits and guarantees received	7.053	8.619
Other payables	5.291	16.216
Leasing Liabilities	6.956	28.074
	<b>19.300</b>	<b>52.909</b>

<sup>1</sup> Mainly comprises Value Added Tax (VAT) returns and are expected to be offsetted in the following periods.

<sup>2</sup> Consists of R&D Center social security premium incentive and R&D Center income tax exceptions.

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**8. EQUITY ACCOUNTED INVESTMENTS**

The Group's financial information for its shareholdings consolidated with equity method , that are not presented,according to the Group's ownership rates are as below:

<b>31 December 2024</b>	<b>Ownership Rate (%)</b>	<b>Current Assets</b>	<b>Non-current Assets</b>	<b>Total Assets</b>	<b>Short-term Liabilities</b>	<b>Long-term Liabilities</b>	<b>Total Liabilities</b>
ASELSAN KAZAKHSTAN	49	466.015	435.388	901.403	380.685	30.430	411.115
ASELSAN JORDAN	49	249.422	125.433	374.855	148.325	19.843	168.168
IGG ASELSAN	49	156.783	257	157.040	40.108	5.416	45.524
ASELSAN BİLKENT	50	263.410	1.060.904	1.324.314	67.215	515.549	582.764
TEKNOHAB	13	210.187	28.138	238.325	1.689	--	1.689
EHSİM	50	467.896	25.787	493.683	89.777	209.218	298.995
TÜYAR	51	62.113	46.377	108.490	51.867	--	51.867
TR EĞİTİM	35	68.334	66.008	134.342	1.975	--	1.975
ADİYAMAN KABLO	15	162.131	305	162.436	4.075	--	4.075
ULAK	51	1.342.915	2.206.758	3.549.672	1.440.702	1.457.585	2.898.286
İSTANBUL FİNANS	44	11.507	786	12.293	11.775	--	11.775
		<b>3.460.713</b>	<b>3.996.141</b>	<b>7.456.853</b>	<b>2.238.193</b>	<b>2.238.041</b>	<b>4.476.233</b>

<b>31 December 2024</b>	<b>Ownership Rate (%)</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Net Profit/(Loss)</b>	<b>Group Share of Net Assets</b>	<b>Group Share of Profit/(Loss)</b>
ASELSAN KAZAKHSTAN	49	460.660	(416.101)	44.559	240.240	21.834
ASELSAN JORDAN	49	59.633	(105.232)	(45.599)	101.276	(22.344)
IGG ASELSAN	49	32.495	(48.707)	(16.212)	54.644	(7.944)
ASELSAN BİLKENT	50	768.318	(743.953)	24.365	370.775	12.182
BARQ QSTP LLC.	48	--	--	--	5.730	--
TEKNOHAB	13	88.711	(17.601)	71.110	30.857	9.273
EHSİM	50	392.805	(337.135)	55.670	97.344	27.835
DASAL <sup>1</sup>	--	--	--	--	--	(6.951)
TÜYAR	51	12.122	(14.095)	(1.973)	28.878	(1.006)
TR EĞİTİM	35	95.516	(81.872)	13.644	46.329	4.775
ADİYAMAN KABLO	15	27.290	(9.275)	18.016	23.754	2.702
ULAK	51	975.008	(1.136.100)	(161.092)	332.207	(82.157)
İSTANBUL FİNANS	44	8.543	(44.978)	(36.435)	230	(16.193)
		<b>2.921.101</b>	<b>(2.955.049)</b>	<b>(33.947)</b>	<b>1.332.264</b>	<b>(57.994)</b>

<sup>1</sup> %49 of Dasal shares was transferred on 25 October 2024.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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**8. EQUITY ACCOUNTED INVESTMENTS (continued)**

<b>31 December 2023</b>	<b>Ownership Rate (%)</b>	<b>Current Assets</b>	<b>Non-current Assets</b>	<b>Total Assets</b>	<b>Short-term Liabilities</b>	<b>Long-term Liabilities</b>	<b>Total Liabilities</b>
ASELSAN KAZAKHSTAN	49	578.845	638.552	1.217.397	559.994	37.739	597.733
ASELSAN JORDAN	49	366.101	162.845	528.946	181.659	40.169	221.828
IGG ASELSAN	49	188.665	387	189.052	29.944	3.520	33.464
ASELSAN BİLKENT	50	744.261	1.002.619	1.746.880	337.192	692.502	1.029.694
TEKNOHAB	13	179.654	26.822	206.476	40.950	--	40.950
EHSİM	50	527.783	41.653	569.436	148.144	358.156	506.300
DASAL	49	152.074	353.567	505.641	52.286	--	52.286
TÜYAR	51	28.542	42.145	70.687	12.089	--	12.089
TR EĞİTİM	35	118.449	4.795	123.244	4.521	--	4.521
İSTANBUL FİNANS	44	8.514	1.395	9.909	1.913	7.996	9.909
		<b>2.892.888</b>	<b>2.274.780</b>	<b>5.167.668</b>	<b>1.368.692</b>	<b>1.140.082</b>	<b>2.508.774</b>

<b>31 December 2023</b>	<b>Ownership Rate (%)</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Net Profit/(Loss)</b>	<b>Group Share of Net Assets</b>	<b>Group Share of Profit/(Loss)</b>
ASELSAN KAZAKHSTAN	49	283.805	(290.266)	(6.461)	303.636	(3.166)
ASELSAN JORDAN	49	192.726	(195.870)	(3.144)	150.488	(1.541)
IGG ASELSAN	49	76.090	(55.701)	20.389	76.237	9.991
ASELSAN BİLKENT	50	837.786	(870.003)	(32.217)	358.592	(16.109)
BARQ QSTP LLC.	48	--	--	--	5.730	--
TEKNOHAB	13	31.736	(16.657)	15.079	21.585	1.966
EHSİM	50	534.195	(535.597)	(1.402)	31.568	(701)
DASAL	49	57.433	(69.445)	(12.012)	222.144	(5.886)
TÜYAR	51	9.515	(6.334)	3.181	29.885	1.622
TR EĞİTİM	35	143.387	(75.583)	67.804	41.553	23.731
İSTANBUL FİNANS	44	3.497	(30.580)	(27.083)	--	(12.034)
		<b>2.170.170</b>	<b>(2.146.036)</b>	<b>24.134</b>	<b>1.241.418</b>	<b>(2.127)</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**9. INVENTORIES**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Raw materials	25.620.024	26.647.066
Work in progress	12.551.533	13.305.250
Goods in transit <sup>1</sup>	20.921	2.503.701
Finished goods	1.549.822	3.126.662
Other inventories	2.742.552	239.030
Trade goods	1.007.804	744.514
Allowance for impairment on inventories (-)	(20.922)	(110.374)
	<b>43.471.734</b>	<b>46.455.849</b>

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

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

Impaired inventory movements for the period ended in 31 December are as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	110.374	173.573
Provisions no longer required	(215.433)	(72.483)
Provision for the period	125.981	9.284
<b>Closing balance</b>	<b>20.922</b>	<b>110.374</b>

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**10. PREPAID EXPENSES AND DEFERRED INCOME**

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term prepaid expenses</b>		
Order advances given for inventory purchases	7.862.381	8.243.041
Short-term order advances given to related parties for inventory purchases (Note 5)	1.912.275	2.259.250
Work advances	708.610	459.144
Prepaid expenses	1.728.795	2.165.804
	<b>12.212.061</b>	<b>13.127.239</b>

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Long-term prepaid expenses</b>		
Long-term order advances given to related parties for inventory purchases (Note 5)	1.326.936	2.067.242
Order advances given for inventory purchases	1.341.982	204.072
Order advances given for fixed assets purchases	475.634	396.295
Prepaid expenses	594.138	883.198
	<b>3.738.690</b>	<b>3.550.807</b>

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Short-term deferred income</b>		
Order advances received	3.693.874	3.933.661
Order advances received from related parties (Note 5)	6.068.288	3.751.393
Deferred income	3.242.378	5.149.279
	<b>13.004.540</b>	<b>12.834.333</b>

Short-term order advances received comprises advances received from 77 customers (31 December 2023: 73 customers) of which first 10 customers constitutes 98 percent of the total (31 December 2023: 98 percent).

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Long-term deferred income</b>		
Order advances received	4.433.855	2.922.829
Order advances received from related parties (Note 5)	7.004.192	5.288.866
Deferred income	390.455	319.247
	<b>11.828.502</b>	<b>8.530.942</b>

Long-term order advances received comprises advances received from 51 customers (31 December 2023: 47 customers) of which the first 10 customers constitutes 88 percent of the total (31 December 2023: 93 percent).

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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**11. PROPERTY, PLANT AND EQUIPMENT**

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets <sup>1</sup>	Leasehold improvements	Financial leasing <sup>2</sup>	Construction in progress <sup>3</sup>	Total
<b><u>Cost and revaluation</u></b>											
Opening balance as of 1 January 2024	6.959.216	517.161	8.752.365	20.851.765	499.994	6.481.783	2.635.161	2.668.282	321.972	8.524.265	58.211.964
Additions <sup>4</sup>	--	283	99.301	1.902.711	125.030	636.864	44	37.400	174	3.352.613	6.154.420
Revaluation fund	457.003	--	--	--	--	--	--	--	--	--	457.003
Disposals	--	(56.028)	(64.536)	(852.700)	(12.405)	(1.002.755)	(55.606)	(65.855)	(2.172)	(75.046)	(2.187.103)
Transfers	--	72.228	4.240.904	97.644	--	--	194.750	--	--	(4.605.526)	--
<b>Closing balance as of 31 December 2024</b>	<b>7.416.219</b>	<b>533.644</b>	<b>13.028.034</b>	<b>21.999.420</b>	<b>612.619</b>	<b>6.115.892</b>	<b>2.774.349</b>	<b>2.639.827</b>	<b>319.974</b>	<b>7.196.306</b>	<b>62.636.284</b>
<b><u>Accumulated depreciation</u></b>											
Opening balance as of 1 January 2024	--	338.390	2.432.899	13.102.657	97.464	4.989.363	1.875.894	899.728	214.792	--	23.951.187
Charge for the period	--	21.115	271.371	1.328.279	98.542	608.355	221.474	148.881	52.455	--	2.750.472
Disposals	--	(56.647)	(87.316)	(733.426)	(6.936)	(573.241)	(16.851)	--	--	--	(1.474.417)
Transfers	--	--	--	--	--	--	--	--	--	--	--
<b>Closing balance as of 31 December 2024</b>	<b>--</b>	<b>302.858</b>	<b>2.616.954</b>	<b>13.697.510</b>	<b>189.070</b>	<b>5.024.477</b>	<b>2.080.517</b>	<b>1.048.609</b>	<b>267.247</b>	<b>--</b>	<b>25.227.242</b>
<b>Net book value as of 31 December 2024</b>	<b>7.416.219</b>	<b>230.786</b>	<b>10.411.080</b>	<b>8.301.910</b>	<b>423.549</b>	<b>1.091.415</b>	<b>693.832</b>	<b>1.591.218</b>	<b>52.727</b>	<b>7.196.306</b>	<b>37.409.042</b>

<sup>1</sup> All of the net book value of other fixed assets consists of mold models manufactured by the Group.

<sup>2</sup> As of 31 December 2024 and 31 December 2023, Group has two land that leased for 49 years and 46 years and motor-vehicle rentals.

<sup>3</sup> Includes of investments in molds, models, devices and construction works.

<sup>4</sup> TL 127.394 of additions are free of charge investment income.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
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**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets <sup>1</sup>	Leasehold improvements	Financial leasing <sup>2</sup>	Construction in progress <sup>3</sup>	Total
<b><u>Cost and revaluation</u></b>											
Opening balance as of 1 January 2023	3.071.740	474.533	6.068.427	18.149.300	103.944	5.734.025	2.229.823	2.427.735	252.806	8.878.303	47.390.636
Additions <sup>4</sup>	--	31.258	613.616	2.906.504	397.109	867.805	4.032	239.790	69.166	2.573.369	7.702.649
Revaluation fund	3.887.476	--	--	--	--	--	--	--	--	--	3.887.476
Disposals	--	(371)	--	(329.529)	(1.059)	(120.047)	(36.616)	--	--	(281.175)	(768.797)
Transfers	--	11.741	2.070.322	125.490	--	--	437.922	757	--	(2.646.232)	--
<b>Closing balance as of 31 December 2023</b>	<b>6.959.216</b>	<b>517.161</b>	<b>8.752.365</b>	<b>20.851.765</b>	<b>499.994</b>	<b>6.481.783</b>	<b>2.635.161</b>	<b>2.668.282</b>	<b>321.972</b>	<b>8.524.265</b>	<b>58.211.964</b>
<b><u>Accumulated depreciation</u></b>											
Opening balance as of 1 January 2023	--	303.447	2.205.384	11.931.455	51.859	3.891.140	1.431.951	745.906	185.065	--	20.746.207
Charge for the period	--	35.307	227.515	1.407.037	46.664	1.217.362	445.983	180.892	29.727	--	3.590.487
Disposals	--	(364)	--	(235.835)	(1.059)	(119.139)	(2.040)	(27.070)	--	--	(385.507)
Transfers	--	--	--	--	--	--	--	--	--	--	--
<b>Closing balance as of 31 December 2023</b>	<b>--</b>	<b>338.390</b>	<b>2.432.899</b>	<b>13.102.657</b>	<b>97.464</b>	<b>4.989.363</b>	<b>1.875.894</b>	<b>899.728</b>	<b>214.792</b>	<b>--</b>	<b>23.951.187</b>
<b>Net book value as of 31 December 2023</b>	<b>6.959.216</b>	<b>178.771</b>	<b>6.319.466</b>	<b>7.749.108</b>	<b>402.530</b>	<b>1.492.420</b>	<b>759.267</b>	<b>1.768.554</b>	<b>107.180</b>	<b>8.524.265</b>	<b>34.260.777</b>

<sup>1</sup> All of the net book value of other fixed assets consists of mold models manufactured by the Group.

<sup>2</sup> As of December 31,2023 and December 31,2022, Group has two land that leased for 49 years and 46 years and motor-vehicle rentals.

<sup>3</sup> Includes of investments in molds, models, devices and construction works.

<sup>4</sup> TL 134.376 of additions are free of charge investment income.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

The details of the depreciation expenses with respect to the plant, property and equipment is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cost of sales	1.704.248	2.279.850
General administrative expenses	753.907	988.346
Inventories	281.709	316.882
Marketing expenses	10.608	5.409
	<b>2.750.472</b>	<b>3.590.487</b>

There is no collateral, pledges, and mortgages on tangible assets as of 31 December 2024 and 2023.

There is no capitalized interest expense as of 31 December 2024 and 2023.

**Fair value measurement of the Group's land**

The lands owned by the Group are revalued and presented at fair value as of 31 December 2024. The fair value of the lands owned by the Group is revalued on 24 December 2024 by Lal Gayrimenkul Değerleme ve Müşavirlik Anonim Şirketi ("Lal Değerleme"), an independent appraisal company. Lal Değerleme is authorized by the CMB and provides real estate appraisal services in accordance with the capital market legislation. The fair value of the lands is determined according to "Market Value Approach (Equivalent Comparison Method)". Gains resulting from revaluation are recognized under "Gain on Revaluation of Property" in other comprehensive income.

In accordance with TFRS 13 "Fair Value Measurement" standard, since measurement techniques do not include observable market inputs, fair values of the lands are considered as level 3 in respect of fair value hierarchy.

**Change in Revaluation**

	<b>2024</b>
Opening balance as of 1 January 2024:	6.959.216
Appreciation (Other Comprehensive Income)	457.003
Depreciation (Profit / Loss)	--
<b>TOTAL</b>	<b>7.416.219</b>



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**11. PROPERTY, PLANT AND EQUIPMENT (continued)****Fair value measurement of the Group's land and buildings (continued)**

Details of the Group's lands and information regarding fair value hierarchy are as follows:

	31 December 2024	Fair value as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Macunköy	3.774.330	--	--	3.774.330
Akyurt	1.020.485	--	--	1.020.485
Gölbaşı	7.953	--	--	7.953
Oğulbey	395.757	--	--	395.757
Gölbek	2.820	--	--	2.820
Temelli	2.214.034	--	--	2.214.034
Denizli	840	--	--	840
	<b>7.416.219</b>	--	--	<b>7.416.219</b>

	31 December 2023	Fair value as of reporting date		
		Level 1 TL	Level 2 TL	Level 3 TL
Macunköy	3.385.596	--	--	3.385.596
Akyurt	997.535	--	--	997.535
Gölbaşı	7.218	--	--	7.218
Oğulbey	361.114	--	--	361.114
Gölbek	2.397	--	--	2.397
Temelli	2.204.519	--	--	2.204.519
Denizli	837	--	--	837
	<b>6.959.216</b>	--	--	<b>6.959.216</b>

The fair value level action table as of 31 December 2024 are as follows:

	Fair Value Level as of Reporting Date		
	Level 1 TL	Level 2 TL	Level 3 TL
<b>1 January 2024</b>	--	--	6.959.216
Additions (Net)	--	--	457.003
<b>31 December 2024</b>	--	--	<b>7.416.219</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**12. INTANGIBLE ASSETS**

	<b>Rights</b>	<b>Development costs</b>	<b>Other intangible assets<sup>1</sup></b>	<b>Total</b>
<b><u>Cost</u></b>				
Opening balance as of 1 January 2024	<b>1.268.557</b>	<b>24.341.838</b>	<b>3.580.784</b>	<b>29.191.179</b>
Additions	88.685	14.976.686	206.550	15.271.921
Disposals	(119.282)	(10.125.621)	(300.141)	(10.545.044)
Transfers	--	--	--	--
<b>Closing balance as of 31 December 2024</b>	<b>1.237.960</b>	<b>29.192.903</b>	<b>3.487.193</b>	<b>33.918.056</b>
<b><u>Accumulated Amortization</u></b>				
Opening balance as of 1 January 2024	<b>858.249</b>	<b>7.516.811</b>	<b>3.277.331</b>	<b>11.652.391</b>
Charge for the period	36.104	677.412	206.863	920.379
Disposals	(28.947)	(155.641)	(301.505)	(486.093)
<b>Closing balance as of 31 December 2024</b>	<b>865.406</b>	<b>8.038.582</b>	<b>3.182.689</b>	<b>12.086.677</b>
<b>Net book value as of 31 December 2024</b>	<b>372.554</b>	<b>21.154.321</b>	<b>304.504</b>	<b>21.831.379</b>

<sup>1</sup>Other intangible assets include licences related to computer software and right of usage assets.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
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**12. INTANGIBLE ASSETS (continued)**

	<b>Rights</b>	<b>Development costs</b>	<b>Other intangible assets<sup>1</sup></b>	<b>Total</b>
<b><u>Cost</u></b>				
Opening balance as of 1 January 2023	<b>1.001.003</b>	<b>18.693.664</b>	<b>3.402.571</b>	<b>23.097.238</b>
Additions	295.529	9.764.337	271.118	10.330.984
Disposals	(27.975)	(4.116.163)	(92.905)	(4.237.043)
Transfers	--	--	--	--
<b>Closing balance as of 31 December 2023</b>	<b>1.268.557</b>	<b>24.341.838</b>	<b>3.580.784</b>	<b>29.191.179</b>
<b><u>Accumulated Amortization</u></b>				
Opening balance as of 1 January 2023	<b>837.295</b>	<b>6.075.582</b>	<b>3.001.015</b>	<b>9.913.892</b>
Charge for the period	41.357	1.441.229	325.616	1.808.202
Disposals	(20.403)	--	(49.300)	(69.703)
<b>Closing balance as of 31 December 2023</b>	<b>858.249</b>	<b>7.516.811</b>	<b>3.277.331</b>	<b>11.652.391</b>
<b>Net book value as of 31 December 2023</b>	<b>410.308</b>	<b>16.825.027</b>	<b>303.453</b>	<b>17.538.788</b>

The details of amortization expenses regarding intangible assets is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Research and development expenses	677.413	1.190.475
Cost of sales	76.720	382.742
Inventories	89.608	169.804
Marketing expenses	195	3.690
General administrative expenses	76.443	61.491
	<b>920.379</b>	<b>1.808.202</b>

<sup>1</sup>Other intangible assets include licences related to computer software and right of usage assets.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**13. GOVERNMENT GRANTS AND INCENTIVES**

The deferred incentive income shown under consolidated statement of financial position is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Current government grants and incentives</b>	<b>66.034</b>	<b>82.979</b>

As part of the Decision on Government Incentives on Investments, there are 11 investment incentives taken from Ministry of Treasury and Finance. The incentives allow VAT exemption and customs tax exemption. VAT exemption is applied in both domestic and international purchases while customs tax exemption is applied for international purchases.

In Corporate Tax Calculation, no tax payable is calculated because of R&D deduction and deductions due to investment incentive certificates cannot be applied. For this reason, no deferred tax effect is calculated for the temporary differences arising from investment incentives.

Government grants show the unearned proportion of the grant after the costs related with the completed parts of the projects are deducted from the grants taken by the Group for the ongoing projects that was obtained as of the reporting date.

The incentive obtained consists of the incentives that are accrued in accordance with TÜBİTAK's R&D recognition letter prepared with respect to the Group's ongoing projects.

The Group obtains capital support from "Support and Price Stabilization Fund" of Central Bank of Türkiye via Ministry of Trade's consent. The Scientific and Technological Research Council of Türkiye ("TÜBİTAK") and Technology Development Foundation of Türkiye ("TTGV") act as intermediary in accordance with Communiqué No:98/10 published by the Money-Loans and Coordination Board.

In accordance with Law on Technology Development Zones numbered 4691, Group utilizes withholding income tax incentive, social security premium incentive and stamp tax exceptions. Such incentives are utilized through not paying withholding income tax incentive, social security premium incentive and stamp tax exceptions calculated based on research and development and software personnel payroll. Income generated in accordance with law on Technology Development Zones numbered 4691 is exempt from corporate income tax until 31 December 2028.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**13. GOVERNMENT GRANTS AND INCENTIVES (continued)**

The research and development expenditure deduction rate used as a tax benefit has been increased from 40 percent to 100 percent in accordance with the amended article 10 of the Tax Law numbered 5520, the amended article 89 of Law numbered 193 and 5746 with respect to the Support of Research and Development Activities. The aforementioned law was enacted of April 2008 after its issue in the Official Gazette dated 12 March 2008, numbered 26814. In accordance to the Law regarding the Incentive of Research and Development Activities numbered 6676 published on Official Gazettes numbered 29636 on 26 February 2016 and The Law Regarding the Amendments on Delegated Legislation, the content of the law and incentives has been broadened and additional exceptions has been given. Research and development expenditure may be used as a tax deduction in the determination of the taxable income. If taxable income levels are not sufficient to absorb all available tax deductions, any unused research and development tax deduction is allowed to be carried forward to the next tax period. The remaining amount from previous year is increased according to revaluation ratio defined at Tax Procedure Law. According to the item No. 8 of the related law, all the costs related with research and development can be subjected to deduction until 31 December 2028.

**14. BORROWING COSTS**

As of 31 December 2024, there is no material borrowing cost regarding the qualifying assets. (31 December 2023: None).

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Other short-term provisions</b>		
Provision for warranties <sup>1</sup>	3.940.906	4.020.457
Provision for onerous contracts	218.200	312.095
Provision for delay penalties <sup>2</sup>	1.915.570	1.736.951
Sales commission	114.715	6.869
Provision for legal cases	54.616	52.537
Provision for cost expenses	646.966	214.350
Other	21.732	16.115
	<b>6.912.705</b>	<b>6.359.374</b>

The movement of the provision for warranties is as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Opening balance	4.020.457	4.738.848
Provision during the period	4.021.427	3.034.652
Realized during the period	(2.865.181)	(1.863.070)
Monetary gain/(loss)	(1.235.797)	(1.889.973)
<b>Closing balance</b>	<b>3.940.906</b>	<b>4.020.457</b>

The movement of the provision for onerous contracts is as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Opening balance	312.095	666.399
Provision reversed during the period	2.036	(92.339)
Monetary gain/(loss)	(95.931)	(261.965)
<b>Closing balance</b>	<b>218.200</b>	<b>312.095</b>

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

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)****a) Provisions (continued)**

The movement of the provision for delay penalties is as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Opening balance	1.736.951	3.099.164
Provision during the period	1.828.355	1.147.629
Realized during the period	(479.286)	(287.721)
Provision reversed during the period	(636.551)	(1.003.825)
Monetary gain/(loss)	(533.899)	(1.218.296)
<b>Closing balance</b>	<b>1.915.570</b>	<b>1.736.951</b>

The movement of the provision for legal cases is as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Opening balance	52.537	79.232
Provision during the period	31.479	20.087
Realized during the period	(13.252)	(15.635)
Monetary gain/(loss)	(16.148)	(31.147)
<b>Closing balance</b>	<b>54.616</b>	<b>52.537</b>

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Other long-term provisions</b>		
Provision for delay penalties	503.017	482.305
Provision for onerous contracts	8.507.865	5.004.504
	<b>9.010.882</b>	<b>5.486.809</b>

The movement of the provision for delay penalties is as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Opening balance	482.305	794.709
Provision during the period	168.961	--
Monetary gain/(loss)	(148.249)	(312.404)
<b>Closing balance</b>	<b>503.017</b>	<b>482.305</b>

The movement of the provision for onerous contacts is as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Opening balance	5.004.503	5.464.840
Provision during the period	5.041.633	1.687.917
Monetary gain/(loss)	(1.538.271)	(2.148.253)
<b>Closing balance</b>	<b>8.507.865</b>	<b>5.004.504</b>

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**PROVISION, CONTINGENT ASSET AND LIABILITIES (continued)****b) Legal cases**

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

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

	<b>Description</b>	<b>2024</b>	<b>2023</b>
a)	Ongoing lawsuits filed by the Group	42.865	57.058
b)	Execution proceedings carried out by the Group	746.897	959.986
c)	Ongoing lawsuits filed against the Group	54.616	42.006
d)	Executions against the Group	19.169	21.081
e)	Lawsuits finalized against the Group within the period	7.059	12.791
f)	Lawsuits finalized in favor of the Group within the period	4.954	9.983

- 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.



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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**16. COMMITMENTS AND CONTINGENCIES****a) Guarantees received**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Letters of guarantees received from the suppliers	9.776.102	13.059.691
Collaterals received from the customers	676.618	866.086
Letters of guarantees received from the customers	44.708	38.473
Collaterals received from the suppliers	1.386.122	1.439.950
Letters of guarantees received from the suppliers	470.987	43.666
Letters of guarantees received from the customers	2.000	--
	<b>12.356.537</b>	<b>15.447.866</b>

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

The collaterals/pledges/mortgages ("CPM") given by the Group as of 31 December 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 be able to fulfill the obligations in this project of an amount of USD 294.402.

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**16. COMMITMENTS AND CONTINGENCIES (continued)**
**c) Guarantees given (continued)**

<b>31 December 2024</b>	<b>TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EURO</b>	<b>ROL</b>	<b>Qatar Rial</b>
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	15.671.947	2.159.177	278.011	100.387	4.004	250
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	146.972	--	--	4.000	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
D. Total amount of other CPM given						
i. Total Amount of CPM on behalf of the main partner						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C <sup>1</sup>						
-Collateral	44.734	--	1.270	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
<b>Total</b>	<b>15.863.653</b>	<b>2.159.177</b>	<b>279.281</b>	<b>104.387</b>	<b>4.004</b>	<b>250</b>

The Group is responsible as joint guarantor for the portion amounting to EURO 2,5 Million of investment credit amounting to EURO 5 Million which will be used by ASELSAN Optik , the Group's joint venture.

<sup>1</sup> The ratio of the other CPM given by the Group to equity as of 31 December 2024 is 0,03 percent. TL 44.734 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

### 16. COMMITMENTS AND CONTINGENCIES (continued)

#### c) Guarantees given (continued)

31 December 2023	TL Equivalent	TL	USD	EURO	ROL	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	22.024.907	1.968.929	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	188.120	--	--	4.000	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
D. Total amount of other CPM given						
i. Total Amount of CPM on behalf of the main partner						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C <sup>1</sup>						
-Collateral	90.105	--	2.120	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
<b>Total</b>	<b>22.303.132</b>	<b>1.968.929</b>	<b>307.073</b>	<b>153.406</b>	<b>6.952</b>	<b>535</b>

The Group is responsible as joint guarantor for the portion amounting to EURO 2,5 Million of investment credit amounting to EURO 5 Million which will be used by ASELSAN Optik , the Group's joint venture.

<sup>1</sup> The ratio of the other CPM given by the Group to equity as of 31 December 2023 is 0,07 percent. TL 90.105 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**17. EMPLOYEE BENEFITS****a) Obligations for employee benefits**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Social security premiums payable	1.559.059	773.007
Taxes and funds payable	786.883	444.575
Due to personnel	1.194.626	521.694
	<b>3.540.568</b>	<b>1.739.276</b>

**b) Short-term provisions for employee benefits**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Provision for vacation pay and overtime	1.134.076	1.013.031
Bonus provision	1.923.839	1.293.790
	<b>3.057.915</b>	<b>2.306.821</b>

As of 31 December the movement of the provision for vacation pay and overtime is as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	1.013.031	669.375
Provision for the period	945.342	863.461
Provision paid during the period	(397.634)	(211.676)
Provision realized during the period	(115.354)	(44.996)
Monetary gain/(loss)	(311.309)	(263.133)
<b>Closing balance</b>	<b>1.134.076</b>	<b>1.013.031</b>

**c) Long-term provisions for employee benefits**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Provision for severance pay	1.051.359	1.535.147
	<b>1.051.359</b>	<b>1.535.147</b>

As of 31 December the movement of severance and retirement pays are as follows:

	<b>2024</b>	<b>2023</b>
Opening balance	1.535.147	1.378.368
Service cost	60.724	183.016
Interest cost	26.347	25.551
Actuarial gains/(loss)	347.128	329.033
Payments	(446.117)	(156.658)
Monetary gain/(loss)	(471.870)	(224.163)
<b>Closing balance</b>	<b>1.051.359</b>	<b>1.535.147</b>

**Provision for severance pay:**

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**17. 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 31 December 2024 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 41.828,42<sup>1</sup> (31 December 2023: 35.058,58 TL <sup>1</sup>)

As of 1 January 2024, the ceiling for the severance payments is TL 46.655,43. <sup>1</sup>

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

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

	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>(%)</b>	<b>(%)</b>
Interest rate	24,90	25,50
Inflation rate	21,05	21,70
Discount ratio	3,18	3,12
Estimation of probability of retirement ratio	94	94

<sup>1</sup> Tutar tam TL olarak gösterilmiştir.

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**18. OTHER ASSETS AND LIABILITIES****a) Other current assets**

	<b>31 December 2024</b>	<b>31 December 2023</b>
VAT carried forward <sup>1</sup>	1.760.513	2.262.580
Other VAT	1.083.029	1.557.646
Other <sup>2</sup>	113.437	167.033
	<b>2.956.979</b>	<b>3.987.259</b>

**b) Other non-current assets**

	<b>31 December 2024</b>	<b>31 December 2023</b>
VAT carried forward <sup>22</sup>	956.769	121.624
Prepaid taxes and funds	166.238	194.035
Other <sup>2</sup>	15.883	35.475
	<b>1.138.890</b>	<b>351.134</b>

**c) Other short-term liabilities**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Taxes and funds payable	6.499	9.036
Other <sup>2</sup>	28.460	5.795
	<b>34.959</b>	<b>14.831</b>

**d) Other long-term liabilities**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Other	40.179	7.042
	<b>40.179</b>	<b>7.042</b>

<sup>1</sup> Taxpayers (Contractor/the Group) who deliver goods and provides services to the Natural Security Institutions (such as MOD and UDI) are to be approved by purchasers (contacting authority) in terms of content and nature accordingly. Value Added Tax (VAT) is exempted as of 1 March 2009 in accordance with General Declaration on Value Added Tax with the Serial Number 112 in the Official Gazette as of 12 February 2009. These amounts usually are not collected, but they are offset with other tax liabilities.

<sup>2</sup> Mainly comprises of other assets and liabilities of consolidated subsidiaries.

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**19. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS****Capital**

<b><u>Shareholders</u></b>	<b><u>Share (%)</u></b>	<b><u>31 December 2024</u></b>	<b><u>Share (%)</u></b>	<b><u>31 December 2023</u></b>
TSKGV	74,20	3.383.302	74,20	3.383.302
Publicly held	25,80	1.176.698	25,80	1.176.698
Nominal capital	100	4.560.000	100	4.560.000
Share capital adjustment		24.199.143		24.199.143
<b>Inflation adjusted capital</b>		<b>28.759.143</b>		<b>28.759.143</b>

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

**Restricted reserves**

In accordance with Capital Markets Board's Communiqué 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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**19. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (continued)**

**Retained Earnings (continued)**

**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.

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.



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**20. REVENUE AND COST OF SALES**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>a) Revenue</b>		
Domestic sales	103.962.192	97.019.960
Export sales	17.146.335	9.344.425
Other revenues	316.811	167.810
Sales returns (-)	(1.206.503)	(270.825)
Sales discounts (-)	(13.241)	(9.027)
	<b>120.205.594</b>	<b>106.252.343</b>

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
<b>Revenue Recognized Regarding Performance Obligation</b>		
Over time	86.457.705	78.019.094
Point in time	33.747.889	28.233.249
	<b>120.205.594</b>	<b>106.252.343</b>

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>b) Cost of sales(-)</b>		
Cost of raw materials and supplies	58.751.228	57.833.274
Cost of merchandise goods sold	2.865.346	418.462
Cost of services sold	18.360.647	11.349.630
Cost of other sales	2.070.182	7.623.365
	<b>82.047.403</b>	<b>77.224.731</b>

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**21. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES**

	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
General administrative expenses (-)	5.275.649	4.891.203
Marketing expenses (-)	2.629.612	2.088.462
Research and development expenses (-)	3.318.260	3.819.905
	<b>11.223.521</b>	<b>10.799.570</b>

<b>a) General administrative expenses (-)</b>	<b>1 January - 31 December 2024</b>	<b>1 January - 31 December 2023</b>
Personnel expenses	3.515.516	2.870.217
Depreciation and amortization expenses	830.350	1.049.837
Service procurement	205.087	121.293
Rent expenses	96.283	61.985
Travel expenses	93.046	75.855
Insurance expenses	83.069	45.387
Expertise and consultancy expenses	73.385	49.021
Personnel transportation expenses	50.279	38.010
Legal expenses	39.186	22.400
Electricity expenses	39.086	62.795
IT repair and maintenance expenses	37.492	19.546
Cleaning service expenses	23.703	30.372
Subscription and publication expenses	23.693	23.007
Course and seminar expenses	12.753	26.667
Property and environmental cleaning tax	10.866	7.539
Personnel meal expenses	8.153	24.143
Water expenses	2.212	2.684
Vehicle purchase expenses	857	33.224
Other	130.633	327.221
	<b>5.275.649</b>	<b>4.891.203</b>

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**21. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (continued)**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>b) Marketing expenses (-)</b>		
Personnel expenses	969.831	477.850
Subcontractor service expenses	444.592	718.655
Exhibition expenses	418.994	241.628
Travel expenses	191.843	147.747
Shipping and delivery expenses	110.884	40.379
Commission expenses	80.732	108.737
Samples expenses	42.601	31.841
Sponsorship expenses	41.645	69.419
Representation expenses	35.954	14.265
Stamp duty expenses	33.034	10.290
Rent expenses	28.086	15.285
Advertising expenses	27.067	29.681
Packaging expenses	25.608	23.772
Expertise and consultancy expenses	20.012	27.933
Meal expenses	17.403	12.091
Depreciation and amortization expenses	10.803	9.099
Security service	6.648	3.758
Other	123.875	106.032
	<b>2.629.612</b>	<b>2.088.462</b>
<b>c) Research and development expenses (-)</b>		
Personnel expenses	2.311.851	2.375.951
Depreciation and amortization expenses	677.413	1.190.475
Equipment costs	310.958	249.108
Other	18.038	4.371
	<b>3.318.260</b>	<b>3.819.905</b>

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**22. OTHER OPERATING INCOME AND EXPENSES****a) Other operating income**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Foreign currency exchange gains	15.495.532	46.758.339
Rediscounted interest income	1.339.581	1.185.522
Granted fixed assets income <sup>1</sup>	127.394	134.476
Other income	516.228	313.031
	<b>17.478.735</b>	<b>48.391.368</b>

**b) Other operating expenses (-)**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Foreign currency exchange losses (-)	15.239.093	28.273.090
Rediscounted interest expense (-)	704.566	1.675.017
Other expense and losses (-)	1.154.111	614.518
	<b>17.097.770</b>	<b>30.562.625</b>

**23. INCOME FROM INVESTING ACTIVITIES**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Gain/(loss) on sales profit of marketable securities	21.979	17.503
Dividend income	44.750	22.219
Gain/(loss) on sales profit of fixed assets	18.372	9.817
	<b>85.101</b>	<b>49.539</b>

**24. FINANCIAL INCOME**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Interest income	979.039	685.779
Foreign currency exchange gains from bank loans	789.154	1.020.338
	<b>1.768.193</b>	<b>1.706.117</b>

<sup>1</sup> Granted fixed assets income comprises of fixed assets donated by public bodies and utilized within the scope of research projects conducted with universities. Subsequent to the completion of these projects, the subject matter fixed assets have been incorporated to the Group without any charge.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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**25. FINANCIAL EXPENSES**

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Foreign currency exchange losses from bank loans (-)	3.266.816	9.957.016
Interest cost related with employee benefits (-)	26.347	25.551
Interest cost of borrowings (-)	3.682.492	2.771.130
	<b>6.975.655</b>	<b>12.753.697</b>

**26. GAIN/(LOSS) ON NET MONETARY POSITION****Non-monetary items**

<b>Net Monetary Gain/ (Losses)</b>	<b>31 December 2024</b>
<b>Balance Sheet Items</b>	<b>(11.092.286)</b>
Inventories	2.789.273
Prepaid expenses	4.696.212
Property, plant and equipment	9.269.919
Intangible assets	6.495.544
Equity accounted investments and financial investments	3.830.146
Deferred income	57.217
Share capital	(8.839.910)
Share premiums	(6.456.379)
Other comprehensive income / (expense) that will not be reclassified to profit or (loss)	(972.181)
Restricted reserves	(1.519.129)
Retained earnings	(20.442.998)
<b>Statement of Profit or Loss Items</b>	<b>(2.777.141)</b>
Revenue	(10.680.060)
Cost of sales (-)	6.851.569
General administrative expenses (-)	428.155
Marketing expenses (-)	249.006
Research and development expenses (-)	165.038
Other operating income	(2.684.582)
Other operating expenses (-)	2.069.591
Income from investing activities	(6.187)
Financial income	(127.668)
Financial expense (-)	957.997
<b>Net Monetary Gain/ (Losses)</b>	<b>(13.869.427)</b>

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**27. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Gain from revaluation of financial assets that fair value reflect in other comprehensive income	(489.897)	--
Revaluation of property	4.594.565	4.194.687
Cumulative Translation Adjustments	(116.805)	81.229
Loss on remeasurement of defined benefit plans	(1.277.580)	(1.017.234)
	<b>2.710.283</b>	<b>3.258.682</b>

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>Gain from revaluation of financial assets that fair value reflect in other comprehensive income:</b>		
Opening balance	--	1.565.574
Gain from revaluation of financial assets that fair value reflect in other comprehensive income	(559.882)	(1.669.946)
Deferred tax liability arising from revaluation	69.985	104.372
<b>Closing balance</b>	<b>(489.897)</b>	<b>--</b>

Gain from revaluation of financial assets that fair value reflect in other comprehensive income arises due to revaluation of financial investments. When available for sale financial assets are sold, any related amount included in revaluation reserve is transferred to profit or loss.

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>Revaluation of property</b>		
Opening balance (Previously reported)	4.194.687	793.145
Increase arising from revaluation of property	457.003	3.887.476
Current period value increase deferred tax effect	(57.125)	(485.934)
<b>Closing balance</b>	<b>4.594.565</b>	<b>4.194.687</b>

Revaluation of property increase arises from revaluation of the lands. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

The fair value of the lands owned by the Group is revalued on 24 December 2024 by Lal Gayrimenkul Değerleme ve Müşavirlik Anonim Şirketi ("Lal Değerleme"), an independent appraisal company.

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
<b>Foreign currency exchange differences:</b>		
Opening balance	81.229	473.868
Currency differences from net asset currency translation investent in foreign operations	(198.034)	(392.639)
<b>Closing balance</b>	<b>(116.805)</b>	<b>81.229</b>

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**27. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS (continued)**

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Gain/Loss on remeasurement of defined benefit plans</b>		
Opening balance	(1.017.234)	(770.459)
Gain/Loss on remeasurement of defined benefit plans	(347.128)	(246.775)
Deferred tax on gain/loss on remeasurement of defined benefit plans	86.782	--
<b>Closing balance</b>	<b>(1.277.580)</b>	<b>(1.017.234)</b>

**28. INCOME TAXES**

	31 December 2024	31 December 2023
<b>Corporate tax liabilities:</b>		
Current corporate tax provision	54.072	1.630.375
Less: Prepaid taxes and funds	(54.072)	(1.630.375)
	--	--

	1 January- 31 December 2024	1 January- 31 December 2023
<b>Tax income:</b>		
Current corporate tax (expense)	(54.072)	(1.630.375)
Deferred tax income / (expense)	7.010.938	1.868.070
	<b>6.956.866</b>	<b>237.695</b>

	1 January-31 December 2024		
<b>Tax effects related to components of other comprehensive income</b>	<b>Amount before tax</b>	<b>Tax income/expense</b>	<b>Net of tax amount</b>
Defined benefit plan revaluation gains/losses	(347.128)	86.782	(260.346)
Revaluation of property	457.003	(57.125)	399.878
Cumulative Currency Translation Adjustments	(198.034)	--	(198.034)
Gain from revaluation of financial assets that fair value reflect in other comprehensive income	(559.882)	69.985	(489.897)
<b>Other comprehensive income in the period</b>	<b>(648.041)</b>	<b>99.642</b>	<b>(548.399)</b>

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**28. INCOME TAXES (continued)**

	<b>1 January-31 December 2023</b>		
<b>Tax effects related to components of other comprehensive income</b>	<b>Amount before tax</b>	<b>Tax income/expense</b>	<b>Net of tax amount</b>
Defined benefit plan revaluation gains/losses	(329.033)	82.258	(246.775)
Revaluation of property	3.887.476	(485.934)	3.401.542
Cumulative Currency Translation Adjustments	(392.639)	--	(392.639)
Gain from revaluation of financial assets that fair value reflect in other comprehensive income	(1.669.946)	104.372	(1.565.574)
<b>Other comprehensive income in the period</b>	<b>1.495.858</b>	<b>(299.304)</b>	<b>1.196.554</b>

	<b>1 January-31 December 2024</b>	<b>1 January-31 December 2023</b>
<b>Tax recognized directly in equity</b>		
<b>Deferred tax:</b>		
- Revaluation of property	(57.125)	(485.934)
- Gain from revaluation of financial assets that fair value reflect in other comprehensive income	69.985	104.372
- Actuarial gain/loss	86.782	82.258
<b>Deferred tax recognized directly in equity</b>	<b>99.642</b>	<b>(299.304)</b>

**Corporate tax**

The Group is subject to Turkish corporate taxes. The corporate income tax is declared until the relevant accounting period-end's following fourth month, twenty-fifth day's evening and it is batch paid until the end of the related month. In accordance with the tax legislation, quarterly 25 percent (31 December 2023: 25 percent) on profits of advance tax is being calculated and paid. The amounts paid in this way are deducted by the tax on annual earning.

In accordance with the tax legislation in Türkiye, financial losses could be carried forward for a maximum of five years that the year they appeared. Besides, tax returns and the related accounting records may be reviewed within five years by the tax administration.

Provision is made in the accompanying consolidated financial statements for the estimated change based on the Group's results for the year. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate entity bases.

Corporate tax rate that will be accrued based on rate able profit of the company is calculated on a basis by including disallowed deductions written of as expense when determining commercial profit with excluding tax-exempt profits and other discounts (also previous year losses and investments allowances used, if preferred)

The tax rate in 2024 is 25 percent (31 December 2023: 25 percent).



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**28. INCOME TAXES (continued)****Deferred Tax**

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and the differences are given below.

In Türkiye, the corporate tax rate is 25 percent as of 31 December 2024 (2023: 25 percent). The corporate tax rate is applied to the net corporate income resulting from the addition of expenses that are not allowed to be deducted in accordance with the tax laws to the commercial income of the institutions, and the exemptions and deductions included in the tax laws.

company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

The dividend income (excluding the participation certificates of investment funds and profit shares derived from the share certificates of investment trusts) derived by entities from the participation in the capital of another resident entity is exempt from corporate tax. Furthermore, 75 percent of the income derived by entities from the sale of participation shares and real estates (immovable property) preferential rights, founders' shares and redeemed shares which are carried in assets at least for two years is exempt from corporate tax as of 31 December 2024. However, according to the amendments by Law numbered 7061, this rate is reduced from 75 percent to 50 percent with regard to immovable properties and tax declarations starting from 2019 will be calculated using 50 percent for immovable properties. In order to be able to benefit from the exemption, the relevant income should be kept under a fund account in the liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

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**28. INCOME TAXES (continued)****Deferred Tax (continued)**

The details of deferred tax assets and liabilities of the Group are as follows:

<b>Deferred Tax Assets/Liabilities:</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Discount on receivables	171.731	321.931
Adjustment to costs and provision for expected losses of construction contracts	18.033.173	11.705.753
Capitalized research-development expense	28.679	1.717
Allowance for impairment on inventories	(35.284)	9.866
Provision for delay penalties 327.358	604.647	554.814
Provision for warranties	970.135	1.009.223
Provision for severance pay	254.852	279.885
Provision for annual leave	764.239	359.670
Provision for doubtful receivables	289	294
Other	31.865	21.714
Accumulated research and development incentive	8.769.035	4.172.020
Discount on payables	(62.960)	(56.080)
Adjustment of progress payments for long- term construction projects	(20.346.671)	(13.475.111)
Depreciation of fixed assets / amortization of intangible assets	2.229.245	363.225
Fixed assets revaluation fund	(543.059)	(485.934)
Gain on revaluation of available for sale financial assets	241.493	171.508
Monetary gain/(loss)	(2.946.352)	(3.911.464)
Other	(16.970)	(5.524)
<b>Deferred tax assets</b>	<b>29.117.748</b>	<b>15.060.157</b>
<b>Deferred tax liabilities</b>	<b>(20.969.661)</b>	<b>(14.022.650)</b>
<b>Deferred tax assets – net</b>	<b>8.148.087</b>	<b>1.037.507</b>

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**28. INCOME TAXES (continued)**
**Deferred tax (continued)**

	<b>1 January- 31 December 2024</b>		<b>1 January- 31 December 2023</b>	
<b><u>Movement of deferred tax assets/(liabilities):</u></b>				
Opening balance as of 1 January	1.037.507		(531.259)	
Charged to statement of profit or loss	7.010.938		1.868.070	
Charged to equity	99.642		(299.304)	
	<b>8.148.087</b>		<b>1.037.507</b>	
<b><u>Tax reconciliations:</u></b>	<b>Effective Tax Rate (%)</b>	<b>1 January- 31 December 2024</b>	<b>Effective Tax Rate (%)</b>	<b>1 January- 31 December 2023</b>
Profit before tax from continuing operations		22.135.280		25.056.617
Income tax rate		%25		%25
Tax at the domestic income tax rate	25	5.533.820	25	6.264.154
Tax effects of:				
- revenue that is exempt from taxation	(2)	(459.389)	(1)	(198.919)
- expenses that are not deductible in determining taxable profit	4	935.387	4	1.028.556
- R&D incentives and other income exempt from taxation	(76)	(16.813.565)	(43)	(10.697.734)
- monetary gain/(loss)	17	3.847.957	13	3.303.101
- effect of other adjustments	(0,0)	(1.076)	(0,3)	63.147
<b>Tax (income) / expense recognized in profit or loss</b>	<b>(31)</b>	<b>(6.956.866)</b>	<b>(1)</b>	<b>(237.695)</b>

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**29. 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 years ended 31 December 2024 and 2023, earnings per share calculations are as follows:

	<b>1 January- 31 December 2024</b>	<b>1 January- 31 December 2023</b>
Number of shares outstanding (in thousands)	4.560.000	4.560.000
Net profit – TL	15.298.743	10.525.898
<b>Earnings per 100 shares</b>	<b>335,50</b>	<b>230,83</b>
<b>Diluted earnings per 100 shares</b>	<b>335,50</b>	<b>230,83</b>

**30. FINANCIAL INVESTMENTS****Financial Investments****Non-Current Financial Investments**

	<b>31 December 2024</b>	<b>31 December 2023</b>
a) Available for sale financial investments	7.874.499	8.434.381
b) Financial investments valued at cost that do not have a quoted market value	214.906	111.092
	<b>8.089.405</b>	<b>8.545.473</b>

**a) Fair Value Difference Reflect in Other Comprehensive income**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Fair value difference reflect in other comprehensive income that are not traded in an active market	8.089.405	8.545.473
	<b>8.089.405</b>	<b>8.545.473</b>

ROKETSAN which is Group's equity investment is revalued and stated at fair value. As of 31 December 2024, the revaluation was performed by Oyak Yatırım Menkul Değerler Anonim Şirketi which is an independent valuation company. The fair value was determined according to "Discounted Cash Flow" and "Similar Company Comparison" methodologies. Discount ratio used in "Discounted Cash Flow" method is 11,15 percent (31 December 2023: 12,10 percent).

<b>Company Name</b>	<b>Ratio(%)</b>	<b>31 December 2024</b>	<b>Ratio (%)</b>	<b>31 December 2023</b>
ROKETSAN	14,897	7.874.499	14,897	8.434.381

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**30. FINANCIAL INVESTMENTS (continued)****a) Available for sale financial investments (continued)****Financial Investments (continued)**

Roketsan shares, shown under available for sale financial investments, are reported on the third level in the fair value hierarchy (Note 33).

**b) Financial investments valued at cost that do not have a quoted market value**

The Group's equity investment and participation rate and the amount shown in financial investments are as follows:

<b>Company Name</b>	<b>Ratio (%)</b>	<b>31 December 2024</b>	<b>Ratio (%)</b>	<b>31 December 2023</b>
Girişim Sermayesi Yatırım Fonu		186.908		90.613
ASPİLSAN	1	27.998	1	20.479
		<b>214.906</b>		<b>111.092</b>

The above available-for-sale equity investment amounting to TL 214.906 (31 December 2023: TL 111.092) does not have a quoted market value and the fair value cannot be reliably measured due to a wide range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. For this reason they are stated at cost less provision for diminution in value, if any.

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**31. FINANCIAL LIABILITIES****Financial Liabilities**

		<b>31 December 2024</b>	<b>31 December 2023</b>
Short-term financial liabilities	Unsecured loan	13.504.216	15.982.672
Other short-term financial liabilities	Unsecured loan	60.552	897.283
Current portion of long-term financial liabilities	Unsecured loan	9.270.807	10.275.255
<b>Total short-term financial liabilities</b>		<b>22.835.575</b>	<b>27.155.210</b>
Other long-term financial liabilities	Unsecured loan	9.726.747	1.630.905
<b>Total long-term financial liabilities</b>		<b>9.726.747</b>	<b>1.630.905</b>
<b>Total financial liabilities</b>		<b>32.562.322</b>	<b>28.786.115</b>

As of 31 December 2024, TL 3.306.861 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between May 2025 and December 2025 and the interest rates between 4,29 percent and 4,42 percent. As of 31 December 2024, TL 4.960.292 of the financial debts included in short-term borrowings consists of EUR Spot Loans, which have maturity dates due between January 2025 and November 2025 and the interest rates between 4,30 percent and 5,95 percent. As of 31 December 2024, TL 4.839.193 of financial debts within short-term borrowings consist of USD Spot Loans, which have maturity dates due between February 2025 and August 2025 and the interest rate is between 5,70 percent and 6,75 percent. As of 31 December 2024, TL 35.000 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between April 2025 and the interest rates 26,93 percent. As of 31 December 2024, TL 362.870 of financial debts within short-term borrowings consist of TL investment loans, which have maturity dates due between November 2025 and the interest rates 49 percent.

As of 31 December 2024, there are TL 6.613.722 EUR Spot Loans within the short-term borrowings, which have maturity dates due between July 2025 and October 2025, and the interest rates between 4,99 percent and 5,00 percent. As of 31 December 2024, there are TL 2.657.085 USD Spot Loans within the short-term borrowings, which have maturity dates due between February 2025 and August 2025, and the interest rates between 5,25 percent and 5,99 percent.

As of 31 December 2024, TL 60.552 of other short-term financial liabilities were taken within the scope of investment credit, which have maturity dates due November 2025, and the interest rates 49 percent.

As of 31 December 2024, TL 4.115.205 of the financial debts included in the long-term borrowings consists of EUR Spot Loans, which have maturity dates due February 2026 and the interest rates between 4,75 and 5,10 percent. As of 31 December 2024, TL 5.425.392 of the financial debts included in the long-term borrowings consists of USD Spot Loans, which have maturity dates due January 2026 and the interest rates 5,85 percent.

As of 31 December 2024, TL 186.150 of financial debts included in the long-term borrowings were taken within the scope of investment credit, which have maturity dates due December 2026 and the interest rate is between 9 percent and 17,50 percent.

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### 31. FINANCIAL LIABILITIES (continued)

#### Financial Liabilities (continued)

As of 31 December 2023, TL 6.748.265 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 2.251.180 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 6.983.227 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 3.934.827 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 5.618.535 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 721.893 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 808.045 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 89.238 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 337.181 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 1.293.724 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.

#### Bank Loans

31 December 2024			
Currency	Weighted average interest rate (%)	Short-term	Long-term
Euro	4,92%	14.904.972	4.121.869
TL	26,93%	726.358	209.058
USD	5,83%	7.204.245	5.395.820
		<b>22.835.575</b>	<b>9.726.747</b>

31 December 2023			
Currency	Weighted average interest rate (%)	Short-term	Long-term
Euro	6,12%	10.961.984	392.621
TL	23,78%	8.621.229	1.238.284
USD	7,96%	7.571.997	--
		<b>27.155.210</b>	<b>1.630.905</b>

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### 31. FINANCIAL LIABILITIES (continued)

#### Financial Liabilities (continued)

The breakdown of the loan repayments with respect to their maturities is as follows:

	31 December 2024	31 December 2023
Within 1 year	22.835.575	27.155.210
Between 1-2 years	9.726.747	1.630.905
	<b>32.562.322</b>	<b>28.786.115</b>

### 32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

#### a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return through the optimization of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings as explained Note 31, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group's board of directors review capital structure regularly in the meetings. The risks that are associated with every equity item together with the Group's cost of capital are evaluated by the board of directors. Based on the recommendations of the board, the Group aims to balance its overall capital structure through the payment of dividends.

Net debt and share capital as of 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Total financial liabilities	32.562.322	28.786.115
Less: Cash and cash equivalents	(16.636.200)	(9.542.175)
Net debt (asset)	15.926.122	12.243.940
Total equity	141.359.149	127.602.504
<b>Net debt/total equity</b>	<b>11%</b>	<b>15%</b>

#### b) Financial Risk Factors:

It refers to the risks arising from the financial structure and financial preferences of the Group. Exchange rate, liquidity and interest rate risks are some risks under this heading. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

ASELSAN's Enterprise Risk Management Policy aims; to take proper actions against uncertainties that threaten the existence of the Company and to protect corporate identity and stakeholders' interest at all conditions. Risk management is an integrated element of Corporate Management. The information gathered within the scope of risk management activities in ASELSAN is integrated into decision making mechanisms. The "top-down" and "bottom-up" approach is being applied into Enterprise Risk Management activities together. Risks, which are significant enough to affect ASELSAN's achievement of its targets, are identified, evaluated, monitored and reported along with the risk responses and precautions to be taken. At ASELSAN; The Enterprise Risk Management process is regularly reviewed and improved. ASELSAN's employees and business processes are at the center of the Enterprise Risk Management System. Group's finance department identifies and evaluates financial risks and use tools to reduce risks by working in cooperation with the group's operating units.



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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**
**Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is mainly working with public sector and obtaining advance payments where appropriate, both from public sector and private sector entities.

The Group management does not foresee significant credit risk. Additionally, receivables are monitored regularly to minimize the collection risk.

Carrying values of the financial assets reflect the maximum exposure to credit risk. The credit risks as of reporting date is as follows:

31 December 2024	Receivables				Bank Deposits	Other
	Trade Receivables		Other Receivables			
	Related party	Third party	Related party	Third Party		
Maximum net credit risk as of the reporting date (A+B+C+D) <sup>1</sup>	52.784.880	30.549.492	--	2.497.344	16.486.763	149.437
- The part of maximum risk under guarantee with collateral etc. <sup>2</sup>	--	44.708	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	52.784.880	13.047.652	--	2.497.344	16.486.763	149.437
B. Net book value of financial assets that are past due but not impaired	--	17.501.840	--	--	--	--
C. Net book value of impaired assets	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	32.291	--	--	--	--
- Impairment (-)	--	(32.291)	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
- Undue (gross carrying amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
D. Factors that include off balance sheet credit risks						

<sup>1</sup> While determining the amount, components which provide increase on credit reliability, like guarantees received are not taken into consideration.

<sup>2</sup> The guarantees consist of the letters of guarantees, collaterals, checks and mortgages.

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**
**Credit risk (continued)**

Carrying values of the financial assets reflect the maximum exposure to credit risk. The credit risks as of reporting date is as follows:

31 December 2023	Receivables				Bank Deposits	Other
	Trade Receivables		Other Receivables			
	Related party	Third party	Related party	Third party		
Maximum net credit risk as of the reporting date (A+B+C+D) <sup>1</sup>	47.562.159	27.807.124	--	2.393.488	9.534.485	7.690
- The part of maximum risk under guarantee with collateral etc. <sup>2</sup>	--	38.473	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	47.562.159	8.216.341	--	2.393.488	9.534.485	7.690
B. Net book value of financial assets that are past due but not impaired	--	19.590.783	--	--	--	--
C. Net book value of impaired assets	--	--	--	--	--	--
- Overdue (gross carrying amount)	--	76.488	--	--	--	--
- Impairment (-)	--	(76.488)	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
- Undue (gross carrying amount)	--	--	--	--	--	--
- Impairment (-)	--	--	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--	--
D. Factors that include off balance sheet credit risks	--	--	--	--	--	--

<sup>1</sup> While determining the amount, components which provide increase on credit reliability, like guarantees received are not taken into consideration.

<sup>2</sup> The guarantees consist of the letters of guarantees, collaterals, checks and mortgages.

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)****Credit Risk (continued)**

The aging of the overdue receivables is as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Overdue by 1-30 days	2.135.527	4.103.803
Overdue by 1-3 months	2.742.176	3.807.479
Overdue by 3-12 months	3.840.259	7.927.290
Overdue by 12 months	8.783.878	3.752.211
<b>Total receivables</b>	<b>17.501.840</b>	<b>19.590.783</b>

No collateral has been received for the overdue receivables.

Management has assessed its aged receivables and does not expect any collection problem arising from its aged receivables.

**Liquidity risk**

Board of directors has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. ASELSAN eliminates the liquidity risk, which is known as the risk arising from default and inability to fund the the assets, it monitors forecasted and actual cash flows regularly and ensures the continuity of adequate funds and credit lines by matching the maturity of financial assets and liabilities. In order to manage the interest rate risk arising from changes in assets and / or liabilities as a result of fluctuations in interest rates in the future, it conducts transactions with fixed interest rates and uses financial derivative instruments when necessary.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest payment date. The table includes both interest and principal cash flows. When receivables and payables are not constant, amounts are determined in accordance with interest rates generated from return rates as of the reporting date.

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)****Liquidity Risk (continued)**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2024 is as follows:

<b>Contractual Maturity Analysis</b>	<b>Carrying value</b>	<b>Total cash outflow according to contract (I+II+III+IV)</b>	<b>Less than 3 Months (I)</b>	<b>3-12 Months (II)</b>	<b>1-5 Years (III)</b>	<b>More than 5 Years (IV)</b>
Non-derivative financial instruments	--	--	--	--	--	--
Financial liabilities	32.562.322	32.562.322	13.564.768	9.270.807	9.726.747	--

<b>Expected Maturity</b>	<b>Carrying value</b>	<b>Total cash outflow according to contract (I+II+III+IV)</b>	<b>Less than 3 Months (I)</b>	<b>3-12 Months (II)</b>	<b>1-5 Years (III)</b>	<b>More than 5 Years (IV)</b>
Non-derivative financial instruments	--	--	--	--	--	--
Trade payables	19.760.534	20.012.374	11.866.890	8.145.484	--	--
Other payables	567.863	567.863	548.563	--	19.300	--

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)****Liquidity Risk (continued)**

The maturities of the financial liabilities determined with respect to the contracts including the expected interest payments as of 31 December 2023 is as follows:

<b>Contractual Maturity Analysis</b>	<b>Carrying value</b>	<b>Total cash outflow according to contract (I+II+III+IV)</b>	<b>Less than 3 Months (I)</b>	<b>3-12 Months (II)</b>	<b>1-5 Years (III)</b>	<b>More than 5 Years (IV)</b>
Non-derivative financial instruments	--	--	--	--	--	--
Financial liabilities	28.786.115	28.786.115	3.320.364	23.834.846	1.630.905	--

<b>Expected Maturity</b>	<b>Carrying value</b>	<b>Total cash outflow according to contract (I+II+III+IV)</b>	<b>Less than 3 Months (I)</b>	<b>3-12 Months (II)</b>	<b>1-5 Years (III)</b>	<b>More than 5 Years (IV)</b>
Non-derivative financial instruments	--	--	--	--	--	--
Trade payables	21.569.584	21.802.433	21.645.325	48.101	109.007	--
Other payables	546.744	546.745	493.836	--	52.909	--

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#### **32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**

##### **Market risk management**

The Group's activities, as detailed below, expose primarily to the financial risks from changes in foreign currency exchange rates and interest rates.

Market risk exposures are evaluated by sensitivity analysis, and stress scenario analysis.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk in the current year compared to prior year.

##### **Foreign currency risk management**

The exchange rate risk, which is any kind of change that may occur in assets and / or liabilities as a result of exchange rate fluctuations in the future, ASELSAN aims to minimize the effect of exchange rate fluctuations by keeping the long and short foreign exchange position at a minimum level. The balance sheet methods have been used in managing the exchange rate risk. Implementations such as; making use of foreign exchange denominated loans in line with the company's export volume, matching the contract currency with the currency of the costs of the project, and signing the subcontractor contracts in line with the main contract currency are used.

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2024</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other<sup>1</sup></b>
1. Trade receivables	17.676.413	417.340	14.723.890	80.371	2.952.523	--
2a. Monetary financial assets (including cash, bank)	1.939.052	40.218	1.418.901	13.668	502.123	18.028
2b. Non- monetary financial assets	8.499.120	91.482	3.227.505	50.194	1.843.948	99.688
3. Other	12.865	84	2.961	263	9.641	263
<b>4. Current assets (1+2+3)</b>	<b>28.127.450</b>	<b>549.124</b>	<b>19.373.257</b>	<b>144.496</b>	<b>5.308.235</b>	<b>117.979</b>
5. Trade receivables	45.446.341	551.044	19.441.007	707.894	26.005.334	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	387.906	692	24.408	1.951	71.675	13.726
7. Other	218.247	5.206	183.674	938	34.473	100
<b>8. Long-term assets (5+6+7)</b>	<b>46.052.494</b>	<b>556.942</b>	<b>19.649.089</b>	<b>710.783</b>	<b>26.111.482</b>	<b>13.826</b>
<b>9. Total assets (4+8)</b>	<b>74.179.944</b>	<b>1.106.066</b>	<b>39.022.346</b>	<b>855.279</b>	<b>31.419.717</b>	<b>131.805</b>
10. Trade payables	8.207.075	168.203	5.944.949	54.030	1.988.433	273.693
11. Financial liabilities	22.109.217	203.833	7.204.245	405.000	14.904.972	--
12a. Other monetary financial liabilities	479.042	13.500	477.142	52	1.900	--
12b. Other non-monetary financial liabilities	3.736.761	201.682	7.128.186	28.223	1.038.679	--
<b>13. Current liabilities (10+11+12)</b>	<b>34.532.095</b>	<b>587.218</b>	<b>20.754.522</b>	<b>487.305</b>	<b>17.933.984</b>	<b>273.693</b>
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	9.517.689	152.667	5.395.820	112.000	4.121.869	--
16a. Other monetary financial liabilities	6.998	132	4.661	64	2.337	--
16b. Other non-monetary financial liabilities	4.639.174	191.363	6.763.492	27.991	1.030.148	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>14.163.861</b>	<b>344.162</b>	<b>12.163.973</b>	<b>140.055</b>	<b>5.154.354</b>	<b>--</b>

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

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2024</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other</b>
<b>18. Total liabilities (13+17)</b>	<b>48.695.956</b>	<b>931.380</b>	<b>32.918.495</b>	<b>627.360</b>	<b>23.088.338</b>	<b>273.693</b>
<b>19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)</b>	--	--	--	--	--	--
<b>19a. Hedged total financial assets</b>	--	--	--	--	--	--
<b>19b. Hedged total financial liabilities</b>	--	--	--	--	--	--
<b>20. Net foreign currency asset/liability (9- 18+19)</b>	<b>25.483.988</b>	<b>174.686</b>	<b>6.103.851</b>	<b>227.919</b>	<b>8.331.379</b>	<b>(141.888)</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)</b>	<b>24.741.785</b>	<b>470.267</b>	<b>16.556.981</b>	<b>230.787</b>	<b>8.440.469</b>	<b>(255.665)</b>
<b>22. Fair value of derivative financial instruments used in foreign currency hedge</b>	--	--	--	--	--	--
<b>23. Hedged foreign currency assets</b>	--	--	--	--	--	--
<b>24. Hedged foreign currency liabilities</b>	--	--	--	--	--	--
<b>25. Exports</b>	<b>17.146.335</b>	<b>182.178</b>	<b>3.213.478</b>	<b>146.554</b>	<b>3.258.660</b>	<b>10.674.197</b>
<b>26. Imports</b>	<b>20.030.581</b>	<b>378.920</b>	<b>13.347.149</b>	<b>142.582</b>	<b>5.238.859</b>	<b>1.444.573</b>

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

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



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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2023</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other<sup>1</sup></b>
1. Trade receivables	20.065.627	357.159	15.180.152	103.881	4.885.475	--
2a. Monetary financial assets (including cash, bank)	3.022.375	53.431	2.270.939	15.509	729.397	22.039
2b. Non- monetary financial assets	7.420.692	54.252	2.305.837	40.888	1.922.969	96.872
3. Other	5.403	109	4.650	8	377	376
<b>4. Current assets (1+2+3)</b>	<b>30.514.097</b>	<b>464.951</b>	<b>19.761.578</b>	<b>160.286</b>	<b>7.538.218</b>	<b>119.287</b>
5. Trade receivables	35.354.184	451.020	19.169.489	344.137	16.184.695	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	1.578.525	2.176	92.495	24.114	1.134.097	16.785
7. Other	46.229	590	25.067	326	15.331	5.831
<b>8. Long-term assets (5+6+7)</b>	<b>36.978.938</b>	<b>453.786</b>	<b>19.287.051</b>	<b>368.577</b>	<b>17.334.123</b>	<b>22.616</b>
<b>9. Total assets (4+8)</b>	<b>67.493.035</b>	<b>918.737</b>	<b>39.048.629</b>	<b>528.863</b>	<b>24.872.341</b>	<b>141.903</b>
10. Trade payables	9.580.225	111.244	4.736.666	96.208	4.532.791	310.768
11. Financial liabilities	18.533.981	177.833	7.571.997	232.667	10.961.984	--
12a. Other monetary financial liabilities	61.290	645	27.455	119	5.608	28.227
12b. Other non-monetary financial liabilities	11.665.331	203.199	8.652.068	133.213	6.276.268	--
<b>13. Current liabilities (10+11+12)</b>	<b>39.840.827</b>	<b>492.921</b>	<b>20.988.186</b>	<b>462.207</b>	<b>21.776.651</b>	<b>338.995</b>
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	392.621	--	--	8.333	392.621	--
16a. Other monetary financial liabilities	5.535	130	5.535	--	--	--
16b. Other non-monetary financial liabilities	2.439.259	141.717	6.034.194	75.659	3.564.635	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>2.837.415</b>	<b>141.847</b>	<b>6.039.729</b>	<b>83.992</b>	<b>3.957.256</b>	<b>--</b>

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

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**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)**

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2023</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other</b>
<b>18. Total liabilities (13+17)</b>	<b>42.678.242</b>	<b>634.768</b>	<b>27.027.915</b>	<b>546.199</b>	<b>25.733.907</b>	<b>338.995</b>
<b>19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)</b>	--	--	--	--	--	--
<b>19a. Hedged total financial assets</b>	--	--	--	--	--	--
<b>19b. Hedged total financial liabilities</b>	--	--	--	--	--	--
<b>20. Net foreign currency asset/liability (9- 18+19)</b>	<b>24.814.793</b>	<b>283.969</b>	<b>12.020.714</b>	<b>(17.336)</b>	<b>(861.566)</b>	<b>(197.092)</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)</b>	<b>29.868.534</b>	<b>571.758</b>	<b>24.278.927</b>	<b>126.200</b>	<b>5.906.563</b>	<b>(316.956)</b>
<b>22. Fair value of derivative financial instruments used in foreign currency hedge</b>	--	--	--	--	--	--
<b>23. Hedged foreign currency assets</b>	--	--	--	--	--	--
<b>24. Hedged foreign currency liabilities</b>	--	--	--	--	--	--
<b>25. Exports</b>	<b>9.344.425</b>	<b>127.833</b>	<b>4.639.613</b>	<b>125.518</b>	<b>4.704.812</b>	--
<b>26. Imports</b>	<b>24.503.652</b>	<b>347.796</b>	<b>14.782.200</b>	<b>161.502</b>	<b>7.595.393</b>	<b>2.126.059</b>

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

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)****Foreign currency sensitivity**

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

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

<b>Foreign currency sensitivity table</b>				
<b>31 December 2024</b>				
	<b>Profit/Loss</b>		<b>Equity<sup>1</sup></b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD against TL by 10%:</b>				
1- USD denominated net assets/(liabilities)	1.655.698	(1.655.698)	1.655.698	(1.655.698)
2- Hedged amount against USD risk (-)	--	--	--	--
<b>3- Net effect of USD (1+2)</b>	1.655.698	(1.655.698)	1.655.698	(1.655.698)
<b>Change of EURO against TL by 10%:</b>				
4- EURO denominated net assets/(liabilities)	844.047	(844.047)	844.047	(844.047)
5- Hedged amount against EURO risk (-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	844.047	(844.047)	844.047	(844.047)
<b>Change of other currencies against TL by 10%:</b>				
7- Other currencies denominated net assets/(liabilities)	(25.566)	25.566	(25.566)	25.566
8- Hedged amount against other currencies risk (-)	--	--	--	--
<b>9- Net effect of other currencies (7+8)</b>	(25.566)	25.566	(25.566)	25.566

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2024, unless otherwise indicated.)

**32. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (continued)****Foreign currency sensitivity (continued)**

Foreign currency sensitivity table				
31 December 2023				
	Profit/Loss		Equity <sup>1</sup>	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change of USD against TL by 10%:</b>				
1- USD denominated net assets/(liabilities)	2.427.892	(2.427.892)	2.427.892	(2.427.892)
2- Hedged amount against USD risk (-)	--	--	--	--
<b>3- Net effect of USD (1+2)</b>	2.427.892	(2.427.892)	2.427.892	(2.427.892)
<b>Change of EURO against TL by 10%:</b>				
4- EURO denominated net assets/(liabilities)	590.656	(590.656)	590.656	(590.656)
5- Hedged amount against EURO risk (-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	590.656	(590.656)	590.656	(590.656)
<b>Change of other currencies against TL by 10%:</b>				
7- Other currencies denominated net assets/(liabilities)	(31.695)	31.695	(31.695)	31.695
8- Hedged amount against other currencies risk (-)	--	--	--	--
<b>9- Net effect of other currencies (7+8)</b>	(31.695)	31.695	(31.695)	31.695

**Interest rate risk management**

As of 31 December 2024 and 31 December 2023, since all of the loans obtained by the Group are fixed-rate loans, the Group is not exposed to significant interest rate risk.

As of 31 December 2024, the Group does not have interest bearing financial assets, therefore there is no exposure to interest risk (31 December 2023: None).

**Price risk**

The Group usually enters into fixed price contracts, therefore, is not exposed to any major price risk.

**Hierarchy of fair value**

As of 31 December 2024 and 31 December 2023, the Group's financial assets at their fair values are as in the following page:

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

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**33. FINANCIAL INSTRUMENTS FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING**

<b>31 December 2024</b>	<b>Financial assets at fair value P/L</b>	<b>Financial assets at amortized cost</b>	<b>Financial assets at fair value through OCI</b>	<b>Financial liabilities at amortized cost</b>	<b>Carrying value</b>	<b>Note</b>
<b><u>Financial assets</u></b>						
Cash and cash equivalents	--	16.637.264	--	--	16.637.264	3
Financial investments	214.906	--	7.874.499	--	8.089.405	30
Equity accounted investments	1.332.264	--	--	--	1.332.264	8
Trade receivables	--	83.334.372	--	--	83.334.372	6
<b><u>Financial liabilities</u></b>						
Borrowings	--	--	--	32.562.322	32.562.322	31
Trade payables	--	--	--	19.760.534	19.760.534	6
Other payables	--	--	--	567.863	567.863	7

<b>31 December 2023</b>	<b>Financial assets at fair value P/L</b>	<b>Financial assets at amortized cost</b>	<b>Financial assets at fair value through OCI</b>	<b>Financial liabilities at amortized cost</b>	<b>Carrying value</b>	<b>Note</b>
<b><u>Financial assets</u></b>						
Cash and cash equivalents	--	9.543.479	--	--	9.543.479	3
Financial investments	111.092	--	8.434.381	--	8.545.473	30
Equity accounted investments	1.241.418	--	--	--	1.241.418	8
Trade receivables	--	75.369.283	--	--	75.369.283	6
<b><u>Financial liabilities</u></b>						
Borrowings	--	--	--	28.786.115	28.786.115	31
Trade payables	--	--	--	21.569.584	21.569.584	6
Other payables	--	--	--	546.744	546.744	7

The Group's management assesses that the carrying value reflects the fair value of financial instruments. Related financial assets are presented at cost after deducting impairment allowance if any.

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### 33. FINANCIAL INSTRUMENTS FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING (continued)

The fair values of financial assets and financial liabilities are determined as follows:

- **Level 1:** The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- **Level 2:** The fair value of other financial assets and financial liabilities are determined in accordance with data which can be observed by directly or indirectly and which excludes the registered prices described in Level 1 ; and
- **Level 3:** The fair value of the financial assets and financial liabilities are determined where there is no observable market data.

#### Fair value hierarchy of financial assets that are measured at fair value:

ROKETSAN has presented under Group's financial assets that fair value reflect in other comprehensive income as of 31 December 2024. The fair value of ROKETSAN as of 31 December 2024 is TL 7.874.499 and was determined according to "Discounted Cash Flow", "Similar Company Comparison" and "Realized Company Mergers and Acquisitions" methodologies and its fair value hierarchy is Level 3.

Reconciliation of the Group's assets and liabilities that are measured at Level 3 fair value are presented as follow:

Available for sale financial assets	31 December 2024	31 December 2023
	Marketable Equity Shares	Marketable Equity Shares
Opening balance	8.434.381	10.132.056
Total gain/loss		
- transferred to other comprehensive income	(559.882)	(1.669.946)
- impairment	--	(27.729)
Capital increase	--	--
<b>Closing balance</b>	<b>7.874.499</b>	<b>8.434.381</b>

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### 33. FINANCIAL INSTRUMENTS FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING (continued)

#### 31 December 2024

	Fair value level as of reporting date		
	Level 1	Level 2	Level 3
	TL	TL	TL
Financial Investments	--	--	7.874.499
	--	--	<b>7.874.499</b>

#### 31 December 2023

	Fair value level as of reporting date		
	Level 1	Level 2	Level 3
	TL	TL	TL
Financial Investments	--	--	8.434.381
	--	--	<b>8.434.381</b>

The movement of the fair value level as of 31 December 2024 is as follows:

	Fair value level as of reporting date		
	Level 1	Level 2	Level 3
	TL	TL	TL
1 January 2024	--	--	8.434.381
Additions	--	--	(559.882)
31 December 2024	--	--	<b>7.874.499</b>

### 34. EXPLANATIONS RELATED TO THE STATEMENT OF CASH FLOW

#### *Reconciliation of the movements related to cash flows from financing activities and liabilities*

	31 December 2023	Cash Movements	Non-cash movements			31 December 2024
			Additions	Exchange rate change	Other	
Financial Liabilities (Note 31)	28.786.115	9.670.044	470.235	2.484.129	(8.848.201)	32.562.322
<b>Total liabilities arising from financing activities</b>	<b>28.786.115</b>	<b>9.670.044</b>	<b>470.235</b>	<b>2.484.129</b>	<b>(8.848.201)</b>	<b>32.562.322</b>

The table above represents the changes in the cash amounts related to "Proceeds from Borrowings" and "Repayments from Borrowings" which are presented under cash flows from financing activities.

### 35. FEES FOR SERVICES RENDERED FROM INDEPENDENT AUDIT FIRMS

For the period ended on 31 December 2024, fee for independent audit is TL 1.280 of the Group (31 December 2023: TL 715).

For the period ended on 31 December 2024, there is no different services rendered from the independent audit firms except fee for independent audit of the Group.

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**36. EVENTS AFTER THE REPORTING PERIOD**

After the reporting period, the Group have signed contracts amounting to USD 414 Million.

The Microelectronics Guidance and Electro-Optics (MGEO) Vice Presidency has been restructured into two Vice Presidencies, namely "Avionics and Guidance Systems Vice Presidency" and "Microelectronics and Electro-Optics Vice Presidency," to support the company's growth strategies, enhance focus on high technology, and further elevate the global capabilities achieved in developing game-changing technologies.

Murat KARATAŞ, the Vice President of Microelectronics Guidance and Electro-Optics (MGEO), has been appointed as the Vice President of Avionics and Guidance Systems (AGS); İsmail ÖZSARAÇ, the Director of Electro-Optical Design at MGEO, has been appointed as the Vice President of the Microelectronics and Electro-Optical Systems (MEOS).