

2024 ANNUAL REPORT



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An aerial photograph of a large industrial facility, likely an ASELSAN plant, set against a sunset sky. The sun is low on the horizon, casting a warm glow over the landscape. The facility consists of several large, modern buildings with glass facades and flat roofs. There are parking lots filled with cars in front of the buildings. The surrounding area includes green fields and distant mountains.

50 YEARS OF TRUSTED TECHNOLOGY

ASELSAN is a leading international defence electronics company dedicated to developing state-of-the-art smart solutions and nationalizing global technologies for 50 years.



01

ASELSAN at a Glance

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Mission-Vision

Vision

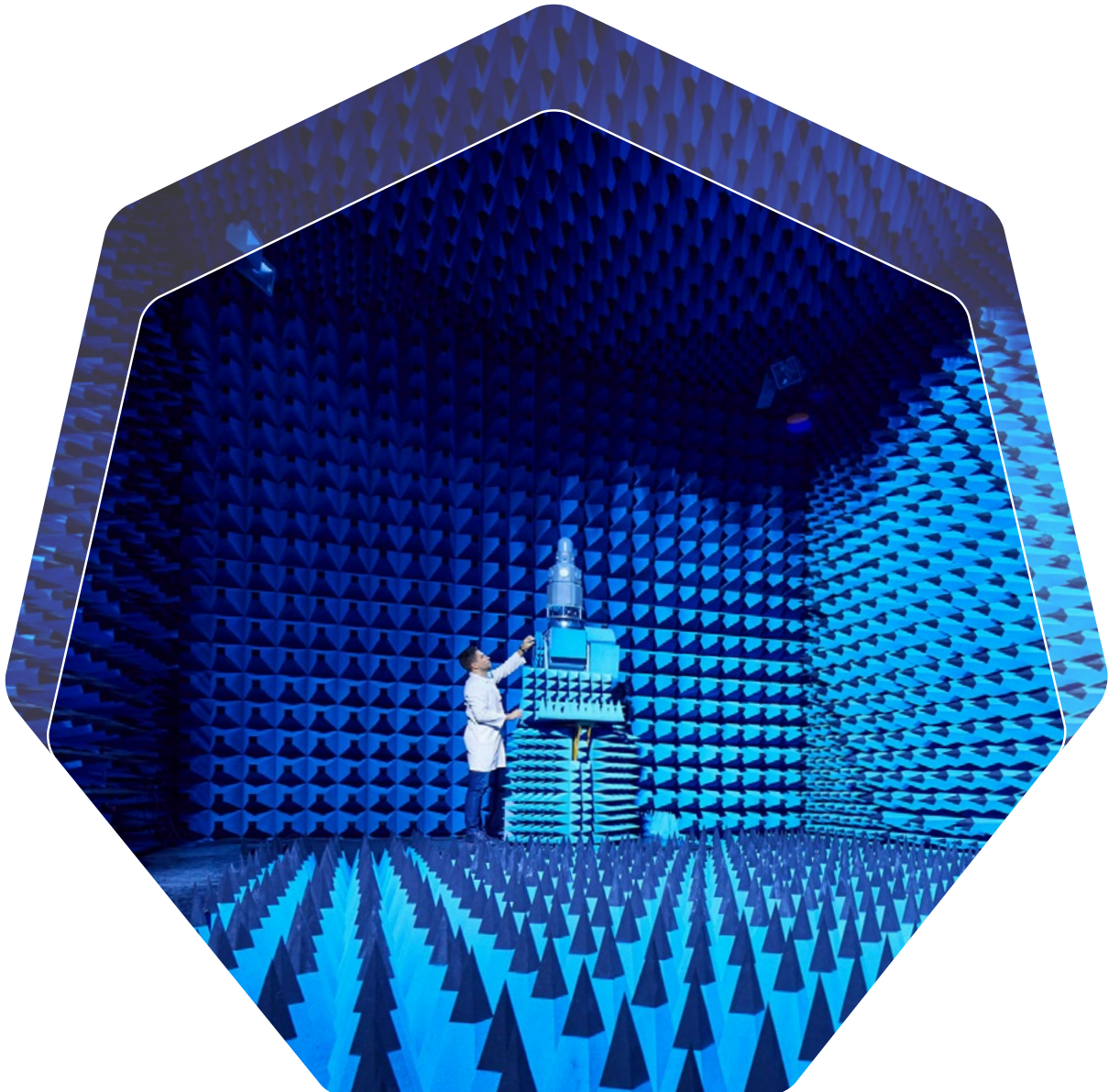


To be a reliable, competitively preferred, environment-friendly and human conscious technology firm which preserves its sustainable growth in the global market via the values created for stakeholders, as well as serving its establishment purposes.

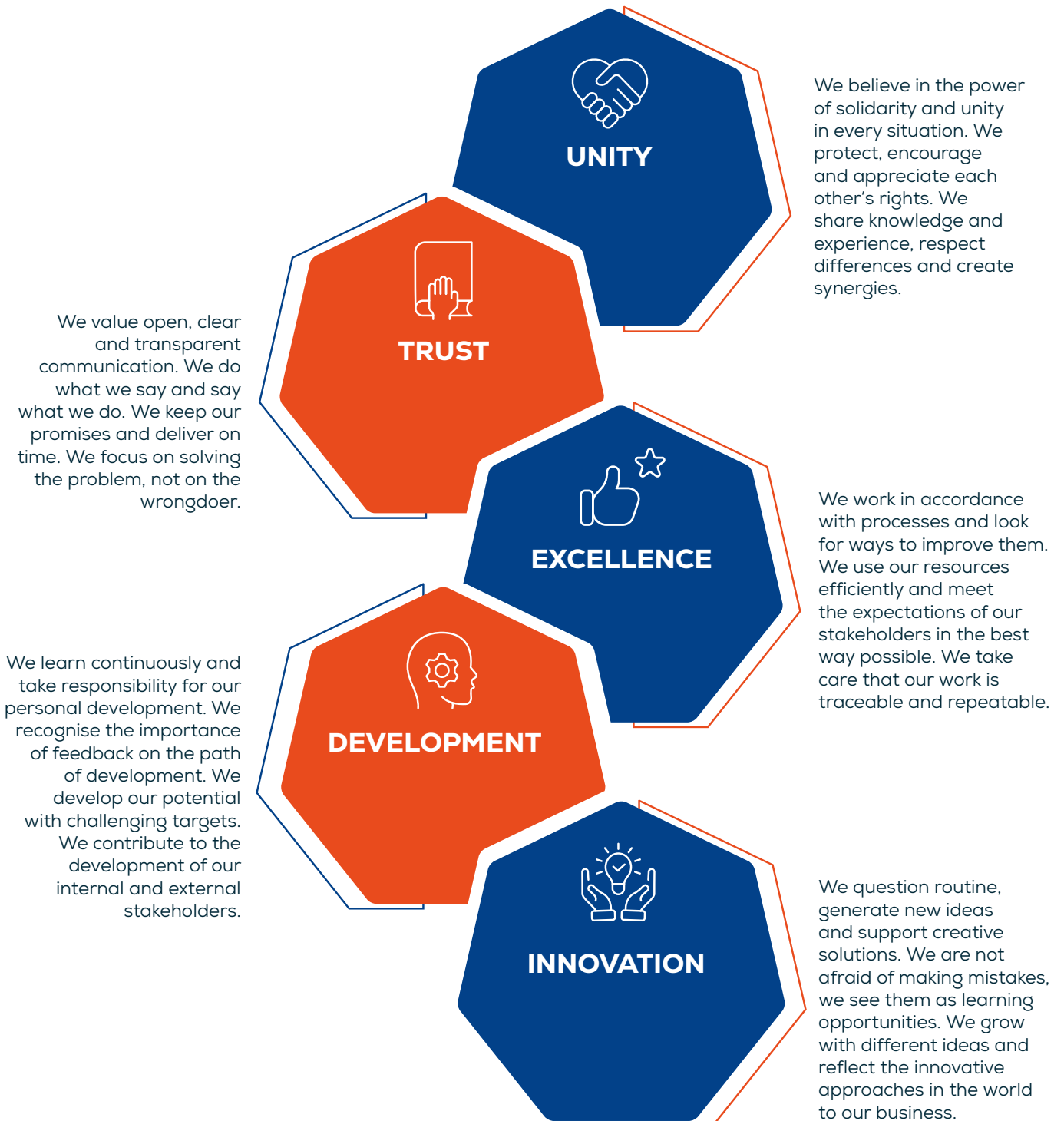
Mission



By focusing primarily on the needs of the Turkish Armed Forces; to provide high-value-added, innovative and reliable products and solutions to both local and foreign customers in the fields of electronic technologies and system integration; continuing activities in line with global targets as well as increasing brand awareness and contributing to the technological independence of Türkiye.

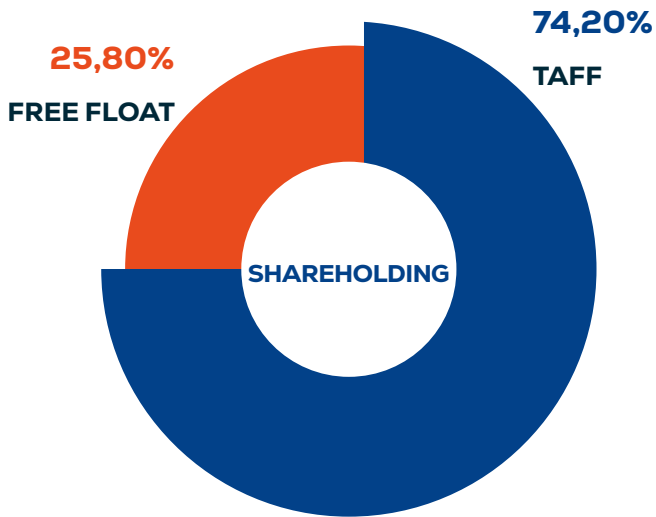


Our Values

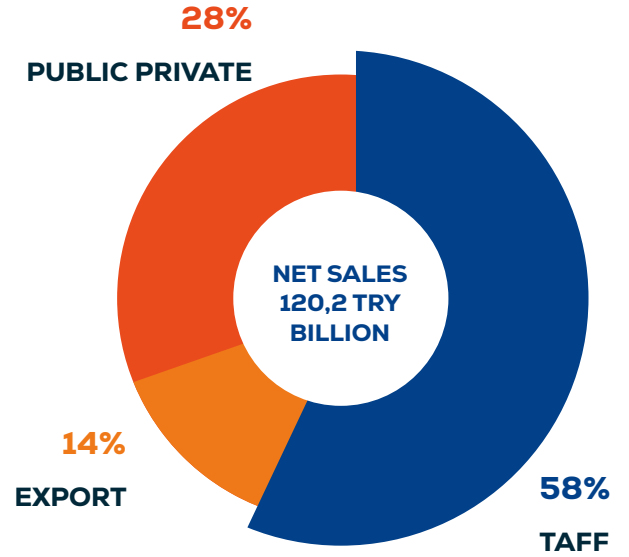


ASELSAN Shareholding Structure and Financial Position

ASELSAN'S SHAREHOLDING STRUCTURE



ASELSAN'S FINANCIAL SITUATION



Our Shareholding	Share Amount (TL)	Share Ratio (%)
TAFF	3.383.302.497,84	74,20
Free Float	1.176.697.502,16	25,80
Total	4.560.000.000,00	100



Local Affiliates



ASELSAN continues to contribute for the development of our country through its affiliates in 6 provinces and its Cyprus Branch.



ASELSANNET ELEKTRONİK VE HABERLEŞME SİSTEMLERİ SANAYİ, TİCARET, İNŞAAT VE TAAHHÜT LTD. ŞTİ.

ANKARA

Share Amount: TRY 500.000.000

ASELSAN's Share Ratio (%): 100

Established in 2004 in Ankara to meet the electronic and communication equipment needs of civil institutions and organisations. The company operates in construction, communication technologies, integrated logistics support, IT systems, security technologies, IoT and PCB mounting. ASELSAN is a 100% shareholder of the company.

BİTES SAVUNMA HAVACILIK VE UZAY TEKNOLOJİLERİ YAZILIM ELEKTRONİK TİCARET A.Ş.

ANKARA

Share Amount: TRY 250.000

ASELSAN's Share Ratio (%): 100

Established in Ankara to operate in research, design, development and engineering, particularly in augmented reality, artificial intelligence and simulation software. ASELSAN has been a partner of the company since 2019 and is currently a 100% shareholder of the company.

ASELSAN GLOBAL DIŞ TİCARET VE PAZARLAMA A.Ş.

ANKARA

Share Amount: TRY 250.000

ASELSAN's Share Ratio (%): 100

ASELSAN Global Dış Ticaret ve Pazarlama A.Ş. was established to conduct import, export and marketing activities of all kinds of civil and military electronic products and systems. Established in 2019, 100% of the current capital of the company is owned by ASELSAN.

ULAK HABERLEŞME A.Ş.

ANKARA

Share Amount: TRY 32.640.000

ASELSAN's Share Ratio (%): 51

Established in Ankara in 2017 to conduct R&D and engineering activities related to mobile and broadband communication systems used by commercial network operators; to engage in the production, testing, assembly and integration, sales and marketing, import and export of such systems and spare parts; and the provision of training, maintenance and support services. As of 2018, 51% of the Company's capital is owned by ASELSAN.

ASELSAN BİLKENT MİKRO NANO TEKNOLOJİLERİ SANAYİ VE TİCARET A.Ş.

ANKARA

Share Amount: TRY 16.500.000

ASELSAN's Share Ratio (%): 50

Established in Bilkent, Ankara in 2014 to conduct R&D studies focused on the application of all kinds of semiconductor and similar technological materials as well as the production and sales of micro and nano-sized devices containing such materials. 50% of the company capital is owned by ASELSAN.

EHSİM ELEKTRONİK HARP SİSTEMLERİ MÜHENDİSLİK TİCARET A.Ş.

ANKARA

Share Amount: TRY 64.625.000

ASELSAN's Share Ratio (%): 50

Established in Ankara to operate in the fields of Electronic Warfare and Tactical Command and Control Systems. ASELSAN has owned 50% of the company's capital since 2019.

TR EĞİTİM VE TEKNOLOJİ A.Ş.

ANKARA

Share Amount: TRY 6.860.000

ASELSAN's Share Ratio (%): 35

Operates in the areas of human resources services, consultancy, coaching and accreditation services, and conducting activities in education, training, publishing, culture, arts, sports, fair organization, and digital marketing at all levels. 35% of the current capital of the company, which started its operations in 2018, is owned by ASELSAN.



ADİYAMAN KABLO VE KONNEKTÖR A.Ş.

ADİYAMAN

Share Amount: TRY 72.750.000

ASELSAN's Share Ratio (%): 15

Established in Adiyaman in 2024 operate in the production, design, research and development, training, testing and after-sales services of civil and military cables, connectors and harnesses and similar products and technologies to be offered to both national and international markets, especially in the defence industry. ASELSAN owns 15% of the company's capital.

ROKETSAN ROKET SANAYİ VE TİCARET A.Ş.

ANKARA

Share Amount: TRY 1.489.683.556

ASELSAN's Share Ratio (%): 14,897

Established in Ankara in 1988 to manufacture all kinds of missiles, rockets, rocket launchers and rocket fuel, their engines, warheads and other components as well as the production, marketing and sales of various military and civilian products and their components requiring high and sensitive technology. ASELSAN is a 14,9% shareholder of the company.

TEKNOHAB TEKNOLOJİ GELİŞTİRME BÖLGESİ YÖNETİCİ A.Ş.

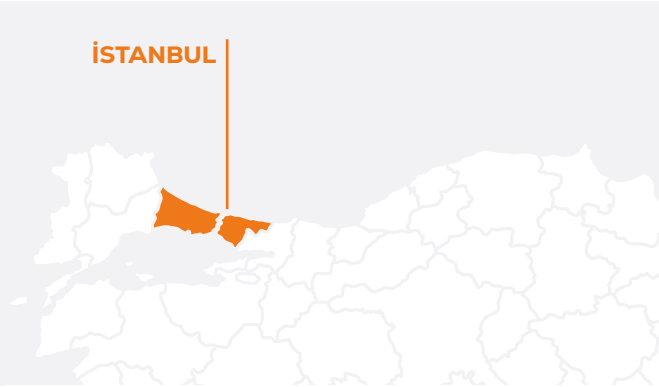
ANKARA

Share Amount: TRY 6.000.000

ASELSAN's Share Ratio (%): 13,04

Established in Ankara in 2018 to create investment opportunities in technology-intensive sectors, provide job opportunities for researchers and skilled professionals, assist technology transfers and to accelerate the entry of foreign capital that will provide advanced technology. ASELSAN owns 13,04% of the company's capital.

İSTANBUL



MİKROELEKTRONİK ARAŞTIRMA GELİŞTİRME TASARIM VE TİCARET LTD. ŞTİ.

İSTANBUL

Share Amount: TRY 1.700.000

ASELSAN's Share Ratio (%): 85

In 2010, ASELSAN became a shareholder with 85% in MİKROELEKTRONİK Ltd. Şti. in Istanbul, which was established with the need for designing and developing integrated circuits and electronic systems.

TÜYAR MİKROELEKTRONİK SANAYİ VE TİCARET A.Ş.

İSTANBUL

Share Amount: TRY 8.905.875

ASELSAN's Share Ratio (%): 51

Established in 2017 to operate in the field of micro and nano-sized devices containing semiconductor and similar technological materials. 51% of the company's capital is owned by ASELSAN.

İSTANBUL FİNANS VE TECHNOLOGY BASE A.Ş.

İSTANBUL

Share Amount: TRY 20.000.000

ASELSAN's Share Ratio (%): 44,44

Established to set up a structure to respond to the development and needs of the financial sector and financial technology entrepreneurship. Established in 2022, 44,44% of the current capital of the company is owned by ASELSAN.

KAYSERİ



ASPİLSAN ENERJİ SANAYİ VE TİCARET A.Ş.

KAYSERİ

Share Amount: TRY 11.098.740

ASELSAN's Share Ratio (%): 1

Established in 1981 in Kayseri Organised Industrial Zone to meet the basic needs of the Turkish Armed Forces for rechargeable nickel-cadmium batteries. Today, the company manufactures batteries for various civilian and military uses, including backpack/ handheld radios, combat vehicles, aircraft, and helicopters. ASELSAN is a 1% shareholder of the company.

KONYA



ASELSAN KONYA SİLAH SİSTEMLERİ A.Ş.

KONYA

Share Amount: TRY 239.700.000

ASELSAN's Share Ratio (%): 51

Established in Konya in 2018 to conduct research, design, development and engineering activities for defence industry products, especially various weapons and weapon systems; to conduct production, testing, assembly and integration, sales and marketing, import and export of such weapons, weapon systems and defence industry products; to provide training, maintenance and after-sales services; to conduct all kinds of commercial and industrial activities related to these areas. 51% of the company's capital is owned by ASELSAN.



ASELSAN SİVAS HASSAS OPTİK SANAYİ VE TİCARET A.Ş.

SİVAS

Share Amount: TRY 10.400.000

ASELSAN's Share Ratio (%): 80

Established in Sivas in 2014 to conduct R&D studies on optics, optical tools, and optical devices for all kinds of ultraviolet, visible and near-infrared bands, and to manufacture and sell such optical elements. 80% of the company capital is owned by ASELSAN.



ASELSAN CYPRUS

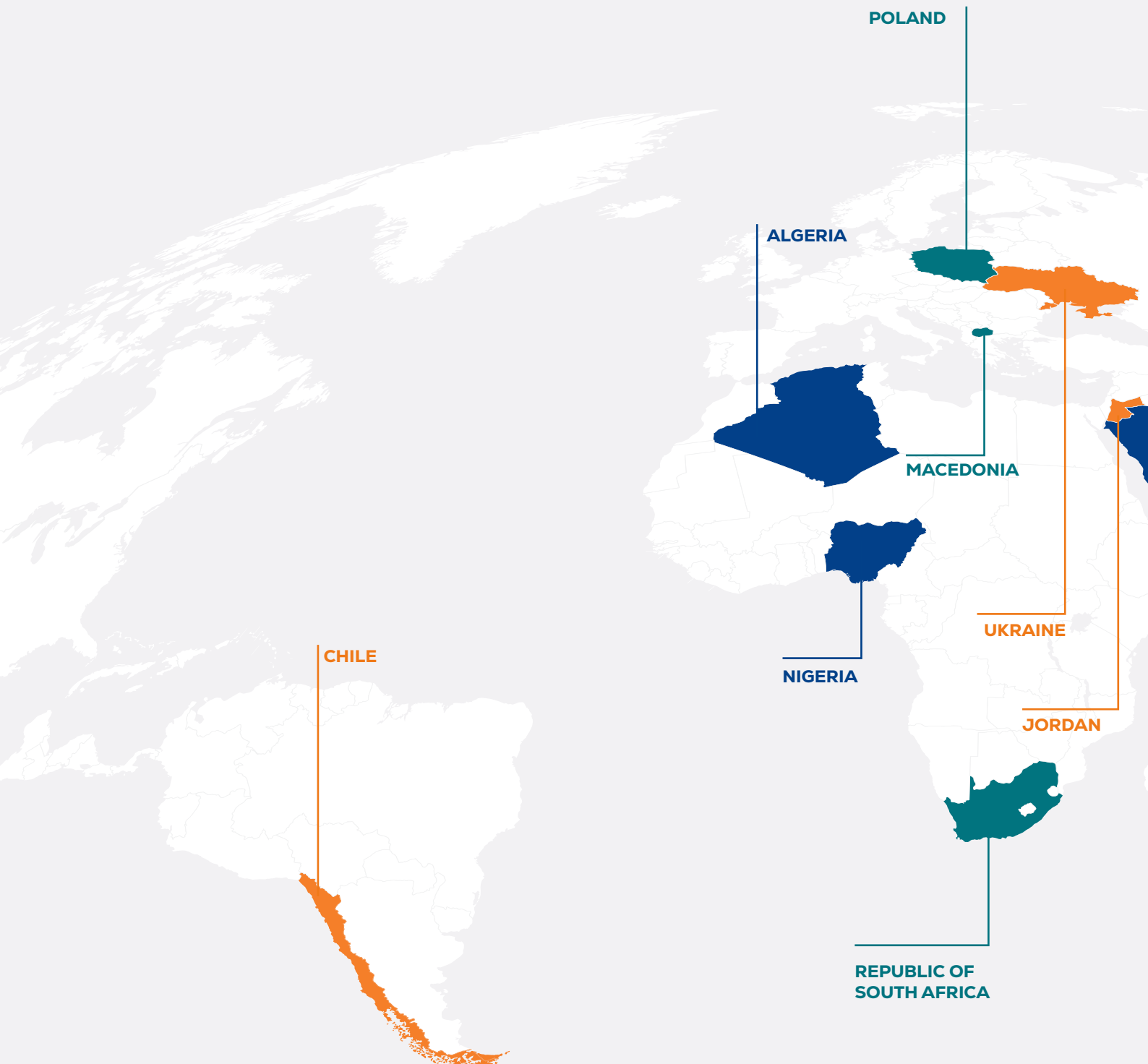
TURKISH REPUBLIC OF NORTHERN CYPRUS

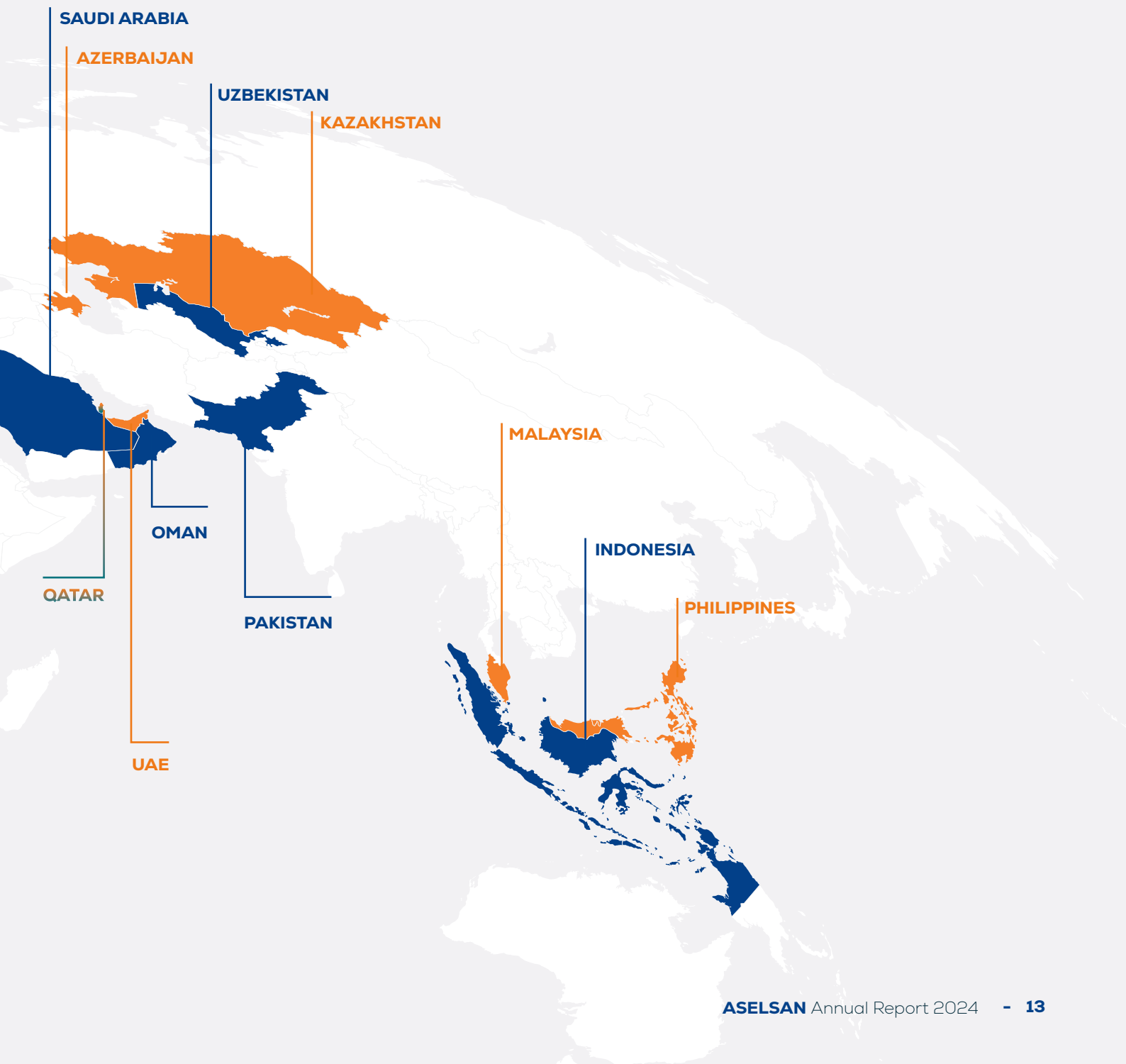
Established in 2019, the branch provides services in the field of integrated logistics support.



Global Affiliates

- Our Affiliates
- Our Branches
- Our Offices





Global Affiliates

ASELSAN BAKÜ MMC.

BAKU-AZERBAIJAN

Share Amount: AZN 7.551.978,18

ASELSAN's Share Ratio (%): 100

Established in 1998 with 100% participation of ASELSAN in order to work on the promotion, marketing and sales activities of military and civil communication devices.

ASELSAN MALAYSIA SDN. BHD.

KUALA LUMPUR-MALAYSIA

Share Amount: MYR 1.000.100

ASELSAN's Share Ratio (%): 100

Established in 2017 with the title ASELSAN Malaysia SDN. BHD., 100% of which is owned by ASELSAN, in order to operate in the field of remote-controlled weapon systems.

ASELSAN UKRAINE LLC.

KIEV-UKRAINE

Share Amount: UAH 8.410.730

ASELSAN's Share Ratio (%): 100

Established in 2020 with 100% participation of ASELSAN in order to carry out marketing and business development activities in Ukraine.

ASELSAN LATIN AMERICA SpA.

SANTIAGO-CHILE

Share Amount: 600.000 ABD Doları

ASELSAN's Share Ratio (%): 100

Established in 2024 to carry out business development and marketing activities. The committed capital is USD 600.000.

ASELSAN TECHNOLOGIES LTD.

ABU DHABI-UAE

Share Amount: USD 250.000

ASELSAN's Share Ratio (%): 100

Established to carry out business development and marketing activities in the United Arab Emirates.

ASELSAN MUSCAT SPC

MUSCAT - SULTANATE OF OMAN

Share Amount: OMR 25.000*

ASELSAN's Share Ratio (%): 100

*Unpaid Capital

ASELSAN PHILIPPINES

MANILA - PHILIPPINES

Share Amount: -

ASELSAN's Share Ratio (%): 100

Established to carry out business development and marketing activities.

ASELSAN MIDDLE EAST PSC.

AMMAN-JORDAN

Share Amount: JOD 1.225.000

ASELSAN's Share Ratio (%): 49

Established in 2012 with a 49% shareholding of ASELSAN and 51% shareholding of JODDB Investment Group (JIG) in order to carry out the design, production, development and marketing of night vision and thermal imaging devices to meet the needs of the Jordanian Armed Forces.

IGG ASELSAN INTEGRATED SYSTEMS LLC.

ABU DHABI-UAE

Share Amount: AED 9.800.000

ASELSAN's Share Ratio (%): 49

It was established in 2011 with the aim of manufacturing, testing and integration of ASELSAN products in the United Arab Emirates (UAE), sales and after-sales technical support in Gulf countries, primarily in the UAE, with ASELSAN holding 49% and IGG holding 51% of the shares.

KAZAKHSTAN ASELSAN ENGINEERING LLP.

NUR-SULTAN-KAZAKHSTAN

Share Amount: KZT 3.464.300.000

ASELSAN's Share Ratio (%): 49

It was established in 2011 with the aim of producing, developing and carrying out maintenance and repair activities of electronic devices and systems in order to meet the military and civilian needs of Kazakhstan, with the participation of ASELSAN 49%, the Secretariat of Defence Industries (SSB) 1% and Kazakhstan Engineering 50%.

BARQ QSTP LLC.

DOHA-QATAR

Share Amount: QAR 480.000

ASELSAN's Share Ratio (%): 48

Established in 2018 with the participation of ASELSAN 48%, Barzan Holding 51% and SSTEK A.Ş. 1% in order to operate in the production, sales and marketing of command and control systems, thermal and night vision cameras, crypto, remote-controlled weapon systems.

Our Branches

ASELSAN SOUTH AFRICA BRANCH

PRETORIA - REPUBLIC OF SOUTH AFRICA

Established in 2011 as a branch in order to operate in the fields of design of optical systems and promotion and marketing of ASELSAN products in South Africa and neighbouring countries. The branch continues its business development and marketing activities as of 2024.

ASELSAN BALKANS BRANCH

SKOPJE-MACEDONIA

Established in 2014, the Branch carries out business development and marketing activities and works within the scope of Macedonia Corridor-10 and Corridor-8 Motorways Toll Collection System Projects.

ASELSAN QATAR BRANCH

DOHA-QATAR

Established as a branch in 2021 to fulfill maintenance, repair and business development activities in Qatar.

ASELSAN POLAND BRANCH

WARSAW-POLAND

Established in 2024 to carry out business development and marketing activities.

Our Offices

ASELSAN Saudi Arabia Office

ASELSAN Pakistan Office

ASELSAN Indonesia Office

ASELSAN Uzbekistan Office

ASELSAN Nigeria Office

ASELSAN Algeria Office

Our Technology Bases



MACUNKÖY TECHNOLOGY BASE

Indoor Area: 138.761 m²

Total Area: 186.848 m²

It is established on a total area of 186.848 m², of which 138.761 m² is covered. The Head Office Units, Communication and Information Technologies, and Transportation, Security, Energy, Automation and Health Systems Sector Presidencies are located in ASELSAN Macunköy Technology Base.



AKYURT 1 TECHNOLOGY BASE

Indoor Area: 93.813 m²

Total Area: 231.828 m²

It is established on a total area of 231.828 m², of which 93.813 m² is covered. The Microelectronic and Electro-Optical Systems Sector Presidency is located at ASELSAN Akyurt 1 Technology Base.



TEPELLİ TECHNOLOGY BASE

Indoor Area: 28.536 m²

Total Area: 381.730 m²

The technology base is built on an open area of 381.730 m² and has a total closed area of 28.536 m². Some units belonging to the Defense System Technologies Sector and some test systems belonging to the Transportation, Security, Energy, Automation and Health Systems Sector are also located in ASELSAN Temelli Technology Base.



AKYURT 2 TECHNOLOGY BASE

Indoor Area: 23.535 m²

Total Area: 63.294 m²

It is established on a total area of 63.294 m², of which 23.535 m² is covered. The Avionics and Guidance Systems Sector Presidency is located at ASELSAN Akyurt 2 Technology Base.



GÖLBAŞI TECHNOLOGY BASE

Indoor Area: 196.834 m²

Total Area: 665.682 m²

The Defense System Technologies and Radar and Electronic Warfare Systems Sector Presidencies operate at the technology base located in Gölbaşı district of Ankara. The technology base is built on a total area of 665.682 m², of which 196.834 m² is covered.

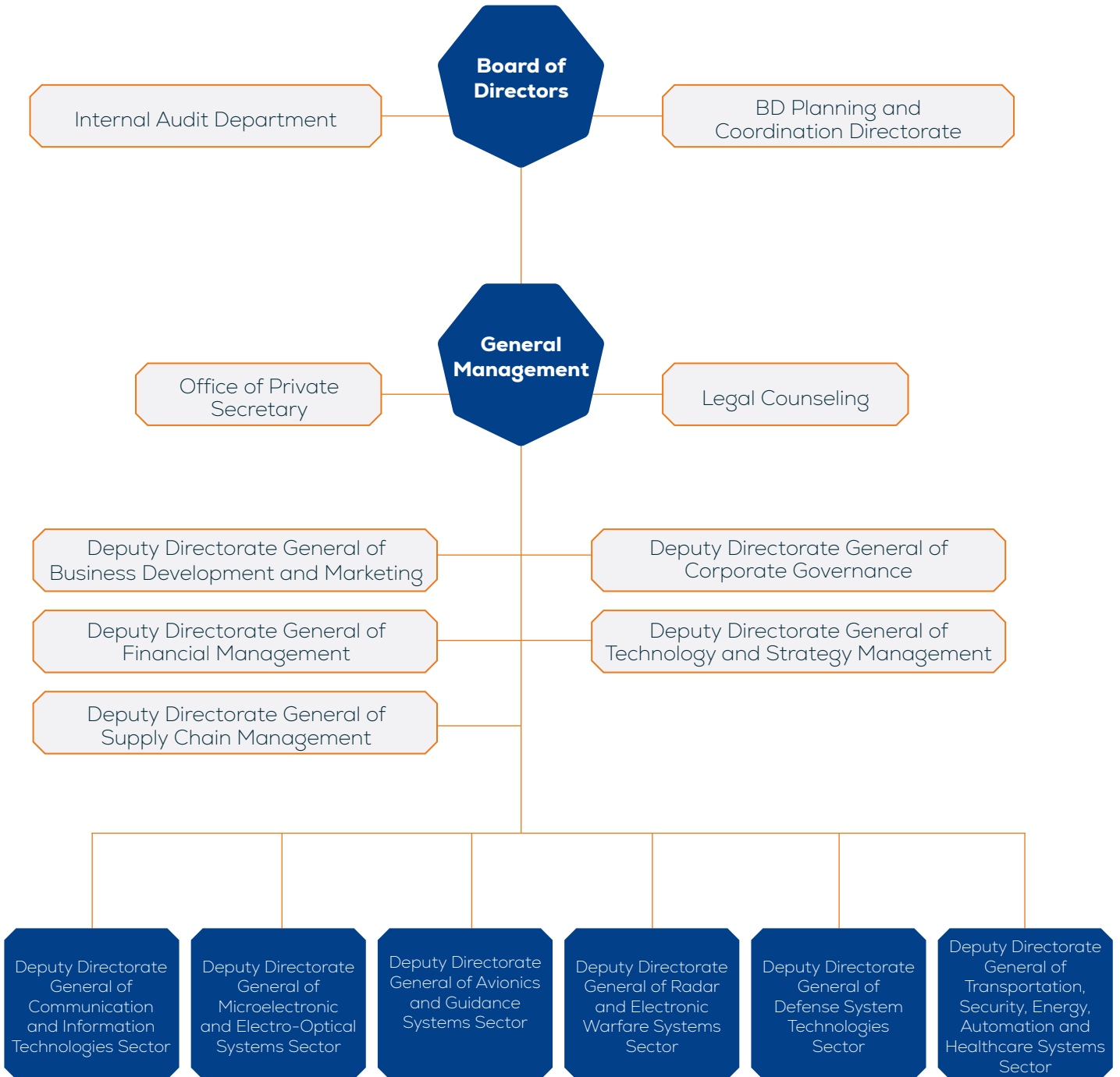


GÖLBEK TECHNOLOGY TEST CENTER

Total Area: 3.294.000 m²

Many tests and verification studies such as antenna performance, platform interaction, system effectiveness, directional accuracy, radar cross-sectional area are carried out at GölbeK Technology Test Center.

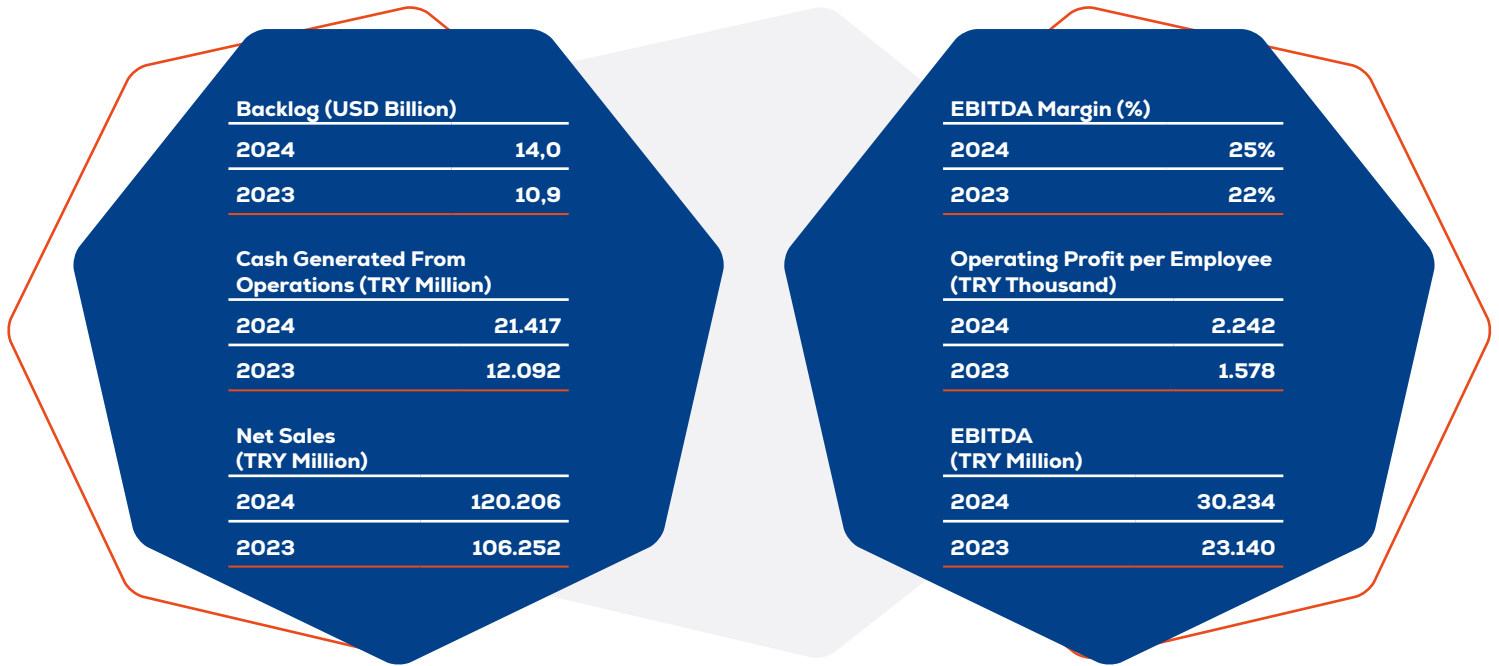
Organizational Structure



**With the decision of ASELSAN Board of Directors dated December 19, 2024, MGEO Sector was restructured into two sectors as Microelectronic and Electro-Optical Systems Sector (MEOS) and Avionics and Guidance Systems Sector (AGS).*

Main Financial Indicators

ASELSAN reflected its technological superiority to its financial management as well. Accordingly, 2024 was left behind with successful results.



Condensed Balance Sheet (TRY Million)	2024	2023
Total Assets	242.798	217.403
Tangible Fixed Assets	37.409	34.261
Intangible Fixed Assets	21.831	17.539
Total Equity	141.359	127.603

Condensed Income Statement (TRY Million)	2024	2023
Net Sales	120.206	106.252
EBITDA	30.234	23.140
Net Profit for the Period	15.299	10.526

Key Indicators	2024	2023
R&D Expenditures (TRY Million)	31.955	19.486
Operating Profit per Employee (TRY Thousand)	2.242	1.578
EBITDA Margin (%)	25%	22%
Cash Generated From Operations (TRY Million)	21.417	12.092
Cash Deposits (TRY Million)	16.637	9.543

ASELSAN's turnover grew by 13% in 2024 compared to the previous year, reaching **TRY 120 Billion**.

ASELSAN signed **USD 6,5 Billion** worth of new contracts during the year and increased its backlog to **USD 14 Billion**.

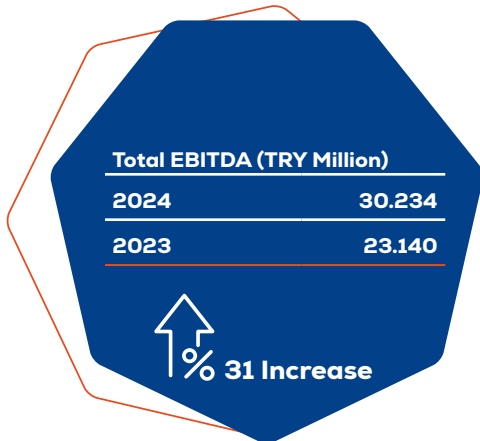
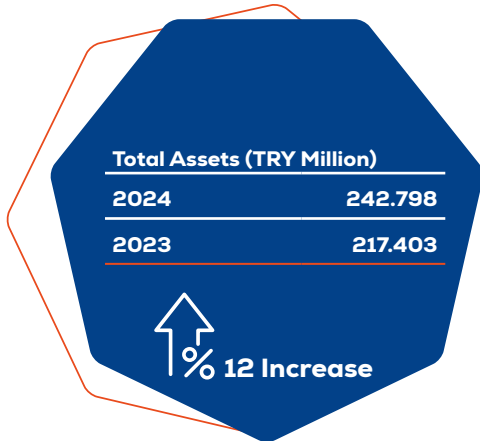
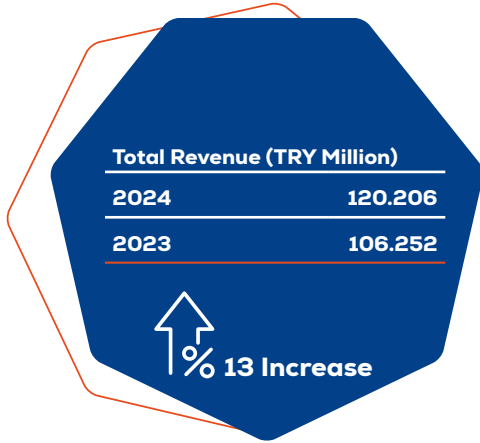
Compared to 2023 year-end; EBITDA margin increased from **22% to 25%**, while the results of the steps taken towards efficiency were reflected in the financial statements.

The Company's **Net Debt/EBITDA** ratio, which stood at **0,83** in 2023, declined to **0,53** as of the year-end 2024, recording an improvement in this area as well.

Our Sustainability Approach


In 2024, ASELSAN realised total outsourced R&D expenditure amounting to TRY 26,714 million.

ECONOMIC VALUE CREATED



TÜRKİYE'S LARGEST R&D CENTER

TRY **31.955** Million
Total R&D Expenditure  % 64 Increase

TRY **26.714** Million
Total Externally Funded R&D Expenditure  % 60 Increase

TRY **5.242** Million
R&D Expenditure from Total Equity  % 88 Increase

In 2024

105 Patent Applications and
185 Registration Certificates

PROFESSIONAL CORPORATE GOVERNANCE APPROACH AT INTERNATIONAL STANDARDS

Corporate Governance
Rating Score:

9,49

Ratio of Shares Traded
on Borsa Istanbul:

25,80%

COMPETENT AND DYNAMIC HUMAN RESOURCES

Consolidated Average Number of Personnel at the End of 2024:

12.014

Number of Talent-A Employees:

In the 2023-2024 period, **215** students started to work at ASELSAN as candidate engineers with the Talent-A program. 172 students continued to work at ASELSAN as full-time Engineer I / Assistant Specialist I after the Talent-A program.

At the **Youth Awards 2024**, with the votes of 152.136 young talents between the ages of 18-35, ASELSAN received **Gold** in the category of Most Desirable Defence Industry Company to Work For, **Bronze** for ASELSAN CEO **Ahmet AKYOL** in the category of Most Inspiring CEO for Young People, **Bronze** for the Talent-A Program in the category of Most Admired Recruitment Program and **Bronze** for ASELSAN Life in the category of Most Admired Company with a Career Account on Instagram.

BUSINESS CONTINUITY AND PRODUCTIVITY-ORIENTED OHS PRACTICES

Award from the International British Safety **Awards**, Award from The Royal Society for Prevention of Accidents (ROSPA), **Award** from The Stevie International Business **Awards** in two categories

OHS Training Hours:

141.649

RESPONSIBLE MANAGEMENT APPROACH TO MINIMIZE ENVIRONMENTAL IMPACT

Net zero emission target for 2050

Score above the global and country average in CDP (Carbon Disclosure Project) Climate Change and **CDP Water Reporting, Water Leadership in CDP Water Reporting**

Award from The Green Organization Green Apple Environment Awards

SOCIAL INVESTMENTS STRENGTHENED BY EMPLOYEE PARTICIPATION APPROACH

Türkiye's most preferred vocational high school:

ASELSAN Vocational and Technical Anatolian High School (Ankara)

ASELSAN Konya Vocational and Technical Anatolian High School



Our Sustainability Approach

We view sustainability as a priority value in all our activities and place it at the core of our business practices. We are aware of the importance of our sustainability goals and efforts that are integrated with the United Nations Sustainable Development Goals and in line with our strategy. We do not view our sustainability efforts as confined to the contributions we make to our own activities, but as a development process in which we work towards our goals by creating awareness throughout our value chain through our leadership qualities. Developing our roadmap, we set our targets in 2023 on environmental, social and governance (ESG) topics in line with sustainable development goals, particularly the principles of responsibility, transparency, accountability and equality. We commit to transparently monitor, measure and report our efforts, progress and realizations towards our short, medium and long-term

ESG goals extending to 2030, and to further improve our processes with the aim of achieving the best in every area where we see improvement. We developed our roadmap within the framework of our 2050 net zero emission target, which is key to our environmental sustainability efforts, set in 2021.

We prioritise our holistic sustainability approach in our operations and strategy in order to leave a more livable world for future generations through our sustainability approach focused on the environment and human value. Since 2021, we have been evaluating sustainability at the corporate level and determining our strategy through our risk and opportunity analysis. We address sustainability at the senior management level and use an integrated strategy to analyze our present and plan our future.

Our Environment is Our Future

With our responsible production and consumption approach, we view our environment as a legacy to be passed down to future generations, and we work on climate change, energy management, water management, environmental compliance legislation, waste management and biodiversity under the leadership of our senior management and with the dedication of ASELSAN employees. We value resource efficiency and work to reduce the environmental footprint of not just ourselves but also our society through the technologies we develop. In doing so, we establish transparent communication with our stakeholders and involve them in our processes. While evaluating and

analyzing our fight against climate change as an economic and corporate opportunity in 2024 through our products such as our smart city systems and renewable energy solutions, we carried out valuable work in 2024 as part of our 2050 net zero emission target. While continuing the conversion of our passenger car fleet to electric vehicles, we worked on our goal of meeting the electricity of all our technology bases in Ankara from renewable energy. We introduced new roof-day, heat-day and gray water systems to our technology bases. While realizing our 13% net sales growth in 2024, we worked on these and similar targets and projects for responsible production and consumption.



Our Society is Our Responsibility

We believe that for sustainable development, companies' growth processes should include not only economic and corporate aspects, but also consider social responsibility and environmental areas. We strive to be a source of hope and inspiration for the future in our work focused on respect for society. Under the leadership of our senior management, we produce projects and work to create value with all ASELSAN corporate social responsibility volunteers. We are actively working not just to sustain

and develop our own economic existence, but also to develop the ecosystem in which we operate, the subcontractors with whom we engage and our stakeholders through a circular economy approach. In 2024, the amount of international sales contracts we signed increased by 70% compared to the previous year. While working for a total value of more than USD 1 billion, we ensured decent work and economic growth through the projects we realized within the scope of occupational safety, welfare and our value chain.



Our Work is Our Value

We are making steady progress toward our goal of producing the technologies of the future that serve both people and the planet. We know that ASELSAN employees have contributed greatly to our journey of success. We strive to create a working environment that provides high employee well-being and emphasizes

diversity, equity and inclusion (DEI). Together with ASELSAN employees, we set goals and develop projects to create a sustainable business world together with our sustainable supply chain through high quality products, services and information security and strong customer relations.





We produce reliable technologies and create value for all our stakeholders through our fair, transparent and ethical management structure that is sensitive to both people and the environment and complies with international standards.

02

Trusted Management

- 25 Corporate Governance
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Corporate Governance

Our Shareholders

ASELSAN, which is a company of the Turkish Armed Forces Foundation (TAFF), is a joint stock company with 74,20% of its shares belonging to TAFF and 25,80% of the shares listed on Borsa İstanbul (BİST).

Our Shareholders	Share Amount (TRY)	Share (%)
TAFF	3.383.302.497,84	74,20
Free Float (BİST)	1.176.697.502,16	25,80
Total	4.560.000.000,00	100,00

Corporate Governance

ASELSAN HAS TAKEN ITS SUCCESS IN CORPORATE GOVERNANCE PROCESSES TO THE PEAK IN 2024.

Taking into consideration the sensitivity of the sector in which it operates, ASELSAN keeps the principles of fairness, transparency, responsibility and accountability, which are the basic principles of corporate governance, accelerating its stable growth and protecting the interests of stakeholders at the core of its activities. In order to carry its leadership in the national platform to the international arena, the company continues its works without slowing down to ensure full compliance with corporate governance and legal regulations.

As a result of the changing and developing global conditions, our company, which adopts the understanding of "corporate sustainability" in order to fulfill its economic, social and environmental responsibilities, fulfills its responsibilities towards the society by maintaining both being sustainable and ethical values with its work in the field of corporate governance.

ASELSAN, which has adopted the concept of corporate governance as a core principle, has been publishing a Compliance Report on the Principles of Corporate Governance every year since 2004. The rights of shareholders, Annual General Meetings, dividend policy, disclosure policy, board diversity and inclusion policy, human

resources and ethical principles, relations with stakeholders, corporate social responsibility, the structure, formation, activity essentials and committees of members of board, risk management and internal audit including minority rights which are under the headings of shareholders, informing the public and transparency, interest groups and members of the board within the scope of the Corporate Governance Principles regulated by Capital Markets Board (CMB) are detailed within the report. The Report on the Compliance of Corporate Governance Principles and its activity reports are published on the Company's website (www.aselsan.com) and in the annual reports.

ASELSAN's Corporate Governance Grade Score was revised to **9,49** and reached its historical peak.

Since 2012, ASELSAN has been receiving Corporate Governance Rating services to measure its level of compliance with corporate governance principles. In this context, the Corporate Governance Rating for ASELSAN, which was first established on December 13, 2012, was 8,77 out of 10. Following an assessment by SAHA Corporate Governance and Credit Rating Services Inc. (SAHA), authorized by CMB, our rating reached a historical peak of 9.49 on December 10, 2024.



ASELSAN has taken its success in corporate governance processes to the peak in 2024.



Early Detection and Management of Risk Committee meets at least six times a year and reports to the Board of Directors.

Corporate governance ratings in 2023 and 2024 and their sub topics are presented below.

2023 Rating Distribution		2024 Rating Distribution	
Shareholders	89,59 / 100	Shareholders	89,82 / 100
Public Disclosure and Transparency	98,72 / 100	Public Disclosure and Transparency	98,72 / 100
Stakeholders	99,17 / 100	Stakeholders	99,17 / 100
Board of Directors	91,88 / 100	Board of Directors	94,06 / 100
Average 9,41		Average 9,49	

ASELSAN's Corporate Governance Rating Reports published by SAHA are available on www.aselsan.com.

ASELSAN has been included in BIST Corporate Governance Index since the Company obtained its first corporate governance rating.

ASELSAN's Management Structure

ASELSAN Board of Directors

There is a board of directors consisting of nine members elected by the general assembly in accordance with the Turkish Commercial Code (TCC) and the articles of association.

Three members of the Board, are independent member.

In addition, Three committees formed in accordance with the corporate governance regulations of the CMB, operate to enable the Board to fully execute its duties and responsibilities in ASELSAN.

Audit Committee

The committee consists of three independent members of the board. The main responsibilities of the committee are to inform the public regarding financial issues and monitor ASELSAN's accountancy systems, independent internal and external auditing and internal control systems' effectiveness and efficiency. The Internal Auditing Office reports directly to

the Audit Committee and Members of the Board. The Audit Committee convenes at least four times a year.

Corporate Governance Committee

The committee consists of a total of five members: three members of the board of directors and two employees from the Investor Relations and Financial Analysis Department. The head of the committee is an independent member of the board. The investor relations manager also is a member of the committee in accordance with the regulations of the CMB. The committee proposes suggestions to members of the board for the compliance with corporate governance principles and the realization of improvement activities. It also observes the activities conducted by the Investor Relations and Financial Analysis Department.

Early Detection and Management of Risk Committee

The committee was established to determine the risks arising from the Company's strategic, operational, financial and external factors and to manage the risks identified in line with the Company's corporate risk profile. There are two members of the board in the committee. The chairman of the committee is an independent member of the Board of Directors. The Committee meets at least six times a year and reports to the Board of Directors. The principles regarding the formation of committees and the manner in which they work, meet and report are determined by the Board of Directors. Detailed information regarding the corporate management structure of ASELSAN, Members of the Board and the committees may be obtained from the www.aselsan.com website.

Committees at ASELSAN

Three committees have been formed in accordance with the CMB's Principles of Corporate Governance by ASELSAN's Board of Directors.

Audit Committee	Corporate Governance Committee**	Early Detection and Management of Risk Committee
Ebru TÜMER* (Committee Chairman)	İsmail ARI* (Committee Chairman)	Göksel SEVİNDİK* (Committee Chairman)
İsmail ARI* (Committee Member)	Ahmet YOZGATLIGİL (Committee Member)	Bekir BAYRAKDAR (Committee Member)
Göksel SEVİNDİK* (Committee Member)	Mustafa Murat ŞEKER (Committee Member)	
	Cansın MISIRLI (Committee Member)	
	Gülru SELÇUK FİLİZ (Committee Member)	

* Independent Board Member

** The Nomination Committee and Compensation Committee were not formed due to the structure of the Board of Directors. The duties and responsibilities of these committees are undertaken by the Corporate Governance Committee.



Message from the Chairman of the Board of Directors



Prof. Dr. Ercümend ARVAS

Chairman of the Board of Directors

Since 1975, we have been delivering advanced technologies to our country and the world with the power we receive from our people. With the trust of our half-century history, we continued our success in 2024 as well. Since the day we were founded, we have brought advanced technologies to our country, guided by the core values that define us such as unity, trust, excellence, development and innovation. In 2024, we carried out important activities both in our country and in different geographies around the world. From day one, we have adopted the principle of developing game-changing technologies, achieving firsts and providing added value to our country through nationalization activities. In line with this strategy, we ranked 42nd among the world's largest defence industry companies in 2024. We ranked high among the industrial companies with the highest sales of weapons and military services according to the Stockholm International Peace Research Institute (SIPRI).

For ASELSAN, there is no limit to developing the firsts and the finest. With this motto in mind, we shall continue to work non-stop also in 2025, ASELSAN's 50th anniversary.

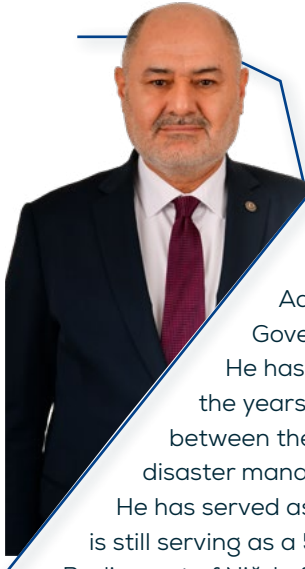
With our affiliates and offices in different geographies around the world, we maintained our efforts with dedication. While carrying ASELSAN into the future within the framework of our export-oriented growth strategy, we delivered trust through our technologies to the global arena, especially in the Middle East, Balkans, Asia-Pacific and Gulf countries. We have maintained our pioneering position in the industry through the nationalization efforts we carried out with increasing momentum in order to reduce foreign dependency in the field of defence. For ASELSAN, there is no limit to developing the firsts and the finest. With this motto in mind, we shall continue to work non-stop also in 2025, ASELSAN's 50th anniversary. We will carry the ASELSAN brand to greater heights and join the world's 30 largest defence industry companies. We will continue to deliver high value-added, innovative and reliable solutions to friendly and allied countries, especially the Turkish Armed Forces. Our greatest force multiplier to realize this goal will undoubtedly be the support of our nation and the power of our game-changing technologies. We will continue to expand the reach of the advanced technologies we have developed for our country to every corner of the world with all our strength.

Members of the Board of Directors



Prof. Dr. Ercümend ARVAS **Chairman Of The Board Of Directors**

Prof. Dr. Ercümend ARVAS was born in 1953 in Van. He completed his undergraduate and postgraduate program in Middle East Technical University Electrical Engineering Department and doctoral program in Syracuse University in 1983 in New York, United States. He earned Associate Professor title in 1988 and Professor title in 1994. Prof. Dr. Ercümend ARVAS worked as an assistant professor at Yıldız Technical University in between the years 1983-1984, at Rochester Institute of Technology in between the years 1984-1987 and at Syracuse University in between years 1987-1988. He continued his academic career as an associate professor doctor at Syracuse University in between the years 1988-1994 and as a professor at the same university in between the years 1994-2014. In addition, he served as the CEO at MOREN Ent. in between the years 1992-1994. He served as a consultant of Air Force Office of Scientific Research, Digital Equipment Co., Philips Broadband, RIT Research Corp, Syracuse Research Corp, ANAREN Microwaves Inc., General Electric Co and TÜBİTAK. He has been serving as a professor of Medipol University Electrical-Electronics Engineering Department since November 2014. His articles, proceedings, books and book sections were represented and published in a large number of national and international congresses, conferences and symposiums. Prof. Dr. Ercümend ARVAS served as an Independent Board Member of ASELSAN from the Ordinary General Assembly Meeting held on March 31, 2016 until the Ordinary General Assembly Meeting held on May 25, 2022. Prof. Dr. Ercümend ARVAS was appointed as a member of the Science, Technology, and Innovation Policies Council by the Presidential Decree numbered. 2025/92 dated 09 April 2025. Prof. Dr. Ercümend ARVAS has been serving as a member of the Board of Directors and Chairman of the Board of Directors since the Extraordinary General Assembly held on September 22, 2023.



Alpaslan KAVAKLIOĞLU **Vice Chairman Of The Board Of Directors**

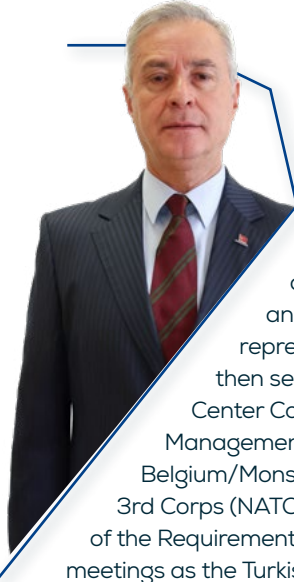
Alpaslan KAVAKLIOĞLU was born in Niğde in 1962. He completed his, secondary and high school education at Bor Şehit Nuri Pamir High School. He has Bachelor's degree from Ankara University Faculty of Political Science Department of Business Administration in 1985. Beginning with a district governor nominee in Tunceli in 1986, he has served in governorships of Ankara/Şereflikoçhisar, Tokat/Artova, Gaziantep/Araban, Adıyaman/Besni, Denizli/Serinhisar, Kayseri/Yahyalı respectively. He served as Deputy Governor in Erzincan in the 1992 earthquake and in Sakarya in the 1999 Marmara earthquake. He has worked as Head of Department of Ministry of Interior and as a Legal Consultant between the years 2000-2002. He was Prime Ministry Türkiye Emergency Management Vice President in between the years 2003-2008. He has participated in long-term training programs in Japan on disaster management, regional development and restructuring, community development in Taiwan. He has served as the President of the Prime Ministry Security Affairs between the years 2008-2011. He is still serving as a 58th Period National Security Academy Director. Then he was elected as a Member of Parliament of Niğde for 24th-25th-26th term in between the years 2011-2018. Mr. KAVAKLIOĞLU is a member of Parliamentary Affairs Commission Member (spokesman), National Defense Commission Member (spokesman), 2 Term Parliamentary Security and Intelligence Committee Chairman, 2 Period Türkiye - Japan Parliamentary Friendship Group Head, Central Inter-Parliamentary Union of Turkish Group, which is centered in Geneva. He had served as a Deputy Secretary General of the AK Party and Vice President of Local Governments and as a Chairman of the board of Directors of ASFAT. He is still a member of the Board of Directors of Turkish Parliamentarians Union and the chairman of the Board of Directors of MKE. Mr. KAVAKLIOĞLU was appointed as Deputy Minister of National Defense by the Presidential Decree dated August 09, 2018 and numbered 2018/91. On June 22, 2023, he was reappointed to his position by Presidential Decree No. 2023/308. He has been a Member of the Board of Directors of ASELSAN since the Ordinary General Assembly Meeting held on April 26, 2019. He has been serving as the Vice Chairman of the Board of Directors since the Board of Directors Meeting held on June 30, 2021.



Mustafa Murat ŞEKER

Member (Managing Member) of The Board of Directors

Mustafa Murat ŞEKER was born in 1968 in Kayseri. He graduated from the Department of Electrical and Electronics Engineering at METU in 1992, and started his career at the Undersecretariat of Defense Industries in the same year. After working as Assistant Specialist and Specialist in projects such as MEBS, Radar, Electronic Warfare, Satellite Communication, Helicopter and Aircraft Modernization, he was appointed as Project Manager to the Radar and Satellite Projects group in 2002. With this title, he managed the GÖKTÜRK project, Türkiye's first reconnaissance and surveillance satellite. He was appointed as the Head of Marine Vehicles Department in 2011 and carried out extensive and large projects such as MİLGEM and New Type Submarine. In 2014, he was appointed as the Head of Electronic Warfare and Radar Systems Department. He has coordinated the management of more than fifty projects, including the Early Warning Radar and Stand-off Jammer projects. In 2015, He was appointed as the Deputy Undersecretary in 2015 and still serves as the Vice President of Defense Industry Agency responsible for Electronic Warfare and Radar, MEBS, Cyber Security and Informatics, Land Vehicles and Operational Support. He served as Member of the Board of Auditors at MİKES and HEAŞ companies between 2010-2013, and as Chairman and Member of the Board of Directors of ASELSAN between 2013-2020 and as Chairman of the Board of Directors of HAVELSAN. He served as the Chairman of the Board of Directors and a Member of the Board of the Turkish Accelerator and Radiation Laboratory (TARLA) in 2021. Mustafa Murat ŞEKER has been serving as a Member of the Board of Directors since ASELSAN Ordinary General Assembly Meeting dated 29 June 2021. At the same time, he is the Vice Chairman of the Board of Ankara Space Aviation Specialized OIZ and SSTEK Defence Industry Inc. Mustafa Murat ŞEKER, who is married and has two children, has a good command of English.



Göksel SEVİNDİK

Independent Member Of The Board Of Directors

Göksel SEVİNDİK was born in 1962 in İstanbul. Between 1985 and 1989, he served as a platoon commander in Cyprus and Hakkâri, and between 1990 and 1996, he serves as a company commander Land Forces Command Communication Battalion in Ankara. Between 1997 and 1999, he worked as the Chief of the Electronic Warfare Department and Instructor as the CIS School and Training Center Command. During this duty, he participated in the Training Course at the Training and Doctrine Command in 1998 and gained pedagogical formation. Between 1999 and 2000, he served as a project officer in the Turkish General Staff. Between 2000 and 2003, he represented our country as a National Technical Expert (NATEX) in Belgium at NATO C3 Agency, and then served as the Demonstration and Exercise Battalion Commander at the CIS School and Training Center Command between 2003-2005. Between 2005 and 2007, he served as the Head of Configuration Management and Quality Assurance Department at Allied Command Europe Supreme Headquarters (SHAPE) Belgium/Mons, as a Colonel. Between 2007 and 2009, he served as the Commander of the CIS Regiment of the 3rd Corps (NATO High Readiness Corps (HRF)). Subsequently, between 2009 and 2015, he served as the Director of the Requirements and Concept Branch at Turkish General Staff CIS Directorate and participated NATO C3 board meetings as the Turkish member. With the decisions of the Supreme Military Council in 2015, he was promoted to the rank of Brigadier General and appointed as the Head of the Plan Coordination Department of the General Staff CIS Directorate. In 2017 he was appointed as the Chief of the General Staff, CIS Directorate with the decisions of the Supreme Military Council and continued this duty until 2019. During these duties, he represented Türkiye in NATO C3 Boards meetings. In 2019, he was nominated by Türkiye as the Chief of Staff of the NATO Communication and Information Agency (NCIA) and was elected to this position by the Military Committee with a majority of votes, preferred over the Greek candidate and served in this position between April 2019 and April 2022. For three years, he served as the Chief of Staff of NATO's highest-level CIS organization, where all CIS, Cyber and Electronic Warfare projects and operational activities are carried out, with approximately 3,200 military and civilian personnel. During this duty, he completed and restructuring of the NATO Communication and Information System Academy (NCI Academy), especially as the Senior Responsible Officer (SRO) of the academy, officially opened the academy with the participation of the NATO Secretary General, and established and chaired the Education and Training Boards. Following the completion of this three-year service, he was appointed to Turkish General Staff and retired with the decisions of the Supreme Military Council in August 2022. Göksel SEVİNDİK has been elected as an Independent Member of Board of Directors at Ordinary General Assembly Meeting held on June 14, 2024. He is married and has one daughter.



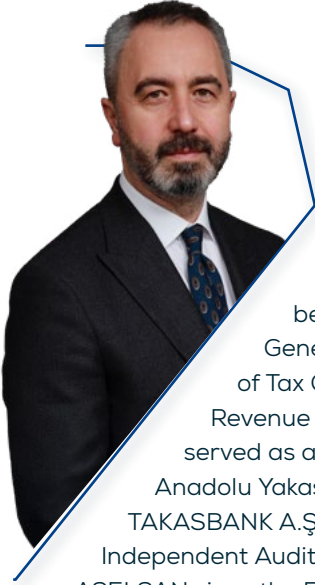
Dr. İsmail ARI
Independent Member Of The Board Of Directors

Dr. İsmail ARI was born in 1977. In 1998, he graduated from Boğaziçi University, Department of Electrical and Electronics Engineering. He received his master's degree in Computer Science and Electrical-Electronics from the University of Maryland Baltimore County in 2001 and his Ph.D. in Computer Science from the University of California Santa Cruz in 2004. ARI worked as an expert researcher at Hewlett Packard located in Silicon Valley between 2004-2009. Between 2013-2020, he served as a Deputy General Manager and Science Board member of Teknopark Istanbul, and between May - September 2018, he served as the Vice President and Science Board member of TÜBİTAK. Prof. Dr. İsmail ARI continues to serve as a Board Member in TÜBİTAK SAGE and ÜSİMP University-Industry Collaboration Centers Platform and as a referee, auditor and jury member in TÜBİTAK, Turkish Patent and Trademark Office, KOSGEB and European Union Programs. He has been working as a faculty member at Özyeğin University, Department of Computer Engineering since 2009. As a result of his academic studies in the field of Computer Engineering, he has completed numerous TÜBİTAK, EU and university-industry collaboration projects. Furthermore he serves as Director of the Directorate of Knowledge, Technology Transfer and Entrepreneurship at Özyeğin University. Dr. İsmail ARI has been serving as an Independent Board Member of ASELSAN since the Extraordinary General Assembly Meeting held on September 22, 2023.



Prof. Dr. Ebru TÜMER
Independent Member Of The Board Of Directors

Ebru TÜMER was born in Adana in 1973 and completed all her education there until her university education. She completed her undergraduate education at Istanbul University, Faculty of Economics, Department of Economics in 1994, and started her graduate education at Gebze Institute of High Technology in the same year. TÜMER started to work as a research assistant in the same university in 1996 and received the title of Doctor in 2002 by completing her Ph.D. in Business Administration. For a certain period of her graduate education she has been at Northeastern University in the USA for academic research. TÜMER received the title of Associate Professor in 2009, and became a Professor in 2015. She has been working as a Marketing Professor at the Gebze Technical University (GTU), Faculty of Business Administration. Her expertise and research interests lie in the area of strategic marketing management, sustainable and social marketing, integrated marketing communication, strategic brand management, and consumer behavior. Professor TÜMER published numerous papers in international journals including high-impact journals such as Journal of Business Research. Besides, she contributed the Turkish literature by national papers. Professor TÜMER also wrote chapters in some national and international books and participated in a large number of national and international scientific conferences. She currently lectures on the undergraduate, Masters and Ph.D. level courses and teaches marketing management, marketing communication, and consumer behavior. In addition to her work in the field of marketing, Professor TÜMER leads various activities within GTU to develop the entrepreneurship ecosystem. In this regard, she worked as a coordinator in the project "Creation and Execution of Entrepreneurship Certificate Programs in Universities" within the scope of Capacity Building for Innovation and Entrepreneurship Grant Programme supported by TÜBİTAK. Besides, between 2019 - 2023, Professor TÜMER was the member of TOBB Kocaeli Women Entrepreneurs Council. During 2021-2023 within the scope of sustainability research, she had been coordinating a research project titled "Exploring the Barriers to Individual Recycling Behavior" which is supported by the TÜBİTAK 1001 program. During certain periods of her career, she held various administrative positions in GTU, such as Dean of Faculty of Business Administration, Associate Dean of Faculty of Business Administration, University Board Member, University Senate Member, Academic Promotion and Evaluation Board Member, Human Research Ethics Committee Member, Social Sciences Institute Board Member. Prof. Dr. Ebru TÜMER has been serving as an Independent Member of Board of Directors since the Extraordinary General Assembly Meeting held on September 22, 2023. Professor TÜMER, who speaks English fluently, has two children.



Bekir BAYRAKDAR
Member Of The Board Of Directors

Bekir BAYRAKDAR was born in 1971 in Kocaeli. In 1995, he graduated from İstanbul University, Faculty of Political Sciences, Department of International Relations. Mr. BAYRAKDAR served as Assistant Account Expert and Account Expert at the Board of Account Specialists between 1996-2004, as acting Deputy Treasurer, acting Revenue Administration Group Manager and acting Head of Tax Office at Kocaeli Tax Office between 2004-2008, as Treasurer at İstanbul Treasury Office between 2008-2014, as General Manager at the General Directorate of Accounting between 2014-2015, and as Head of Tax Office at İstanbul Tax Office between 2015-2019. Since 2019, he has been working at the Revenue Administration as the Commissioner of the Revenue Administration. Bekir BAYRAKDAR served as a member of the Board of Directors at Sakarya Elektrik Dağıtım A.Ş. between 2008-2010, Anadolu Yakası Elektrik Dağıtım A.Ş. between 2010-2014, ADABANK A.Ş. between 2014-2019, and TAKASBANK A.Ş. between 2019-2023. Mr. BAYRAKDAR holds a Chartered Accountant certificate and an Independent Auditor license. Bekir BAYRAKDAR has been serving as a Member of the Board of Directors of ASELSAN since the Extraordinary General Assembly Meeting held on September 22, 2023.



Prof. Dr. Ahmet YOZGATLIGİL
Member Of The Board Of Directors

Prof. Dr. Ahmet YOZGATLIGİL was born in 1975, completed his undergraduate and graduate studies at METU Mechanical Engineering Department and his Ph.D. in energy at Drexel University, USA in 2005. He continued his studies as a faculty member at the University of Maryland in USA and as a researcher at the National Institute of Standards and Technology. In 2007, he joined the Department of Mechanical Engineering at Middle East Technical University as a faculty member. He became Associate Professor in 2014 and Professor in 2019. In METU he had served as Vice Dean at the Faculty of Engineering between 2016, Advisor to the President between 2016-2019 and Vice President responsible for research, innovation and internationalization between 2019-2020. At the same time he had served as Vice President of the Board of Directors of METUTECH. He has been a visiting researcher at NASA Glenn Research Center, NIST and Argonne National Laboratory in USA, JAMIC (Japan Microgravity Center) in Japan and CNRS in France, where he worked on engine technologies and combustion. He served as the chairman of the board of directors and center director at Izmir Biomedicine and Genome Center, and as a board member at METU MEMS Center and TÜBİTAK UZAY. He served as Vice President of TÜBİTAK and President of TÜBİTAK Marmara Research Center. YOZGATLIGİL also served as the President of the 47 membered EUREKA network, headquartered in Brussels, until June 2023. Prof. Dr. Ahmet YOZGATLIGİL served as Deputy Minister of Industry and Technology between June 2023 to August 2024. Prof. Dr. Ahmet YOZGATLIGİL was appointed as the President of the Middle East Technical University by the Presidential Decree numbered 2024/289 dated 16 August 2024, and then as a member of the Board of Directors of TÜBİTAK (The Scientific and Technological Research Council of Türkiye) by the Presidential Decree numbered 2024/316 dated 14 September 2024. Prof. Dr. Ahmet YOZGATLIGİL has been serving as a Member of Board of Directors of ASELSAN since the Extraordinary General Assembly Meeting held on September 22, 2023, as a Member of Board of Directors of MKE since January 2025. Also he is serving as a Member of Board of Directors of SAHA İstanbul. YOZGATLIGİL, who is married with two children, has a good command of English.

Message from the CEO



Ahmet AKYOL
CEO/General Manager

2024 has been a year in which ASELSAN once again demonstrated its leadership in technology and engineering, increased its competitiveness on a global scale and accelerated its sustainable growth. We strengthened our leading position in Türkiye's defence industry ecosystem and continued to provide added value to our country and the world.

I believe the most important development of the past year was the launch of the aselsaneXt Program. With this program, which we launched to transform our Company into a global powerhouse in every sense, we conduct five main projects focused on people, process, technology, production and business development. Through aselsaneXt, we are not only shaping today but also building the future of ASELSAN. This program will be one of our fundamental building blocks that will carry us to sustainable success in the global arena. aselsaneXt has already started to bear fruit even in its first year, which both pleases us and makes us more hopeful for the future.

2024 has been a year in which we broke every historical record in practically every indicator. We left our mark on the year with our financial results as well as our technology.

2024 has been a year in which we broke every historical record in practically every indicator. We left our mark on the year with our financial results as well as our technology. We succeeded in increasing ASELSAN's profitability through factors such as effective management, improved productivity and customer diversification. We achieved double-digit real growth figures. By the end of 2024, we increased our order backlog by 28% to USD 14 billion.

ASELSAN achieved a historic momentum in exports in 2024. By signing export contracts with 7 countries for 31 products for the first time, we increased our effectiveness in global markets. We increased our foreign contract amount by 70% compared to the previous year and reached the highest level in our history with USD 1.017 billion. We boosted our exports through strategic collaborations, new market expansions and our high-tech product portfolio. ASELSAN continues to be not only a manufacturer, but also a reliable technology partner to friendly and allied countries.

The priority we give to R&D has always been one of our strongest muscles that carry ASELSAN one step ahead.

In 2024, we continued to develop many critical technologies and turn them into products. With the ÇELİKKUBBE Multi-Layered Air Defence System, we opened a new page in air defence. Our SIPER System entered the inventory as our country's first long-range and high-altitude deterrent air defence force. We put our AESA-based ALP 300-G and ALP 100-G early warning radars into the use of our army. ASELFLIR 500, the world's best camera in its field, was among our critical products that rolled off the line in 2024.

As ASELSAN, we carry forward our responsibility to produce technology with the strength we derive from our deep-rooted past. As we leave our 50th anniversary behind, we keep going on our way with the same dedication and continue to carry our achievements into the future as a globally competitive, innovative and sustainable technology company. In 2024, we became one of the fastest growing defence industry companies in the world, climbing 5 places at once to 42nd place.

We will continue to write new success stories in line with our vision of entering the top 30 by the end of 2030.

Senior Management



Ahmet AKYOL **CEO & President**

Ahmet AKYOL joined the ASELSAN family in 2022 as the President of Microelectronics, Guidance, and Electro-Optics (MGEO) sector and Deputy General Manager. Since June 22, 2023, he has been serving as the President & CEO of ASELSAN. He continues to work towards strengthening the corporate structure of the company, streamlining and digitizing internal processes, taking effective steps in disruptive technologies such as artificial intelligence, and strengthening ASELSAN's global presence. Akyol leads the 'aselsaneXt Transformation Program' with the vision of making ASELSAN one of the world's top 30 defense industry companies by the end of 2030. Before joining ASELSAN, he held executive positions at the Ministry of Industry and Technology, and the Ministry of National Defense from 2007 to 2017. He undertook significant steps towards technological transformation in industrial production and the development of the Turkish Armed Forces in these roles. Between 2018 and 2021, he served as the Head of the Communication Electronics and Information Systems (MEBS) Department at the Presidency of Defense Industries, and later, from 2021 to 2022, he held the position of Head of the Electronic Warfare and Radar Systems (EHRS) Department. During this period, he played a key role in the implementation of critical defense industry projects such as the electro-optical cameras of our UAVs, national friend-or-foe identification systems, AESA-based radars, and integrated electronic warfare systems for ground-based or airborne platforms. AKYOL graduated from the Computer Engineering Department at Kocaeli University. He is currently pursuing a master's degree in Public Administration at Yıldırım Beyazıt University. He has completed the Innovation Leadership Program at Stanford University and technical programs in the field of Electro-Optics and Communications at Cranfield University. He served on the boards of various companies such as HAVELSAN, HTR, and Quantum3D as a board member and acting chairman. He is currently a board member at TÜBİTAK-SAGE, where Türkiye's significant missile programs are carried out, and at SAHA Istanbul, Europe's largest defense industry cluster. He also represents Türkiye as a member of the NATO Science and Technology Organization (STO). He is married and has three children.



Dr. Yusuf Bora KARTAL **Executive Vice President- Communication and Information Technologies**

Dr. Yusuf Bora KARTAL was born in Ankara in 1983. He completed his BSc, MSc and PhD studies in Electrical and Electronics Engineering at Middle East Technical University in 2005, 2007 and 2014 respectively. He started his career at ASELSAN as a Candidate Engineer in 2004. He served as an Embedded Software Design Engineer between 2004 and 2009. After joining to the Radar System Design group in 2009, he served as the Leader of Surveillance Radar Systems Design team. Within the re-organization held in 2014, he promoted as the Systems Engineering Design Manager for Surveillance Radar Systems. After participating in several surveillance radar systems design projects, he was appointed as the Radar Programs Director at Radar and Electronic Warfare Business Sector in 2022. He was appointed as the Executive Vice President of Communication and Information Technologies with the decision of the ASELSAN Board of Directors on January 3, 2025. Dr. Yusuf Bora KARTAL is fluent in English, married and has two children.



İsmail ÖZSARAÇ

Executive Vice President- Microelectronics and Electro-Optics

İsmail ÖZSARAÇ was born in Zonguldak in 1983. He graduated from the Middle East Technical University, Department of Electrical and Electronics Engineering in 2006. He completed his master's degree in the same department in 2011. He started his career as a digital design engineer at ASELSAN in 2007, and later worked as a hardware architect, team leader and technical lead. Between 2019 and 2022, he worked as Electronics Design Manager in the Microelectronics, Guidance and Electro-Optics Sector Presidency. After working as Electro-Optics System Engineering Director between 2022 and 2023, he was appointed as Electro-Optics Design Director between 2023 and 2024. He was appointed as the Executive Vice President of Microelectronics and Electro-Optics Systems with the decision of the ASELSAN Board of Directors on January 3, 2025. He is married, has two children, and speaks fluently English.

** With the decision of ASELSAN Board of Directors, MGEO Sector was restructured into two sectors as Microelectronic and Electro-Optical Systems Sector (MEOS) and Avionics and Guidance Systems Sector (AGS).*



Murat KARATAŞ

Executive Vice President- Avionics and Guidance Systems

Murat KARATAŞ was born in Çanakkale in 1977. In 2000, he graduated from Middle East Technical University, Department of Electrical and Electronics Engineering. He started his professional career as a Candidate Engineer at ASELSAN in 2000. Between 2000 and 2008, he played important roles in different projects as an Electronic Design Engineer, and in 2008 he transferred to the Systems Engineering Department. Between 2008-2014, he served as system engineer and technical manager of critical air defense projects. In 2014, he was appointed as the Program Director of Air Defense Gun and Smart Munition Systems. After serving until 2018, he was appointed as the Air and Missile Defense Systems Program Director responsible for all air defense projects. He was appointed as the Executive Vice President responsible for the Microelectronics, Guidance and Electro-Optics Sector on January 22, 2024. With the decision of the ASELSAN Board of Directors, he was appointed as the Executive Vice President of Avionics and Guidance Systems on January 3, 2025. Murat KARATAŞ is married and has two children.

** With the decision of ASELSAN Board of Directors, MGEO Sector was restructured into two sectors as Microelectronic and Electro-Optical Systems Sector (MEOS) and Avionics and Guidance Systems Sector (AGS).*



Mustafa YAMAN

Executive Vice President- Radar and Electronic Warfare

Mustafa YAMAN was born in Ankara in 1975. He graduated from the Middle East Technical University, Department of Electrical and Electronics Engineering in 1997. He completed his master's degree in Ankara University Electronics Engineering Department in 2005. He started his career as a Candidate Engineer at ASELSAN in 1996, and later worked as an Engineer and Technical Leader. Between 2008 and 2014, he worked as Radar System Engineering Manager in the Radar and Electronic Warfare Systems Sector Presidency. After working as Radar System Engineering Director between 2014 and 2017, he was appointed as Radar Program Director between 2017 and 2022. He was appointed as the Executive Vice President of Communication and Information Technologies between 2022 and 2025. With the decision of the ASELSAN Board of Directors, he was appointed as Executive Vice President of Radar and Electronic Warfare Systems on January 3, 2025. He is married, has three children, and speaks fluently English.

** Radar and Electronic Warfare Systems (REHİS) Sector President M. Mustafa AKKUL retired on 23 December 2024 and left his position.*



Zekeriyya ŞAHİN

Executive Vice President- Integrated Defense Systems

Zekeriyya Şahin was born in Trabzon in 1983. In 2005, he graduated from Bilkent University, Department of Electrical and Electronics Engineering. He completed his master's degree in Underwater Acoustics at Bilkent University Electrical and Electronics Engineering in 2008. In 2005, he started his career at ASELSAN as a Candidate Engineer and worked as Electronic Design Engineer, System Engineer and Technical Manager in different projects. He served as Torpedo and Torpedo Countermeasure Systems Program Manager between 2014-2019, Electronics and Software Design Director between 2019-2021, and Naval Systems Program Director between 2021-2024. On 19.01.2024, with the decision of the Board of Directors, he was appointed as Vice President of Defense System Technologies Sector Presidency. He is married with four children and speaks English fluently.



Prof. Dr. Mehmet ÇELİK

Executive Vice President- Transportation - Security - Energy - Automation and Healthcare Systems

Prof. Dr. Mehmet ÇELİK was born in 1965. He graduated from Mechanical Engineering Department of Middle East Technical University (Turkey) in 1989. He obtained his M.Sc. and PhD degrees in Mechanical Engineering from the same department in 1991 and 1997, respectively. During that time, he worked as a teaching assistant. In 1995-1996, he studied as a research scientist at the Ohio State University. During 1998-2010 he worked in the industry as the manager of Mechanical Analysis and Test Unit and as a Senior Lead Design Engineer within ASELSAN MST/REHİS. In 2003 he completed his habilitation for the title of Associate Professor Degree in Mechanical Engineering. From 2003 to 2013, he served as a board member of the working group under the NATO-RTO "Applied Vehicle Technology" and "Sensors and Electronics Technology". In 2010 he was appointed as a full professor at KTO Karatay University. He served as the Head of the Department of Mechatronics and Mechanical Engineering Department, Bologna Coordination Commission Chairman, Vice Dean and Director of the Institute of Science at this university. He served as a Project Evaluation Committee Member in KOSGEB "Research, Development, Innovation and Industrial Application Support Program" and as Academic Member in several TUBITAK project juries. He also served as peer- reviewer in several scientific conferences and journals. Between the years 2012-2015 he worked as Senior Lead Design Engineer and served as a Training and Technical Advisor in the industry. Prof. ÇELİK has been an Executive Board Member of the Technology and Innovation Funding aTechnological Research Council of Turkey (TUBITAK) between the years 2013-2015. In addition, Prof. ÇELİK served as a Vice President of The Scientific and Technological Council of Turkey (TUBITAK) during April-June 2015 and as a Member of the Science Board and Higher Education Board Quality Council Member between 2015 and 2017. Besides his duties in ASELSAN, he is still a teaching professor in KTO Karatay University Mechanical Engineering Department and a full member of Turkish Academy of Sciences (TÜBA). In April-May 2017 he worked as the advisor of ASELSAN Board of Directors, as well as ASELSAN Academy Board Chairman and board member of Defense Industry Technologies. Professor Dr. Mehmet ÇELİK served as Vice President of ASELSAN Technology and Strategy Management since between April 2017-June 2022. He was appointed as a member of the Council of Higher Education on 14 July 2018 and as a member of the Presidency Science, Technology and Innovation Policy Board on 8 October 2018, by presidential decree. He was appointed as Vice President of Transportation, Security, Energy, Automation and Health Systems, to which he was appointed by proxy on January 6, 2022 to be effective as of July 1, 2022 at the ASELSAN Board of Directors meeting held on June 28, 2022. He also serves as the Member of the Board of Managers of ASELSANNET Elektronik ve Haberleşme Sistemleri and the Chairman of the Board of Directors of ve ASELSAN Sivas Hassas Optik. Prof. Dr. Mehmet ÇELİK is married with three children. He is fluent in English.



Özgür Taylan SARI

Vice President- Business Development and Marketing

Taylan SARI was born in 1977 in Usak, Turkey. He graduated from the Middle East Technical University Mechanical Engineering Department in 2001. He received his master's degree from Northeastern University, Boston, MA, USA with full scholarship in 2003 with several scientific publications in his field. During his masters degree education, he also served as a researcher at Northeastern University. Taylan SARI, who began his professional career in ASELSAN as a Design Engineer in 2004, served as Team Leader between 2007-2009 in the Mechanical Design Department and as Senior Project/Program Manager between 2009-2017 in the department of Air and Missile Defense Programs. He managed multi-national defense programs within the same department. He was appointed as the General Manager of ASELSAN MIDDLE EAST, based in Jordan, a Joint Venture Company of ASELSAN Turkey and Jordan Design and Development Breau (JODDB) with the Board of Directors decision dated 29 November 2017 and served in this position from January 2018 to September 2023. He was appointed as the Vice President of ASELSAN responsible for Business Development and Marketing with the resolution of the ASELSAN Board of Directors dated 15 August 2023. Taylan SARI, who is married and has one child, can speak English fluently.



Mehmet ARTAR
Chief Operating Officer- Corporate Management

Mehmet ARTAR was born in 1969. He graduated from the Turkish Army's Military School in 1990, from the Military Academy in 2001, and from the Armed Forces Academy in 2004. Between 1990 and 2010, he served as headquarters officer and commander in various headquarters and units of the Gendarmerie General Command. He served as the Provincial Gendarme Commander in Erzincan between 2010-2012 and in Istanbul between 2012-2014. He was promoted to the rank of Brigadier General in 2014. He served as the Head of the Public Security Department at the Gendarmerie General Command Headquarters between 2014-2016, and the Ankara Provincial Gendarmerie Commander between 2016-2018. He retired in September 2018 and joined the ASELSAN family in November of the same year. On March 1, 2019, he was appointed as the Support Services Director within the Corporate Governance Vice Presidency. He was appointed as the Vice President of Corporate Governance, at the Board of Directors meeting on 18 July 2023. He is married, has two children and speaks English.



Dr. Nurettin TÜYSÜZ
Chief Financial Officer (CFO)- Financial Management

Dr. Nurettin Tüysüz was born in 1981 in Konya. After graduating from Bilkent University's Department of Economics in 2004, he completed his master's degree in Applied Economics at the University of North Carolina in the United States between 2012 and 2014. He earned his PhD from Istanbul University in 2022 with a dissertation titled Modeling the Circulation of Central Bank Digital Currency and Examining Its Possible Effects on the Banking Sector. Tüysüz began his professional career in 2005 as an Assistant Expert at the State Planning Organization and became a Planning Expert with his specialization thesis titled The Impact of Social Capital on Regional Development. Between 2011 and 2017, he served as a Planning Expert and Department Head at the same institution. From 2017 to 2019, he held the position of Deputy General Director at the Central Bank of the Republic of Türkiye, and from 2019 to 2025, he served as the Director General of Emission. By the decision of ASELSAN's Board of Directors, he was appointed as Chief Financial Officer (CFO), effective April 2, 2025. He is married with two children and has advanced proficiency in English.



Taha YÜCEL

Chief Technology Officer- Technology and Strategy Management

Taha YÜCEL was born in İstanbul in 1971. In 1993, he graduated from Bilkent University, Department of Electrical-Electronics Engineering with a high honor degree. In 1996, he completed his thesis related to digital terrestrial broadcasting planning and earned his master's degree (MScEEE) and received the degree of Engineer MSc. In 1998, received an MBA degree from Başkent University with the highest rank of the program. Until 1998, he worked as a technical audit supervisor in Radio and Television Supreme Council (RTÜK) and worked in Turkey Frequency Planning, Regulation Preparation and Allocation Commissions and Radio and Television Standards Preparatory Commission within the body of TSE. He worked as Technical Assistant General Manager at TGRT between 1998-2005 and acted as TGRT General Manager for one year. Until 2005, he was the Chairman of the Technical Commission of the Television Broadcasters Association. Taha YÜCEL was elected as a Member of the Radio and Television Supreme Council by the General Assembly of the Grand National Assembly of Turkey in 2005. In 2011, he was elected as a member of the Radio and Television Supreme Council for the second time, by getting 460 of the 476 votes valid by the General Assembly of the Grand National Assembly of Turkey. He was elected as the Deputy Chairman of the Radio and Television Supreme Council on March 15, 2011. He was unanimously elected as the Deputy Chairman at the RTÜK meeting on July 19, 2011. He was appointed as the Vice President of ASELSAN at the Board of Directors meeting dated September 26, 2017. While he was serving as Assistant General Manager and UGES Sector President at ASELSAN, he was elected as a member of the Radio and Television Supreme Council for the third time as a result of the election held on October 16, 2017 in its 8th meeting. He was appointed as Vice President of Technology and Strategy Management as of July 1, 2022 at the ASELSAN Board of Directors Meeting dated June 28, 2022. He is married, has three children and speaks English.



Dr. Murat ASLAN

Vice President- Supply Chain Management

Dr. Murat ASLAN (PhD) was born in Malatya in 1983. He was graduated from METU Industrial Engineering Department in 2005. He received his master's degree from the same department with his study regarding "Optimization and Modeling of Machining Process with Cardinality Constraint" in 2008. He received his PhD degree from METU Science and Policy Studies in Supply Chain Area with his study "The Capability Contribution of Main Defense Industry Firms to Their Suppliers" in 2018. He gives part time lectures in different universities about Supply Chain Management. He joined ASELSAN family in 2006 and worked as Program Manager in Command and Control Management Department. Between 2016 and 2021 he worked as Strategy and Process Manager and from 2021 to 2024 he worked as Strategic Procurement Director. He was appointed as the Vice President of Supply Chain Management with the resolution of the ASELSAN Board of Directors dated July 30, 2024. He is married with two children and fluent in English.



At ASELSAN, we work hand in hand with our highly qualified employees and business partners aligned with our common goals to develop reliable technologies tailored to our users' needs.

We equip our employees with the competencies of the future and create added value for our national economy by nationalizing our critical supply network. While enhancing our global competitiveness, we are also reducing our foreign dependency.

03

ASELSAN in 2024

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Highlights of ASELSAN in 2024



ASELSAN developed the communication payloads serving the purpose of TÜRKSAT 6A, Türkiye's first domestic and national communication satellite.



ASELSAN UAE OFFICE OPENED

Numan Kurtulmuş, the Speaker of the Grand National Assembly of Türkiye, inaugurated the ASELSAN UAE Office, which will serve users in the Middle East and Gulf region as part of the export-oriented growth strategy.

FIRST MEMBER OF TÜRKİYE'S NATIONAL EARLY WARNING NETWORK IS IN THE INVENTORY

The Portable Early Warning Radar System ALP 300-G, Türkiye's longest range radar developed by ASELSAN, was delivered with a ceremony. The ceremony was attended by the Minister of National Defence Yaşar GÜLER, Turkish Chief of General Staff General Metin GÜRAK, Secretary of Turkish Defence Industries Prof. Dr. Haluk GÖRGÜN, Turkish Air Force Commander General Ziya Cemal KADIOĞLU and numerous representatives from institutions and organizations.



ASELSAN MARKS M60T TANKS

M60T Tanks, which were equipped with ASELSAN's advanced technology within the scope of the Tanks Additional Capability Acquisition Project (TIYK), were included in the inventory of the Turkish Armed Forces. With the TIYK-M60T Project, the Fire Control System, which is defined as the brain of the main battle tanks, was localized and the modernization process was carried to the final stage.



TOLUN'S SUCCESS WAS RECOGNIZED

TOLUN, an important force multiplier in the Sky Homeland, once again proved itself in the field. TOLUN Ammunition deployed from an F-16 hit the target with high precision despite intense GPS jamming. TOLUN Ammunition, a unique engineering product of ASELSAN, has added a new one to its achievements. ASELSAN developed the communication payloads serving the purpose of Türksat 6A, Türkiye's first domestic and national communication satellite. ASELSAN developed the communication payloads serving the purpose of Türksat 6A, Türkiye's first domestic and national communication satellite.



GAME-CHANGING TECHNOLOGIES AT EFES-2024

ASELSAN put on a show with its state-of-the-art systems at the EFES-2024 Exercise, one of the largest exercises in Europe. Our President Recep Tayyip ERDOĞAN also visited the ASELSAN stand where national systems were exhibited and received information about them.



TÜRKSAT 6A'S COMMUNICATION PAYLOADS ARE DEVELOPED BY ASELSAN

Türkiye's first domestic and national communication satellite TÜRKSAT 6A, produced by Turkish engineers with domestic facilities, was launched into space by SpaceX's Falcon 9 rocket from Cape Canaveral Space Force Station in Florida, USA. ASELSAN developed the communication payloads serving the purpose of TÜRKSAT 6A, Türkiye's first domestic and national communication satellite.





HİSAR O 100 MASS PRODUCTION STARTS STRONG

Türkiye's first domestic and national distributed architecture air defence missile system HİSAR O 100 in the inventory of the Turkish Armed Forces carried out its first long-range firing that would step up the Serial Production Project within the scope of capability acquisition. With the firing test activity, the target was eliminated with a direct hit at 40 km with the RF Seeker Head Missile fired from the next-generation HİSAR O 100 Battery in serial production configuration.

ASELSAN BROUGHT YOUNG MINDS TOGETHER

ASELSAN brought together young minds with dreams for Türkiye at four competitions organized within the scope of TEKNOFEST. Within the scope of TEKNOFEST Adana, organized by the Turkish Technology Team Foundation and the Ministry of Industry and Technology, ASELSAN led the competitions organized in four different categories: air defence systems, artificial intelligence in transportation, unmanned underwater systems and unmanned marine vehicles.



EGYPT INTERNATIONAL AIRSHOW

ASELSAN attended the International Aviation Exhibition held in Egypt. At the exhibition, many systems, especially products and systems in the fields of avionic guidance kits, electro-optics, communication, radar, electronic warfare solutions and air defence, were showcased to visitors.



ASELSAN BALKANS OFFICE OPENED

ASELSAN Balkans Office was inaugurated in Skopje, the capital of North Macedonia. Deputy Chief of General Staff of North Macedonia Azim NUREDIN, Turkish Ambassador to Skopje Fatih ULUSOY, Secretary of Turkish Defence Industries Prof. Dr. Haluk GÖRGÜN, CEO of ASELSAN Ahmet AKYOL and representatives from various Turkish institutions and organizations attended the opening ceremony of the office, aiming to strengthen ASELSAN's presence and strategic cooperation in the Balkans.



THE DETERRENT POWER OF ÇELİKKUBBE

ÇELİKKUBBE's deterrent power long-range regional air defense system SİPER Product-1 has been included in the inventory of the Turkish Armed Forces.



INOVALIG CHAMPION

At the InovaLIG Champions Award Ceremony, ASELSAN was awarded the first prize in the innovation resources category. The award was presented to the CEO of ASELSAN Ahmet AKYOL by Vice President Cevdet YILMAZ.





ASELSAN, THE LEADER OF GAME-CHANGING TECHNOLOGIES, TURNS 49

ASELSAN, one of the world's largest defence industry companies with its game-changing technologies, celebrated its 49th anniversary. ASELSAN was founded 49 years ago on November 14, 1975 in response to the embargo imposed on Türkiye following the Cyprus Peace Operation. ASELSAN delegation visited Anıtkabir, the eternal resting place of Gazi Mustafa Kemal Atatürk, on November 14th, on the occasion of the 49th anniversary of its foundation.



ASELSAN, one of the world's largest defence industry companies with its game-changing technologies, celebrated its 49 th anniversary.



CRIMINALS CANNOT ESCAPE THE ODAKAN YAKA'S FRAME

Produced by ASELSAN, the ODAKAN YAKA Camera, which has practically become the third eye of security forces, quickly identifies criminals. Security forces complete their inspections faster and more reliably with the latest technology thanks to domestic and national products developed by ASELSAN.

GLOBAL PLAYERS MEET AT TAKE-OFF

The seventh edition of Take Off Istanbul, the region's entrepreneurship summit where international entrepreneurs, investors and innovation-focused institutions such as ASELSAN come together, was held this year at the Istanbul Expo Center. At the summit, ASELSAN informed international participants about its more than three thousand domestic suppliers, spin off and spin out models, university collaborations and entrepreneurship programs.



COMMAND AND CONTROL WORKSHOP

The First Command and Control Workshop, which was hosted by the Secretariat of Defence Industries and lasted for two days, addressed the capabilities of ASELSAN and all its stakeholders, as well as their perspectives for the near future. With eight panels, more than forty speakers and over five hundred participants, the workshop once again demonstrated the goal of setting global standards through projects in interoperability, standardization and technological harmonization.



HISTORICAL PEAK IN CORPORATE RATING

ASELSAN, which has been increasing its score in the corporate governance principles compliance rating, that it has been included in since 2012, has achieved a significant success this year as well. In the 2024 assessment, ASELSAN's compliance score with the corporate governance rating principles determined by the Capital Markets Board (CMB) increased to 9.49 out of 10. Thus, the historical peak of 9.41 points achieved in the same area last year was further improved.

ASELSAN ACHIEVED A FIRST IN WATER EFFICIENCY

ASELSAN, which considers water as a trust to be passed on to future generations, was the first defence industry company in Türkiye to receive the Water Efficiency Management System Certificate. ASELSAN, the leader of game-changing technologies, has set an example for Türkiye with its efforts in water efficiency.



FIRST VOYAGE OF OFFSHORE PATROL VESSEL TCG AKHİSAR

TCG AKHİSAR, our Offshore Patrol Vessel equipped with ASELSAN systems, made its first voyage. Equipped with ASELSAN's national and unique engineering capabilities such as radar, electro-optics, communication, fire control and navigation systems, TCG AKHİSAR will continue to add strength to the Turkish Navy.

TÜRKİYE ENTERS THE QUANTUM AGE

Türkiye's First Quantum Computer Introduction Ceremony was held at TOBB ETÜ Technology Center with the participation of Vice President Cevdet YILMAZ, Secretary of Turkish Defence Industries Prof. Dr. Haluk GÖRGÜN, TOBB President Rifat HİSARCIKLIOĞLU and ASELSAN CEO Ahmet AKYOL. Türkiye's first quantum computer was commissioned at the ceremony.



ASELSAN SHOWCASED ITS GAME-CHANGING TECHNOLOGIES AT SAHA EXPO

ASELSAN brought its game-changing technologies that shape the future together with world giants at SAHA EXPO. Organized by SAHA Istanbul, the largest industrial grouping in Türkiye and Europe, under the auspices of the Presidency of the Republic of Türkiye, SAHA EXPO International Defence, Aerospace and Space Industry Fair was held at the Istanbul Expo Centre (IFM) with the participation of more than 1,400 companies.

A Trusted Employer: Human Resources Management at ASELSAN

Talent Acquisition

ASELSAN's talent acquisition activities, including both student talent programs and processes and programs for professionals, continued in 2024 as well.



The Talent-A 4 program, which has become an umbrella brand under the title "Talent-A" in 2024, is a talent program that aims to help senior university students to improve themselves in terms of professional qualifications and competencies before starting their career and to step into working life by getting to know ASELSAN culture, and that supports the career development of candidates through mentoring/reverse mentoring and Compass-A studies.



Having built on efforts initiated in 2023 and launched in 2024, the Talent-A 3 program has been implemented for young talents studying in the third year of university. The Talent-A 3 program aims to enable students to discover their areas of interest earlier and to be supported by ASELSAN in their first steps on their career journey. In addition, the program includes a mentoring process, group projects, meeting with Talent-A participants, sector

introduction days and development programs. Candidates who successfully completed the Talent-A 3 program had the opportunity to proceed directly to the Talent-A Summer Internship and Talent-A 4 programs.



The Next Big Move to Türkiye project is being carried out with the aim of developing and strengthening the brain power in Türkiye within the scope of the projects carried out in line with ASELSAN's fields of activity, as well as bringing our citizens abroad back to our country and ASELSAN.

Within the scope of the project, ASELSAN is promoted and face-to-face meetings are held at career events abroad, bringing together talents who want to pursue a career in the defence industry and employees with experience in the defence industry. In 2024, the number of recruits within the scope of the program was more than both the total number of the last three years and twice the previous year.



ASELSAN's

talent acquisition activities, including both student talent programs and processes and programs for professionals, continued in 2024 as well.



In 2024, the satisfaction rate for synchronous trainings was 89, while the satisfaction rate for asynchronous trainings was 92. The overall satisfaction rate was 90,6.

Performance, Career and Talent Management

Career, talent and performance management processes were carried out for ASELSAN employees and development efforts continued. Succession work was carried out for critical positions and efforts to digitalize talent management processes were continued. Efforts were made to increase the effectiveness of the colleague / internal customer evaluation process, one of the Performance Development Feedback System processes. In addition, digitalization efforts were carried out throughout the year in order to view career, performance, competency and talent management processes on a single digital platform.

ASELSAN Competencies and Development Journeys

Under the coordination of the Learning and Development Department, 38.898 person x hours of training for the development of Technical competencies and 29.411 person x hours of training for the development of Core and Managerial competencies were realized.

Within the scope of ASELSAN Core and Managerial Competency Model, 57 different development journeys were designed, and thus 15.078 core and managerial competency training demands were met.

Standard trainings were provided to employees by our internal trainers, and a total of 968 certificates were issued in this context.

In 2024, the satisfaction rate for synchronous trainings was 89, while the satisfaction rate for asynchronous trainings was 92. The overall satisfaction rate was 90,6.



a BİL-GE Platform and Knowledge Sharing Program

The ASELSAN Development Catalog, which consists of 8.000+ trainings on more than 850 different topics accessed through "a BİL-GE" internet and mobile application, was integrated and presented to employees.

1.216 trainings were received in our Intranet "a BİL-GE" catalog and 7.394 trainings in our Internet "a BİL-GE" catalog.

Within the scope of the Knowledge Sharing Program, content prepared by employees who want to share their knowledge and experience with all ASELSAN employees and video-based trainings provided by subject matter experts were shared with all our employees through our "a BİL-GE" platform. In this scope, 453 training contents were produced with our 149 trainers.

ASELSAN MICRO MBA-Leadership Development School

Our Leadership Development School aims to contribute to the development of the competencies that ASELSAN managers need to have in order to achieve the strategic goals of the Company and to create a common leadership culture. Our Leadership Development School, which we designed for our Sector Presidents and Deputy General Managers, Directors and Managers, is a school consisting of personality inventory assessments, face-to-face training modules, preliminary preparation before the training modules, follow-up sessions after the modules, Harvard simulations, as well as design-oriented project studies. In the Design-Oriented Project studies, our managers focus on an issue that they think could be improved at ASELSAN and are allowed to offer innovative solutions. In this way, the face-to-face training modules of the third term of the Leadership Development School, which includes all styles of learning, were completed in three modules of three days each, with the participation of 102 managers. 26 teams are working on 26 different project topics.

ASELSAN MICRO MBA-Team Leaders Development Program

In line with our goals of creating and sustaining our leadership culture, the "Team Leaders Development Program" is our development program designed for Senior Chief Team Leaders, Chief Team Leaders, Senior Team Leaders and Team Leaders. Our development program, which consists of face-to-face trainings lasting 19,5 hours per person and three days, aims to improve the managerial competencies of our team leaders and supports our team leaders to ensure unity of language in leadership.

The first term of the Team Leaders Development Program was held between September and December, with 403 team leaders participating.



ASELSAN MICRO MBA-First 90 Days for Managers Program

The First 90 Days for Managers Program, which aims to support the managers and directors who are newly appointed to their positions to lead ASELSAN's ever-growing talent team during the "first 90-day" adaptation period of their duties, to help them better manage this transition phase and to assist them by combining the tools, information and training they need most, was launched. In 2024, 136 new managers were included in the program.

ASELSAN MICRO MBA-Program Management School and Program Management Development Program

The second term trainings of the Program Management School, which was implemented to strengthen the commercial perspectives of managers working in business families who are in one-to-one contact with customers and to improve their marketing competencies, were planned for a total of 33 employees consisting of 4 managers and 29 team leaders for nine days. The second term of ASELSAN Micro MBA started on June 9, 2024 and was completed on September 5, 2024.

Under the name of Program Management Development Program, a three-day program consisting of selected competencies was designed for 133 employees with the title of chief engineer and senior chief engineer. This program started on May 7, 2024 and ended on July 19, 2024.



Our Prizma Programs



Mentoring is the act of an experienced person accompanying a less experienced one on a development journey towards a specific goal, using their knowledge and experience. Within the scope of the

Prizma Mentoring program, which started in 2022, the matching activities between mentor and mentee candidates who completed the trainings of the eighth term were finalized in April 2024; 77 mentors and 77 mentees started their interviews in May 2024 and completed their processes by December 2024. In the 9th term, which opened for applications in October, 163 mentee and 129 mentor applications were received. Mentor and mentee trainings were held in November-December, and interviews started as of December.



Mentor and mentee trainings of the first term of Prizma Reverse Mentoring Program were held in March and April 2024. Matching between mentor and mentee candidates who completed their training was completed in April 2024, and 24 mentors

and 24 mentees started their interviews in May 2024 and completed their processes as of December 2024. Applications for our program, which opens once a year, are planned to be accepted for the second term in January 2025.



The second term of the Prizma Coaching Program, which was launched to unlock the potential of our team leaders and support their development, was opened for application in February 2024, and 33 team leaders who applied as coachees were matched with 17 internal coaches. The

term was successfully completed with the interviews of coaches and coachees between March and December. Applications for the third term were received in November-December, and 27 team leaders who applied were matched with 18 internal coaches. Matching briefings and interviews are planned to take place in January 2025.

ASELSAN Internal Trainer Program

Within the scope of our Internal Trainer program, which was initiated with the aim of spreading the culture of learning from each other in ASELSAN and ensuring the preservation and transfer of corporate memory, the applications made by our employees in 2024 were evaluated, and 51 employees were given the title of internal trainer at the end of the process. The Internal Trainer Trainings Catalog, which includes 53 training topics, was prepared with our internal trainers and announced to our employees. Approximately 1.900 of our employees benefited from internal trainer trainings. A total of 1.465 hours of training was provided and 155 groups were trained. The overall satisfaction rate for the trainings provided by our internal trainers was calculated as 92%.

In the second term of the program, applications were received from 87 colleagues who wanted to become internal trainers, and 66 of them completed their presentations to the committee formed by the Learning and Development Department. Following this, 45 candidates are expected to participate in the Internal Trainer Development Program. Candidates who successfully complete the program will be included in the internal trainer pool.

In addition, the First Internal Trainer Workshop was held at the end of December 2024 with our internal trainers who provided at least 1 group training. In this workshop, the previous term was evaluated, and future plans were discussed. Certificates of appreciation were presented to our internal trainers at the end of the workshop.

Our Talent Programs

Talent-A Summer Internship Program

Within the scope of internship programs that serve the purpose of training long-term workforce, higher education students are given summer internships at ASELSAN between June and September within the Talent-A Summer Internship Program.

In this scope, 1.084 higher education students were given summer internships at ASELSAN between June and September within the Talent-A Summer Internship Program.





Within the scope of the Talent-A High School program, 177 students started their vocational training on September 9, 2024.

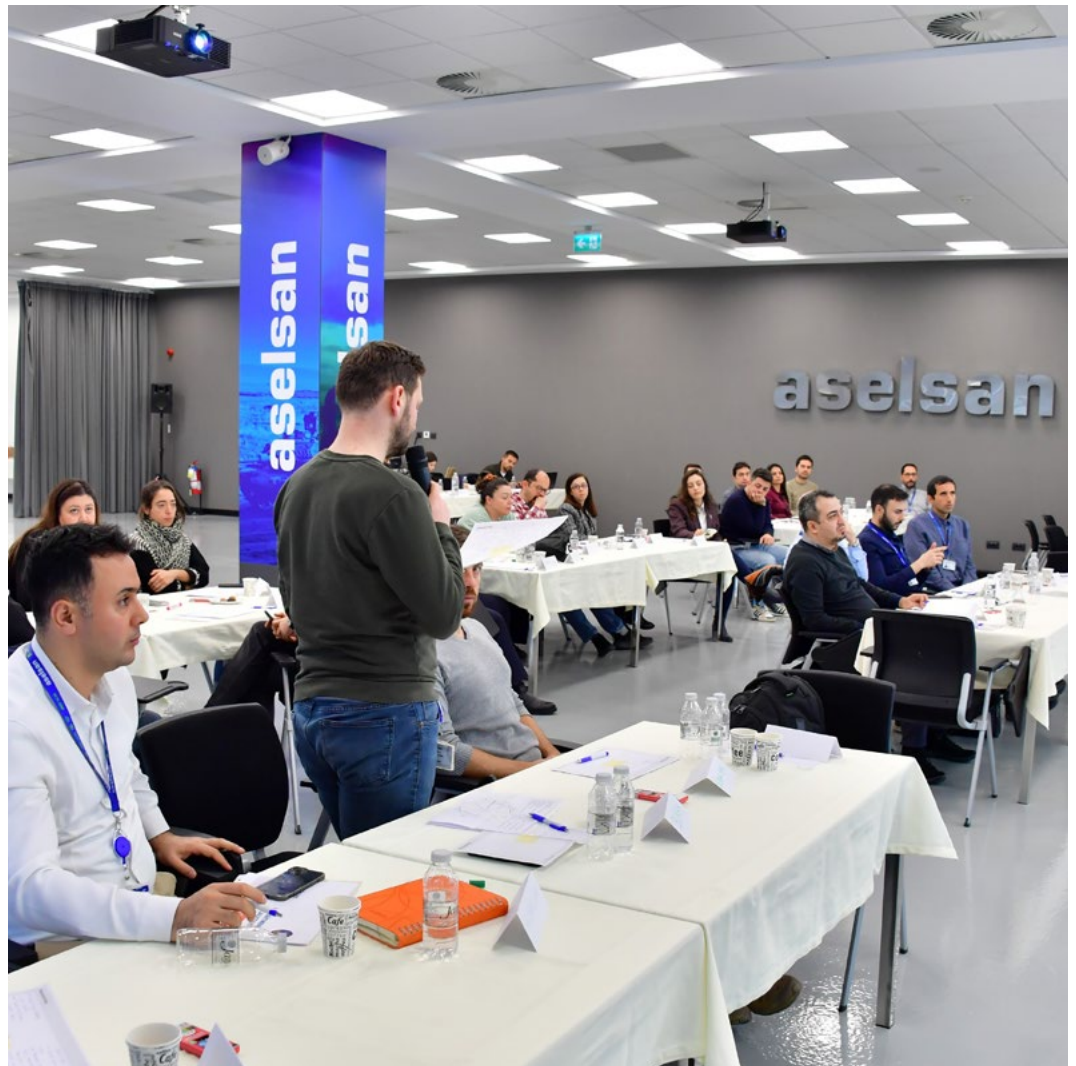
Talent-A High School Program

Talent-A High School is a talent program created to support the technical and personal development of students with trainings/tasks with the aim of making the Skill Training activities of Vocational High School students more efficient, meeting the need for technicians with a methodological program, increasing the importance and preference of vocational high schools and creating an important employment source for the defence industry.

Talent-A High School Program is being applied for 12th grade students studying in Anatolian Vocational Programs of vocational and technical Anatolian high schools under the Vocational Education Law No. 3308.

In the 11th grade, applications are taken online between February 1 and February 28. Application announcements are made on the ASELSAN website and ASELSAN LIFE social media accounts.

Learning and Development processes are supported by Personal Development Programs that will improve the core and technical knowledge throughout the vocational training, theoretical and practical knowledge conveyed by assigned mentors and term evaluations. Within the scope of Talent-A High School program, 177 students started their vocational training on September 9, 2024.



ASELSAN Vocational and Technical Anatolian High School (Ankara)

Workshops were established at ASELSAN Vocational and Technical Anatolian High School in accordance with the curriculum.

Within the scope of Erasmus+ accreditation, 24 students from ASELSAN MTAL did internship abroad. 234 students completed summer internships at ASELSAN. Students were mentored, and Career Talks were organized.

ASELSAN Konya Vocational and Technical Anatolian High School

ASELSAN Konya Vocational and Technical Anatolian High School is a pioneering educational institution that has undertaken the mission of providing qualified and competent individuals to Türkiye's defence industry. The contributions and support provided by ASELSAN, the Ministry of National Education and the partners of Konya Savunma Sanayi A.Ş. have an important role in achieving this mission. Founded in 2021, ASELSAN Konya Vocational and Technical Anatolian High School admits students from the top 0-1% percentile every year and reached a capacity of 218 students in the 2024-2025 academic year. According to the base scores for the 2024-2025 academic year, it ranks 5th among Vocational and Technical Anatolian High Schools in Türkiye after ASELSAN MTAL.

ASELSAN Business Life 101 Program

The Business Life 101 program was held for the third time during the 2023-2024 academic year. 101 students from 101 different universities who were accepted to the program completed their education between March 05, 2024 and June 14, 2024. According to the end-of-program survey data, the overall satisfaction rate of our trainings, which were conducted by 7 ASELSAN internal trainers and 15 external trainers on 24 different topics, in online & synchronous format, was 98 percent, and the recommendation rate was 100 percent.



Our Awards

Within the scope of the projects carried out by the Human Resources Directorate:

A **silver award** at the Stevies Awards for Great Employers announced on August 01,

Talent Programs – **Silver award**

Three gold and three silver awards at the Brandon Hall HCM Excellence Awards announced on August 22:

- Organizational Structuring – **Gold award**
- Talent-A Program – **Gold award**
- Learning Strategies – **Gold award**
- Performance Management – **Silver award**
- Talent Management – **Silver award**
- Learning and Development – **Silver award**



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Trusted Technologies and Strategies: Technology and Strategy Management



ASELSAN Strategic Plan 2025-2029 was prepared in line with aselsaneXt Program and in consultation with stakeholders.

Strategy Management

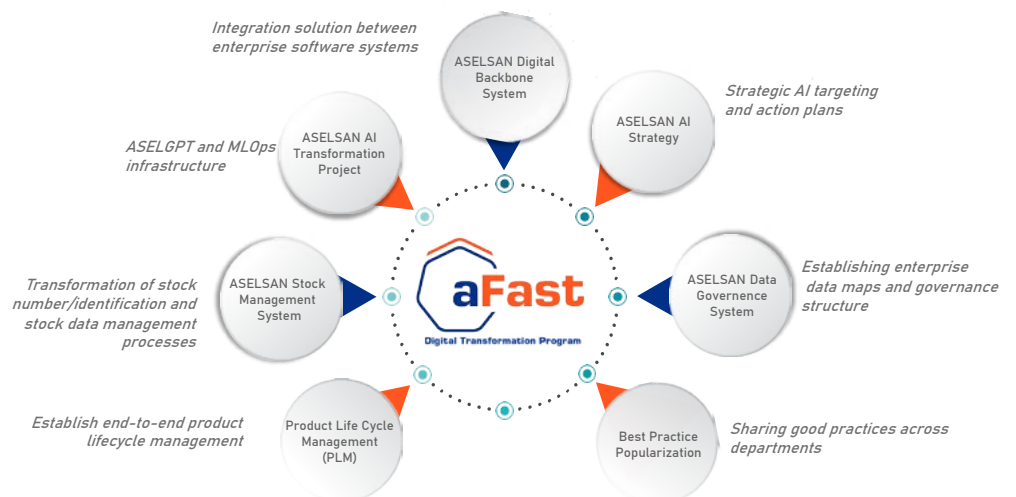
Strategy is a set of methods and paths that an organization determines and follows in order to achieve its goals and maintain its existence. Strategy Management is the most critical process enabling the achievement of strategic goals and objectives with limited resources. ASELSAN Strategy Management System is operated to develop strategies in line with vision, mission and values. ASELSAN

Strategic Plan 2025-2029 was prepared in line with aselsaneXt Program and in consultation with stakeholders. ASELSAN Strategic Plan was prepared for five years to support the aselsaneXt Program, taking into account current developments, inputs from Strategic Analyses and Top Policy Documents as well as stakeholder opinions. Corporate Performance Indicators have been identified that are aligned with the Main Strategies and will ensure the achievement of the Strategic Objectives.

aFast DIGITAL TRANSFORMATION



aFast DIGITAL TRANSFORMATION PROGRAM



ASELSAN Artificial Intelligence Transformation

Two different MLOps platform concepts have been created: namely LLM Suite and Model Suite. The installation activities for Code, Human Resources, Project Management, Integrated Logistics Support (ILS) and Translation Experts, planned to be commissioned as pilot applications, were completed and made available to relevant users. Concept development study has been conducted for the development of the Model Suite. **In order to be prepared for the future by using artificial intelligence in the most effective way, the Artificial Intelligence Strategy and Action Plan document, comprising of 4 objectives, 12 targets, 50 sub-targets and 87 actions, was prepared from a holistic perspective with the participation of all stakeholders.** Portfolio management has been initiated.

ASELSAN Digital Backbone System (ADOS)

In order to effectively implement digital transformation and artificial intelligence processes, an infrastructure is being developed in which software solutions used

at ASELSAN may be easily and affordably integrated. Thus, the goal is to provide the correct data from a single source at ASELSAN using ADOS' integration capabilities.

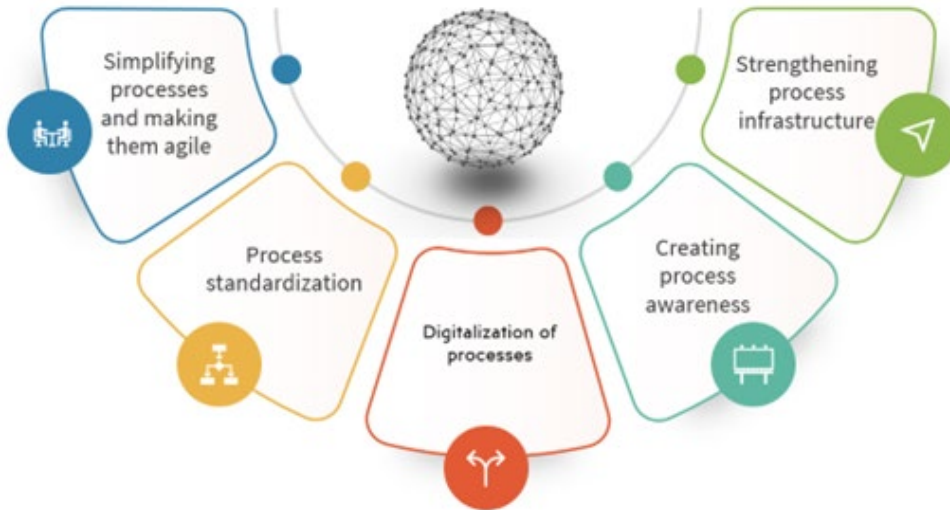
ASELSAN Data Governance System

Preliminary studies have been initiated, and ASELSAN data field identification activities have been conducted.

In addition to system development studies, activities for disseminating Best Digital Practices have been conducted. The Reuse Market, which will make resources more efficient by enabling the reuse of components that can be used in different systems, has been disseminated throughout ASELSAN, and study has been initiated on the development of a new platform. ASELSAN Technical Knowledge Platform has been disseminated to strengthen the accumulation and sharing of technical know-how. Activities to improve digital corporate memory have been conducted with the integration of big data and artificial intelligence. The goal is to increase efficiency in processes by expanding Robotic Process Automation (RPA) activities at ASELSAN.



Process Transformation Project



The Process Transformation Project carried out within the aFast, one of the five pillars of aselsaneXt Program, aims to provide faster solutions to customer and product/service needs by using lean, agile, digital, accessible, easy-to-implement and traceable processes and infrastructures. To make ASELSAN a center of attraction for Generation Z and Alpha employees, needs analyses are carried out with a focus on updating business processes, increasing the interaction between processes and using digital infrastructures effectively, by taking into account the cultures of these employee generations who will start working at ASELSAN. In order to build and sustainably implement process structures

supporting agile methodologies, agile work teams were established, current situation analyses were made, strategies and action plans were determined.

By applying the Good Practices Portfolio approach, the development of different applications for the same need was prevented, increasing time and resource savings. Knowledge Sharing Groups were established in order to contribute to the transfer of know-how between sectors and generations and to offer suggestions with a continuous improvement approach, and studies that will carry ASELSAN into the future were carried out with a common mind.



Technology Management

Product and Technology Roadmaps

A comprehensive roadmap process was designed that maps the hierarchical alignment of all ASELSAN resources—especially products—enabling structured planning for the 2024–2030 period. This roadmap accounts for interdependencies between product, technology, nationalization, investment, human resources, and training initiatives. Product naming and branding efforts were undertaken to strengthen brand value and market visibility. A technology- and product-focused mindset was instilled across all Sector Presidencies..

Through the Product and Technology Roadmaps initiative, detailed plans were developed for systems, products, and technologies to enhance ASELSAN’s competitiveness in global markets, in line with its 2030 vision. A digital Management System was launched to facilitate efficient roadmap governance.

In 2024, **7%** of revenues were allocated to self-funded projects.

ASELSAN’s self-funded project process was restructured for simplicity, resulting in measurable efficiency gains. Based on stakeholder feedback, steps were taken to enable digital data entry. Consequently, the previous monitoring method for self-funded projects was migrated to a fully digital project progress report platform.



ASELSAN Entrepreneurship Management

In 2024, 125 startup applications were received, 75 of them were interviewed, 47 of them were brought together with the specialists of the Sector Presidency, 19 startups conducted demo presentations and 8 startups were accepted to the ASELSAN Entrepreneurship Center. As part of the TÜBİTAK BIGG Program, of which ASELSAN is a stakeholder, 223 startup applications were received and 5 of them were entitled to receive support. ASELSAN participated as a Platinum Sponsor in the Take-Off organized by the Turkish Technology Team (T3) Foundation, 5 startups had the opportunity to exhibit their products at the ASELSAN booth, and ASELSAN awarded a cash prize to the selected startup in the competition. ASELSAN has begun supporting employees who have ideas for innovative products and services that will contribute to the Company and our country through internal entrepreneurship processes. In 2024, after evaluating employees with entrepreneurial ideas, 2 employees left ASELSAN to establish their own spin-out companies. After all, **the total number of our Spin-Out companies reached 56 and the number of our Spin-Off companies 4.**

Innovation Management

ASELSAN participated in the InovaLIG again in order to observe the sustainable success of our Company in innovation management activities. The top-place achievement in 2023 was further reinforced, and in 2024, ASELSAN became the Innovation Champion in the "Innovation Resources" category. The championship award was presented to ASELSAN by Vice President Cevdet YILMAZ.



The Idea Management Platform aFikir, launched last year, received more than 150 innovative ideas in product, process and business model innovation categories, and the first idea was implemented.

Project design studies were initiated for the ideas found suitable.

ASELSAN Academy

Hacettepe University also got included in the ASELSAN Academy Program, established in 2017 with the collaboration of four research universities: Gazi University, Gebze Technical University, Istanbul Technical University and Middle East Technical University.



The number of students in the ASELSAN Academy program reached 619, including 513 master's and 106 PhD students, while 435 ASELSAN employees graduated. On May 15-16, about 50 ASELSAN employees attended the Microchip Technologies Spring School, which included short courses at ASELSAN, in collaboration with ITU and ASELSAN Academy. Expert academics from GTU, ITU, METU, Bilkent and Hacettepe Universities provide

customized certificate trainings to equip ASELSAN employees with expertise in Artificial Intelligence.

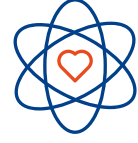


Research and Technological Collaborations

In order to increase the ASELSAN-University collaboration, work has started in establishing joint laboratories (ASELABS) on the campuses of leading universities in various technology focus areas according to the needs of our Sector Presidencies. The defense industry and academy will combine their expertise in these laboratories and develop innovative projects that will serve as an important accelerator in ASELSAN's technology

aselabs
ASELSAN • ORTA DOĞU TEKNİK ÜNİVERSİTESİ

leadership journey. In 2024, new projects were initiated with various universities, and along with visits to universities, TTOs and technoparks across Türkiye, working with the relevant sector teams to establish new collaborations. In 2024, ASELSAN filed 105 patent, 28 utility models, 167 trademark and 4 design applications.



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Trusted Collaborations: Supply Chain Management



The efforts carried out with the aim of increasing efficiency in customs processes were deemed worthy of the first prize in the “Best in Future of Connectedness” category at the 2024 IDC Future Enterprise Awards ceremony.

ASELSAN, Türkiye’s leading defense company with the largest supplier network, has successfully completed another significant year in supply chain management. Deputy Directorate General of Supply Chain Management has continued to increase its contribution both through its activities and the awareness it has created for internal and external stakeholders. Procurement activities are carried out with a centralized perspective that meets the needs of ASELSAN Sector Presidencies, while focusing on the interests of all of ASELSAN.

ASELSAN actively works with more than **5.500** suppliers, **3.300** of which are domestic suppliers.

In 2024, ASELSAN placed approximately USD 3 Billion in orders to its supplier base. In addition, through the Supplier Financing System, USD 8,4 Million was extended to our 47 suppliers through 15 banks.

Efforts to ensure that orders were placed domestically in the highest possible amounts were continued.

Steps were taken towards data consolidation in customs declaration processes, tariff pooling and the creation of a tax advantage report.

In order to meet the procurement needs arising due to the increase in ASELSAN’s business volume and to keep the quality and delivery achievements at the highest level in this process, Sub-Industry Purchases function was escalated to the status of Directorate.

The pro-active attitude of Supply Chain Management teams in procurement, localization, foreign trade, idle stock evaluation/sales and alternative material/source creation processes, as well as strategy changes, process improvements and customs procedures resulted in significant savings.

Supplier Management

At ASELSAN, great importance is attached to increasing the competencies of existing companies and adding new companies to the ecosystem. Strategic Collaboration Agreements are being signed with suppliers that increase added value and adopt ASELSAN’s growth targets. In 2024, in order to analyze the competence correctly and to meet the needs quickly, the number of question sets for audits was increased, and company development processes were carried out through audits in the sub-industry field of activity.

For the material groups handled within the sub-industry, the material procurement process was managed more effectively according to quality and planning priorities by differentiating companies based on their field of activity.

More than a thousand meetings were held with potential suppliers at events such as SAHA EXPO, Productivity and Technology Fair and Defence Industry Meetings organized in nine cities, namely Ankara, Antalya, Bursa, Erzincan, Gaziantep, İstanbul, Kocaeli, Konya and Samsun. At the events attended, meetings were held with the agenda of improving collaboration with existing suppliers, creating alternative resources by including companies with which ASELSAN does not work into the supply ecosystem and gaining companies that will support the localization movement by co-producing imported products with ASELSAN. In addition, sectoral experiences regarding the ASELSAN supply ecosystem were shared with the participants at the panels organized throughout the year.



The renewed Supplier Development Program aims to mentor ASELSAN suppliers in their processes and practices and to create a Supplier Ecosystem that is sustainable and suitable to mass production culture for our 2030 targets.

Localization Activities

In order to reduce foreign dependency in the field of defence, localization efforts were successfully continued also in 2024, and our pioneering position in the sector was maintained. With the intense efforts of ASELSAN and its suppliers, 106 products were localized in 2024. Since 2018, the number of localized products has reached 877.

ASELSAN has contributed to keeping more than USD 1 billion within the borders of our country in the last five years with a total purchase order of USD 193 million placed for localized products in 2024. Currently, localization efforts for 280 products are ongoing with 150 suppliers.

ASELSAN's efforts to spread its localization vision and raise awareness continued increasingly in 2024. Localized products were showcased at fairs, provincial meetings and industrialization events. With the understanding that localization is not a choice but a necessity, ASELSAN's localization efforts will continue.

Development and Improvement Activities

Various development and improvement activities were carried out in 2024 with a continuous development approach throughout ASELSAN. The highlights of these activities are presented below.

- As part of studies for end-to-end traceability and capacity management throughout ASELSAN, IOT-based development activities were designed to ensure bench level tracking of suppliers.

- The Supplier Performance Management System was renewed and put into practice. Thus, the reward/penalty system to be applied to supplier companies was also established.
- The Prototype Hardware Development Directorates newly included in the organization aim to reach a level of agility similar to that of start-up companies in the product development process.
- In order to ensure sustainability in the supply chain and reduce availability risks, material sustainability management policies were updated, alternative sources were developed, and an overseas supply office structure was established.
- As part of inventory optimization, improvements were made in the evaluation and reuse processes of inactive materials.
- As part of the renewed Supplier Development Program, development activities were carried out to increase the efficiency and performance of affiliates and suppliers.
- As part of digitalization efforts, procurement activities were rendered efficient and lean by focusing on efforts for automated order setup and the expansion of robotic processes.
- As part of the Export Control Compliance Policy, the effectiveness of real-time restricted third-party screening process was increased.
- The Localization Management System in line with the Product and Technology Roadmaps was launched.

Trusted Growth: Business Development and Marketing Activities



In 2024, ASELSAN participated in a total of 41 international exhibitions, 10 of which were attended for the first time.

In parallel with ASELSAN's goal of developing game-changing technologies, producing the best products in its field and driving export-oriented growth, the Deputy Directorate General of Business Development and Marketing took important steps to increase exports and the global visibility of the ASELSAN brand and products in 2024.

In 2024, the amount of international sales contracts signed increased by 70% compared to the previous year, and 189 export contracts totaling over USD 1 billion were signed.

In this context, in 2024, the amount of signed international sales contracts increased by 70%, and 189 export contracts totaling over USD 1 billion were signed.

During 2024, export contracts were signed with seven new countries to which no sales had been made so far, with sales to a total of 46 countries. Thus, the number of countries with which ASELSAN signed export contracts increased to 92.

ASELSAN exported 31 different products, which had not been sold abroad before, to friendly and allied countries. The export contracts signed with 16 countries for

ASELFLIR 500, our best-performing camera in its field, the production of which started this year, is among our striking achievements. Both our direct exports and indirect exports through platform manufacturers increased by more than 50%.

With our offices opened in Oman, Uzbekistan, the Philippines, Indonesia, Nigeria and Algeria in 2024, ASELSAN has become more visible both in its target markets and in various regions of the world and has significantly improved its capacity to reach end users and customers.

With the opening of new offices, the number of countries where ASELSAN has a presence increased to 20.

In 2024, ASELSAN paid special attention to participating in international exhibitions that brought together world giants in the defence, security and civil fields. In this context, ASELSAN participated in a total of 41 international exhibitions in 2024, 10 of which were attended for the first time. At SAHA Expo 2024, one of Europe's leading defence and aviation exhibitions, ASELSAN hosted 63 foreign delegations.

ASELSAN rose five places in the Defence News Top 100 List in 2024 and ranked 42nd among the world's largest defence





companies. ASELSAN is the leading company among the Turkish defence industry companies on the list. In the Stockholm International Peace Research Institute's (SIPRI) ranking of the top 100 defence industry companies with the highest arms and military services sales, ASELSAN rose 6 places compared to the previous year and ranked 54th.

As a result of its foreign sales contracts and export achievements, increasing number of offices and affiliates, active participation in the sector's leading exhibitions and events, contacts with international

delegations, demos and intensive communication activities regarding agreements, ASELSAN received extensive coverage in international defence media in 2024.

The Deputy Directorate General of Business Development and Marketing will continue its effective, result-oriented and competitive business development and marketing activities in 2025 as well, in line with the goal of "ranking among the top 30 companies in the Defence News Top 100 list by the end of 2030" set within the framework of aselsaneXt's vision.





From day one, we have adopted the principle of developing game-changing technologies, achieving firsts and creating added value to our country through nationalization activities.

04 Fields of Activity

- 66 Communication and Information Technologies Sector
- 80 Defense System Technologies Sector
- 94 Microelectronics, Guidance and Electro-Optics Sector
- 108 Radar and Electronic Warfare Systems Sector
- 122 Transportation, Security, Energy, Automation and Healthcare Systems Sector



Communication and Information Technologies Sector

The Communication and Information Technologies (HBT) Sector operates in the fields of military and professional communication and information technologies, as well as satellite and space technologies. Effective solutions are developed for the design, engineering, manufacturing, marketing, project management and customer support of devices and systems. With its reliable, high-tech products, the Company competes with leading companies both in Türkiye and abroad.

The HBT Sector operates in the fields of Land, Air and Naval Military Communication Systems, Tactical Radio Systems, Identification and Recognition, Data Link Systems, Public Security Communication Systems and Radio Solutions, Broadband Communication Technologies, Satellite and Space Technologies, Crypto and Information Technologies, Information Security and Cyber Security.

Satellite and Space Technologies

Satellite and Space Systems

The TÜRKSAT-6A Communication Satellite was developed with national resources and successfully launched into its orbit 36.000 km away, in 2024. The X-Band and Ku-Band satellite communication payloads developed by ASELSAN meet all in-orbit requirements and operate with superior

performance. With this development, ASELSAN successfully delivers uninterrupted, electronic warfare-resistant and secure communication solutions to its end-users in every environment, from undersea to space.



A year was left behind in which current needs in space communication payloads were met, as well as the design of hybrid-based payloads that utilize the latest technology in order to be able to increase cost-efficiency and the quality of service provided in the next phase, continued. As an important example of these efforts, the design process for the Next-Generation Ku-Band Payload was completed, making significant progress in increasing satellite communication capacity. Work on the

National Positioning and Timing System, an important step in the National Space Program, continued. With the LOCUS-SBAS product developed for this purpose, the R&D project initiated with national resources in the field of satellite-supported positioning yielded its first outputs, and the first prototypes of the payload were successfully tested. The domestic and national payloads using indigenous algorithms are taking firm steps towards their final mission.



The environmental test campaign, launch site activities, launch and post-launch orbital test activities of the nationally developed TÜRKSAT-6A Communication Satellite were completed in 2024.



narrowband and broadband data needs yielded their first outputs. In the self-funded R&D project initiated for this purpose, the design of the X-band communication payload LOCUS XBTx was finalized. Emerging as a product for Reconnaissance, Surveillance and Intelligence satellites, LOCUS XBTx offers high efficiency and data rates for the data to be presented to the user and distinguishes itself from competitors through its use of adaptive modulation techniques.

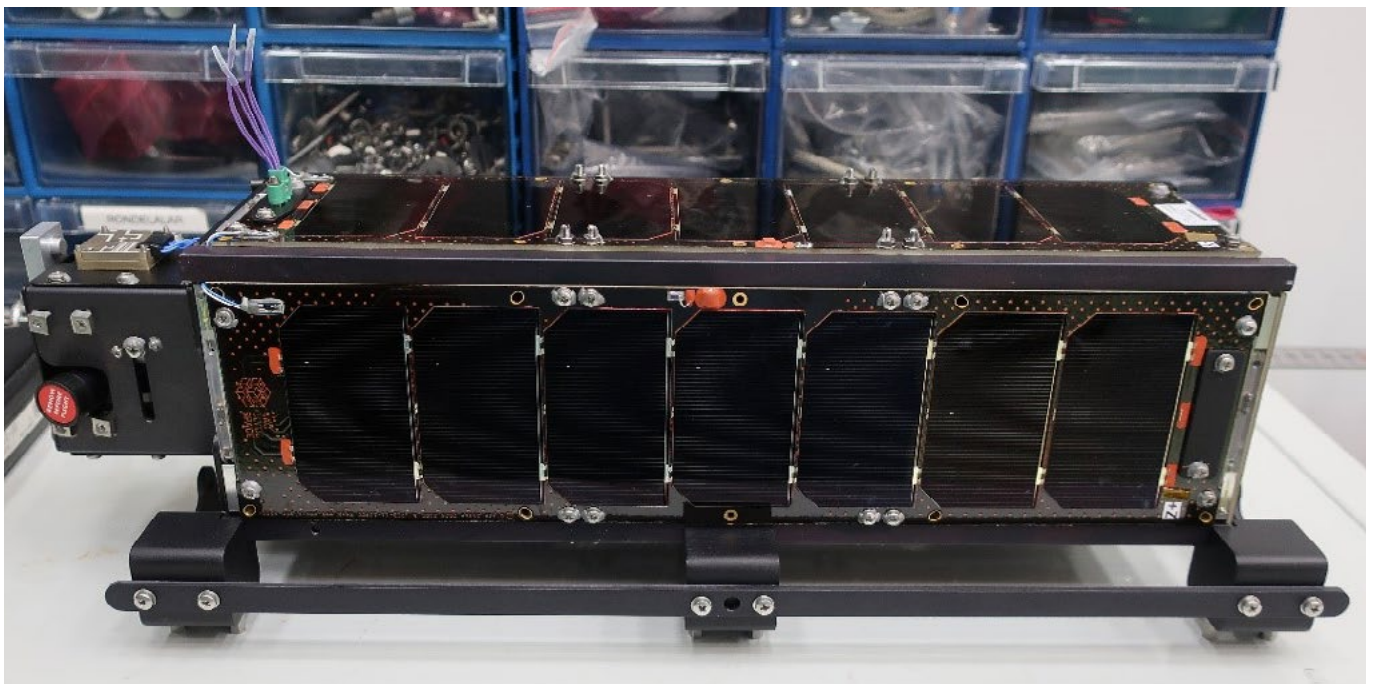
As part of the GÖKTÜRK-3 SAR Satellite System Project, design activities were

carried out for the space and ground segment of the SAR payload, which can acquire images in all weather conditions and regardless of day or night; Image Processing Subsystems, X-Band Communication Subsystem, Data Compression Recording, Formatting Unit, and S-Band Crypto Subsystem.

As part of the GÖKTÜRK-Renewal Satellite System Project, work was initiated to provide the S-Band Crypto Subsystem and X-Band Communication Subsystems, which are critical for secure communication and data transmission. With these payloads, national encrypted mission messages and high-speed data communication infrastructures will be delivered to end users.

A productive year was left behind, in which the LUNA technology demonstration project - which carries the Internet of Things technology widely mentioned and increasingly used all over the world, into space - was finalized. The project, which aims to transfer data received from various sensors to the center via space, was completed, and the development period of satellites ready for launch at ASELSAN's 50th anniversary was completed.

ASELSAN continued to work on solutions that can be provided for LEO (Low Earth Orbit) communication needs, the use of which has increased in recent years, and the design activities carried out for payloads for voice,



Military Communication and Information Technologies

ASELSAN's activities, especially those in the field of military communication systems which constitute the main purpose of its establishment, have achieved high performance and widespread use in all types of platforms used in all fields of operation, from the depths of the oceans to outer space, in its 50th anniversary year.

The Company not only provided all communication needs of the security forces with domestic and national resources, but also made a great economic and strategic contribution to the country by providing 36% of military communication deliveries from exports in its 50th year. In 2024, thousands of products were delivered, with exports reaching over 30 countries, and new orders placed by 26 different nations.

Military Naval Communication Systems

While continuing deliveries and installations to meet the communication needs of subsurface and surface naval platforms, the development of the National Floating Antenna System, which provides communication for submarines in the periscope horizon without surfacing, has been initiated to communicate in accordance with the principles of stealth and silence. In this way, ASELSAN's capabilities in the field of maritime communications have been extended to a wide range from the surface to the depths of the oceans.



IdentIFF (IFF Interrogator and Transponder) was delivered to a country in the Asia-Pacific region for the first time.

IdentIFF Mode5s I/LR



IdentIFF Mode5S TP



ASELSAN, which stands out with its competence in integrated solutions for naval platforms, successfully completed the acceptance activities of the GEMS (SHIP Integrated Communication System), which meets all communication needs of the TCG Oruç Reis ship. In addition to domestic achievements, a contract was signed with a customer from the Gulf region for the sale of GEMS.

In 2024, IdentIFF was sold to various floating platforms belonging to our customers in the Gulf and Asia-Pacific region.



In May 2024, our ASELBUOY Sonobuoy Software Based Radio was added to ASELSAN inventory.

Recognition and Identification Systems

ASELSAN is among the few manufacturers worldwide capable of developing systems that are fully compliant with NATO Identification and Recognition (IFF – Identification Friend or Foe) standards. The critical design phase for the IdentIFF Mode5 Reverse IFF product, the new member of the IdentIFF product family, which was delivered abroad throughout the year, was completed.

IdentIFF Mode5 Reverse



Ground and EMI & EMC tests of the IdentIFF Mode5 CIT (IFF Combined Interrogator/Transponder) device on fighter aircraft were completed.

IdentIFF Mode5 CIT



The first prototype devices of the Electronic Beam Steering Transmit/Receive Suite were developed and our competence in antenna technologies in IFF systems was increased.

With the BAYKAR TB-2 platform, the first export of the IdentIFF Mode5S TP device to a NATO member country was realized.

IdentIFF Mode5S TP



In 2024, in addition to the deliveries of IdentIFF Mode5S TP (IFF Transponder), IdentIFF Mode5S I/SMR (IFF S/M Range Interrogator) and IdentIFF Mode5S I/LR (IFF Long Range Interrogator), integration / dissemination activities for aircraft, helicopters, air defence systems, ships, radar and UAV platforms continued increasingly.

IdentIFF Mode5S I/SMR



IdentIFF Mode5S I/LR



IdentIFF Mode5S TP Device was delivered for the first time to a Gulf country along with BAYKAR AKINCI platform and to North Africa along with TAI ANKA platform.

Within the export of IdentIFF Mode5S TP device, orders were received for the first time from a Middle Eastern country, a North African country and a Central African country.

Data Link Systems

Missile Data Link Systems Product Family:

- In air defence systems, which constitute one of the main building blocks of ÇELİKKÜBBE, the development and serial production activities of many new products for data link solutions developed to ensure a secure and uninterrupted connection between the missiles and the ground systems continued.
- Many successful firings were carried out with the SİPER Product-1 missile data link systems, one of the most important examples of data link systems, and serial production activities continued for deliveries.
- Data link activities in the MİDLAS and SAPAN projects, where air defence capability was provided to MİLGEM Platforms, continued.

- In the Siper Product-2 Ballistic Test Missile, the missile data link system, which provides continuous data sharing with the command center during the mission, was successfully tested.

Tactical Data Link Systems Product Family:

- Within the development studies of Tactical Data Link (T-LINK) developed with the domestic and national capabilities of our country to provide a unique communication infrastructure from a single hub on land, air, naval and ammunition platforms, the first demonstration flight test of T-Link A (Air Terminal) was successfully performed at different ranges and altitudes. During the flight, tactical message exchange between T-Link A and the ground-based T-Link G (Ground Terminal) was carried out without interruption, marking a critical step toward serial production.

SIPER
LONG RANGE AIR DEFENSE SYSTEM

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Long Range Surveillance Radar (LRSR)

- Target detection, identification, tracking and classification
- Identification Friend or Foe (IFF)
- Electronic scanning in horizontal and vertical axis
- 360° side coverage

Battalion Command and Control Center (BCCC)

- Air defence planning and coordination
- Integrated air picture generation
- Battlefield management
- Engagement management
- Fleet level threat assessment and weapons allocation
- Manual/Semi Automatic/Automatic engagement capability
- Ability to connect up to 8 batteries
- HvBS and Radnet connection capability

Communication Radio Link Vehicle (CRLV) / Communication Relay Vehicle (CRV)

- Meeting the need for voice and data communication between fleet equipment and battery
- Provide remote deployment capability between fleet level equipment and battery
- Increasing the wireless communication distance between fleet level equipment and battery

Fire Control Center (FCC)

- Battery level threat evaluation and weapon assignment
- Manual/Semi Automatic/Automatic engagement capability
- Kill Assessment
- Data Link Management (Uplink and Downlink)
- Ability to work as an Authorized Fire Control Center
- Integrated air picture
- Ability to connect to 8 Missile Launching Systems
- Multiple tactical data link capability (Link 16, JREAP C, JREAP B)
- Hvbs, Radnet connection capability

Fire Control Radar (FCR)

- 3D homing, classification and tracking
- Identification Friend or Foe (IFF)
- High target location accuracy
- Bidirectional communication capability with missiles
- 360° side coverage
- Digital beamforming

Missile Launch Vehicle (MLV)

- Missile control, preparation for mission, firing
- Vertical and oblique shooting ability
- Rapid firing with launcher management and control system
- Mission execution with 6 missiles
- Ability to move in 20° side slope
- Ability to climb 27° slope

Long Range Missiles

- Solid propellant (without additional engine) stepless missile propulsion system
- Active radar seeker
- Data Link (Uplink and Downlink)
- High precision target detector

Missile Reloading Vehicle (MRV)

- Infrastructure required for missile transport
- Loading/unloading 6 missiles in 30 minutes
- Ability to move in 20° side slope
- Ability to climb 27° slope

Military Land Communication Systems

Activities for the TURAN (Tactical Unified Radio Access Network) communication solution, which aims to establish an uninterrupted, secure and integrated communication backbone from under the sea to the depths of space, continued at full speed.

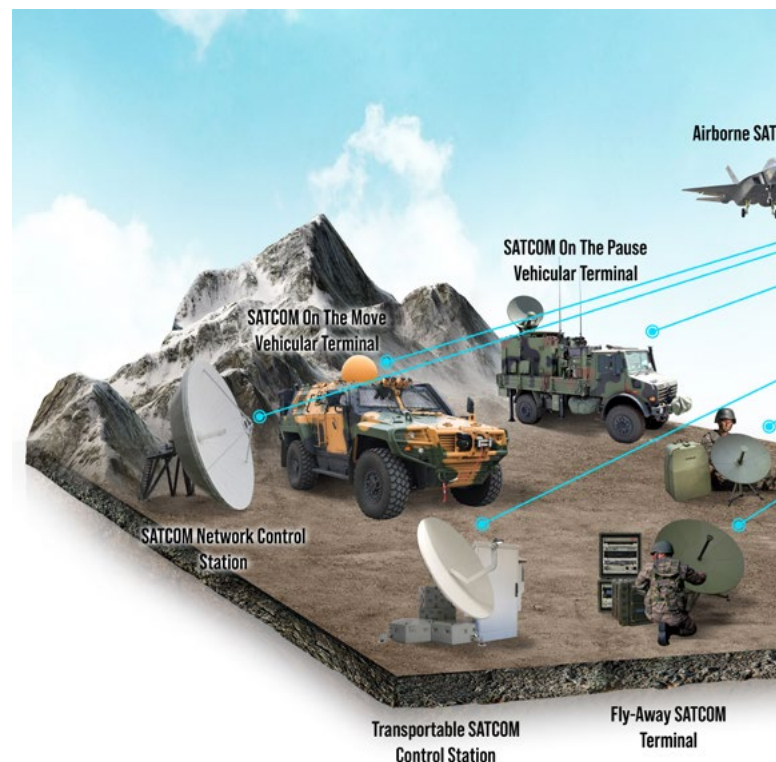
The TURAN solution, which will form the communication backbone of ÇELİKKUBBE, aims to use 5G/6G-based original communication solutions as well as satellite and radio link solutions in an integrated manner. In line with this objective, in the past year, significant progress was made in artificial intelligence-based orchestration and management software, in addition to the ongoing hardware development activities. In light of these developments, the Company entered its 50th anniversary year with integrated communication solutions that utilize the communication spectrum much more efficiently and effectively.

- ARTCom MAESTRO software, which securely meets the instant messaging, data sharing, location tracking and video call needs of the tactical field over an encrypted communication network, was actively used in the field for the first time. Our MAESTRO solution, which offers our end users in the tactical field the opportunity to make video calls and data sharing in addition to voice calls, has attracted great interest from abroad, and many orders have been received.
- Within the scope of ASELSAN’s mission to provide cyber security solutions to critical institutions, especially the Turkish Armed Forces, crypto algorithms resistant to quantum computing have started to be used in uniquely developed domestic and national hardware.



- Numerous domestic and international deliveries have been made with the aRLINK, a radio link family that provides high-capacity and secure data transmission in the tactical field.
- In addition to many successful activities carried out abroad, the usage of ASELSAN products in NATO member countries has also increased. In this scope, radio, internal communication and crypto solutions were delivered to NATO member countries.
- Domestic and international serial deliveries of the VOICERO/ TAC product, which provides uninterrupted communication to voice communication and control systems with multi-device compatibility, have started.
- **ARTCom 9671 series marine radios, which are Türkiye’s voice at sea, started to be actively used in NATO’s naval communication system.** Thus, communication between ships and shore has become stronger, faster and safer.

Satellite Communication User Systems

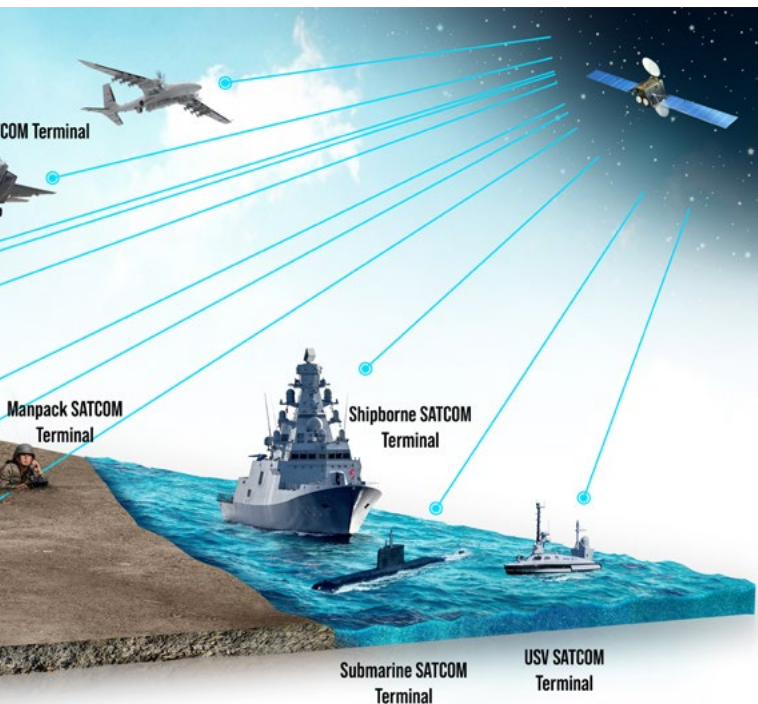


Domestic and international deliveries of the AcroSAT-A Satellite Communication System Product Family for a large number of AKINCI UAVs were realized. AcroSAT Ku370-Center systems were commissioned to be



used as ground centers for satellite communications, thus extending the communication capabilities of unmanned aerial vehicles beyond the horizon.

Modernization and capacity increase activities were carried out in AcroSAT X-Center satellite communication centers to support operation with the TÜRKSAT 6A Satellite. Satellite communication centers have been made secure against electronic warfare threats with Frequency-Hopping Modem integration.



Unlike its counterparts in use, the AcroSAT Ku120-M product, developed by ASELSAN in accordance with military standards, was integrated into multiple surface platforms for the first time and put into operational use.



With the AcroSAT Ku45 and Trustlink-10P/P systems integrated into the MARLIN Unmanned Naval Vehicle, the platform was remotely controlled and navigated.

The AcroSAT X38-S submarine communication system, developed with domestic and national capabilities, was integrated to a submarine platform for the first time in Türkiye.

The nationalization efforts of the Ku-Band 50W and Ku-Band 40W Block Upconverter units - which were previously procured from abroad to provide RF power to satellite communication systems on air and naval platforms - were completed.

- The development of the AcroSAT Ka45-A Ka-band satellite communication system - which features military-standard compliance, three-axis stabilization capability and dual-polarization operation in both transmission and reception - was completed. Thus, an unrivaled system in its field has been introduced.
- The first deliveries of AcroSAT Ku240/380-F satellite communication systems - which provide broadband communication via satellite in environments where terrestrial communication infrastructures are not available - were realized. In this way, the use scenarios of unmanned systems have been expanded.

Military Airborne Communication Systems

- During the joint operation of combat air platforms, the development studies of the unique waveform to be used in data link solutions used for ensuring secure, stealth and high speed data sharing between platforms were completed, and the product level integration phase was initiated.
- The SATURN waveform, which was determined for joint communication with NATO member countries, was realized in ARTCom radio communication

solutions, and ASELSAN's product presence in NATO member countries was reinforced by exporting the products utilizing this realization.

- The design of the ARTCom 6993-A (URAL) product, which can transmit location information even without a satellite connection and has broadband communication and relay capabilities, was completed, and the first prototype was produced.

Public Safety Communication and Information Technologies

As we approach to the second century of Turkish Republic and ASELSAN's 50th anniversary, the expansion of uninterrupted, secure and high-capacity communication infrastructures has been one of ASELSAN's primary goals. Established in Istanbul, Türkiye's most densely populated region, KETUM Istanbul (Encrypted Police Radio Communication System), a DMR-based communication infrastructure consisting of more than 30 thousand radios and some 100 repeater hubs, continued to provide uninterrupted service in 2024 as well. This system stands out as one of the largest radio networks providing sustainable public security communication on a global scale thanks to its wide coverage area achieved with its narrowband radio architecture. This infrastructure, developed with domestic and national engineering effort, has become an exemplary model in digital public communication by providing uninterrupted, secure and reliable communication even in dense urban structures.

Integrated Public Safety Communication Systems

In order to be able to expand the system RF coverage, different platform repeater hubs as manpack type, mobile trailer type, vehicle type, UAV type site solutions, BiGA LP.IoT solution for security in railway transportation against disaster emergency scenarios and EXTENDAS UHF solution for indoor coverage needs were created.



The Gendarmerie Integrated Communication and Information System (JEMUS) project entered its 10th and final phase, reaching a total of 1100 repeater hubs. The system has thus been expanded to cover the entire territory of the country and continued to provide the Gendarmerie with secure, uninterrupted and integrated communication opportunities.



Within the scope of the Encrypted Police Radio Communication System (KETUM), in addition to fixed base station-based infrastructures, secure digital communication has also been made possible with vehicle-mounted mobile sites for use in challenging areas such as cross-border operations and disaster regions.

Wide area critical communication solutions, which are widely and successfully used in Türkiye, continued to expand abroad with sales to the Asia-Pacific region.

BİGA DMR-LTE solution, the first narrowband-broadband hybrid communication system developed for the Police Department, was commissioned in Adana province, and the testing phase started. With this system, the first step has been taken to provide narrowband and broadband hybrid communication across the country simultaneously and without interruption.



Public Safety and Mission Critical Communication Systems

Certification studies for spark prevention, heat management and sealing technologies have been completed for the ATEXA radio product family developed for use in environments with explosion risk. Thus, a new product has been successfully added to our product portfolio in the field of mission critical communication.

HYBRA 3810 Mission critical services (MCPTT, MCDATA, MCVIDEO) were developed.



ASTELA, the radio communication solution family used in the field of public safety, has gained the capability to provide secure communication in different networks with the addition of a unique second-generation digital encrypted waveform.

The ASTELA UAV relay, which was developed to provide communication beyond line of sight in addition to ground communication solutions, successfully performed its first flight on the BAYKAR TB2 platform.

The design award-winning ASTELA 3700, which offers solutions for mission-critical needs, has proven itself as an indispensable component of the international safety stage by being used in the European region as well.



The APCO Wide Area Digital Radio System integrated with JEMUS, which was installed by ASELSAN, was selected as the most sustainable project of AFAD by the Presidency of the Republic of Türkiye Strategy and Budget Directorate.

The installation of Public Safety Communication Systems, which ensure uninterrupted communication in disasters and emergencies, continued in 81 provinces, thus increasing the number of radios in use **all over the country** to over **200.000 units**

In line with ASELSAN's wide area communication infrastructure experience, this competence was transferred to railways for TCDD. In this scope, 10.000 radios were delivered for the first phase, providing uninterrupted and secure wide area coverage infrastructure on train lines.

The business opportunities pursued for NATO's critical communication needs resulted in successful delivery of ASTELA DMR3700 products to a European country.

Mobile Broadband Communication Systems

In addition to meeting the critical communication needs of the public sector, the deliveries of base station solutions developed for the needs of the commercial GSM sector continued, and the number of commercial GSM base stations used across the country was increased to over 3500.



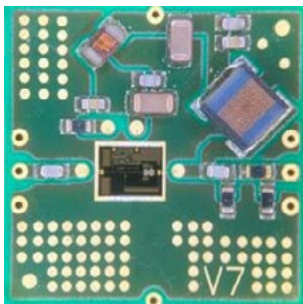
Production Activities

Communication and Information Technologies Sector's production unit, which has been in service since the day ASELSAN was founded, continues on its way with the aim of aligning its capabilities and capacity to the necessities of the time. In this scope, the activities for defining traceable and measurable processes, standardization in practices and efficient use of resources have been carried out.

Investments to increase production competence and efficiency have been continued by following the latest manufacturing techniques. Production capacity and labor productivity are increased by the implementation of Fully Automated Test Station into production line in 2024. For mass production requirements, robotic automation investments have been made for also various production lines, and these new infrastructures are expected to be operational in 2025.



Within the scope of space-qualified equipment production activities, qualification activities of space-qualified new electronic component/printed circuit board types and hybrid modules with sealing requirements were carried out in order to meet future project needs.



In addition, with the accomplishment of hybrid/integrated circuit manufacturing activities in 2024, the first units are produced and production HP LNA (High Performance Low Noise Amplifier) completed.

In 2024, Printed Circuit Board Department developed production methods and implemented "thermal via plating technology" and "IMS (insulated metallic substrate) PCB materials production" to meet the need for printed circuit boards with thermal management requirements. Upon gaining this ability, the production of PCBs requiring thermal management became possible in-house.

Furthermore, the X-Ray Registration System investment is made, so drilling capability of PCBs according to their individual offset values is achieved. As a result of this implementation, the registration tolerances of bare PCBs are improved.

Printed Circuit Board Department, which is in service for more than 45 years, has the capability of manufacturing 2-Layer, multilayer, flexible, rigid-flex and HDI printed circuit boards (PCBs) used in high-tech defence industry electronics products. With its equipment infrastructure and technological production capabilities, it is the only facility in Türkiye for production of advanced technological bare PCBs .

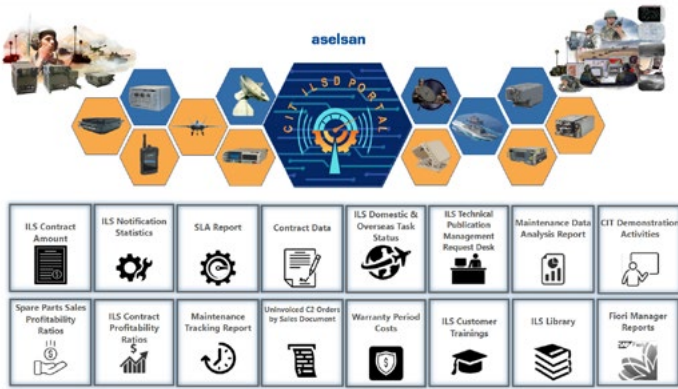
In addition to the capability acquisition plans containing in technology roadmap, ASELSAN's agenda includes also activities for capacity increase, optimization and efficiency of production in order to improve mass production notion. In this regards, the investments of production lines capable of high volume mass production and supported by automation systems have been made in 2024.



Integrated Logistics Support (ILS) Activities

ELD Digital Transformation and Process Improvement Studies

- HBT ELDD Portal went live.



- Within the scope of technical broadcast processes, S1000D compliant technical broadcast outputs were started to be created with digital transformation infrastructure solutions.

- Through Robotic Process Automation (RPA), reporting data under the headings of ELD notification statistics, fault tracking, ELD contract amount, control of data accuracy in closed notifications, mission status, spare parts and ELD contract profitabilities, contract Data and Traceable Workshop Screens data were automatically prepared at periodic intervals.
- Computer Based Training Content and Virtual Reality (VR) Application were developed for ARTCom 9661 V/UHF, ARTCom 9661 HF and INTERAS 6670 products in Turkish, English and Arabic languages.
- Computer-based training content was designed and produced for IdentIFF Mode5S TP (IFF Responder) and Remote Control Unit (RCU).



ELD Orientation Program

The ELD Development School Program, which was selected as a "Good Practice" example of ASELSAN, continues as the ELD Orientation Program under the expansion decision.



System Demonstration and Field Operations

The System Demonstration and Field Operations Unit was established within ELDD as part of the responsibility for the execution of demo activities. As of the date of establishment of the unit, a total of 22 demo activities have been carried out, five in Türkiye and 17 in 12 countries. Within the scope of demo activities, 31 products were introduced, and their capabilities were exhibited.



Artificial Intelligence Based ELD Applications

The development of a chatbot and the creation of an ELD Expert for the ARTCom 9671 V/UHF 100-MG were completed, and the project reached the testing phase.

Defense System Technologies Sector

The Defense System Technologies (SST) Sector contributes to increasing ASELSAN's global competitiveness by developing the best products in its field with game-changing technologies in a wide range of products from under the sea to the space.

The SST Sector creates system solutions with game-changing technologies developed by ASELSAN's various sector presidencies and stakeholders in the defence industry ecosystem and ensures their delivery to end users, acting as a driving force in the defence industry through this role. The SST Sector offers its customers products and services in the fields of Smart Munition Systems, Land Weapon Systems, Tank Systems, Artillery and Mortar Systems, Unmanned Land Vehicles, Naval Navigation and Combat Systems, Sonar Systems, Underwater Countermeasure

Systems, Torpedoes and Autonomous Underwater Vehicles (AUV), Unmanned Marine Vehicles, Land Command and Control Systems, Air and Air Defense Command and Control Systems, Robotic Systems, Unmanned Aerial Vehicle (UAV) Defence Systems, Strategic Air and Missile Defence Missile Systems, Operational Air and Missile Defence Missile Systems, Tactical Air and Missile Defence Missile Systems, Air and Missile Defence Weapon Systems.

Thanks to its quality management system at international standards, the SST Sector provides high added value by offering quality products and services to its customers. The products and systems of the SST Sector are preferred by customers in many countries around the world, especially the Turkish Armed Forces and security forces.



Air and Missile Defense System Technologies

Strategic Air and Missile Defense Missile Systems

SİPER 1, Türkiye's first Long Range Air and Missile Defence System, is in the inventory after completing successfully acceptance test. Development and testing activities are ongoing for the SİPER 2 Long Range Air and Missile Defense System.



Operational Air and Missile Defense Missile Systems

The Deliveries of the HİSAR O 100 Air and Missile Defense System to the Turkish Land Forces Command are ongoing successfully.

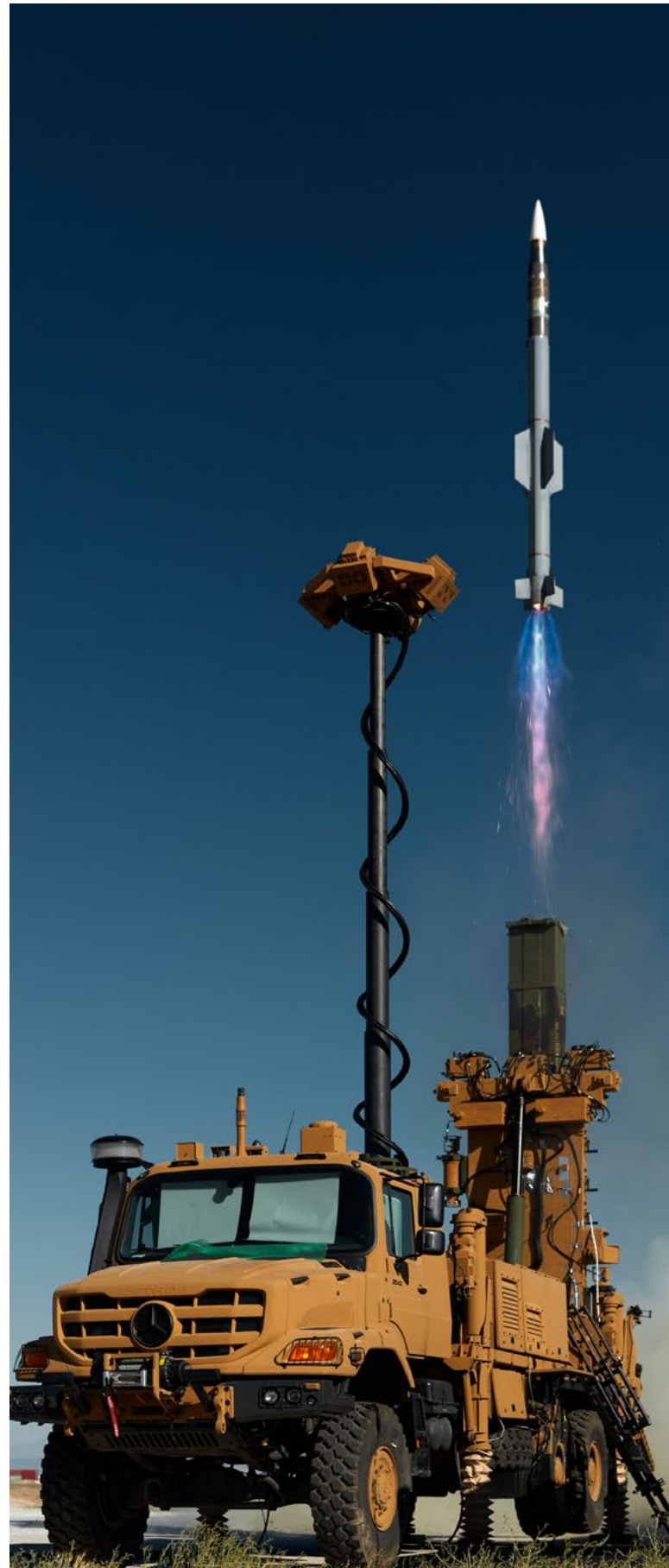
For HİSAR Extendent Range firing test activity was completed successfully with a direct hit at 40 km with the RF Seeker Missile fired from the next-generation HİSAR O 100 Battery in the serial production configuration.



By the contribution of HİSAR 100-N Fire Control System developed by ASELSAN for İ-class frigates, the HİSAR-D RF Guided Missile was successfully fired from TCG İSTANBUL.

This successful firing has gone down in history as a critical step in the safeguarding of maritime jurisdiction areas in the Blue Homeland through the use of domestic and national air defense systems.

The Surface-to-Air National Guided Missile and System project has been initiated in partnership with ASELSAN ROKETSAN.

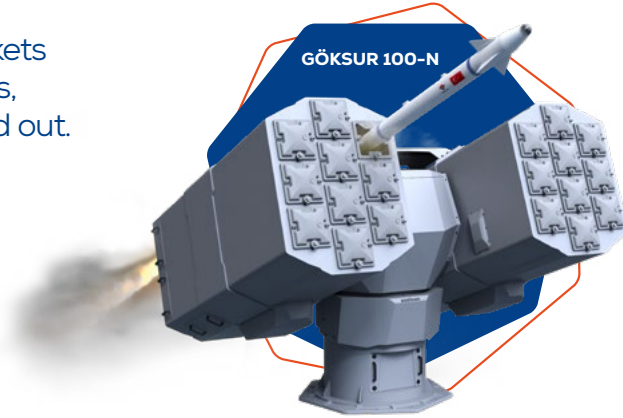




Successful firings of **KORKUT C-RAM/35** against rockets and mortars, were carried out.

Tactical Air and Missile Defense Missile Systems

Firing tests of the GÖKSUR 100-N Point Air Defense System are ongoing within the scope of development activities.



Multi-Purpose All-In-One Air and Missile Defense System Project, including GÜRZ 200 and GÜRZ 140, was initiated.

Air and Missile Defense Weapon Systems

KORKUT 130/FCS (AİC) and KORKUT 130/35 (MÇT) were delivered to the Turkish Land Forces Command in 2024, and further deliveries to the Turkish Land and Air Forces Commands will continue in the following period. In addition, test and demonstration activities for the export of these products to the Middle East and the Balkans continued.



As part of the KORKUT Project Production Period, serial production and deliveries of the KORKUT 150/35 systems continued.



A contract was signed in 2024 for the export of the truck-mounted single-gun KORKUT 100/35 SB Multi-Purpose Weapon System to a country in the Asia Pacific region.

KORKUT 100/35 SB

KORKUT 140/35 8x8 tactical wheeled vehicle version was developed and presented to international users.

KORKUT 140/35

Within the scope of international collaboration, the integration of KORKUT 141/35 into the 8x8 vehicle of the UAE-based Calidus company was completed and firing tests were conducted.

KORKUT 141/35

The KORKUT 100/25 SB Anti-UAV Weapon System is capable of functional and physical destruction of UAV threats thanks to its unique design with soft-kill and hard-kill options against mini/micro UAV threats, comprehensive surveillance, integration with various sensors and remote control capabilities. It was launched at SAHA EXPO'24.

KORKUT 100/25

System integration of the Close-in Weapon System is ongoing to be delivered to different end users. Harbor and sea acceptance activities for the GÖKDENİZ 100/35/StA system, which was integrated into different types of vessels belonging to the Turkish Naval Forces Command, continued.

Factory acceptance tests of GÖKDENİZ 100/35 products for a country in the Asia Pacific region were completed, and sea acceptance was realized for one system. The sea acceptance tests of the GÖKDENİZ 100/35/ StA product, which was produced for another country in the Eastern Europe region, were completed.

GÖKDENİZ 100/35/StA

In the firing test activities conducted with the Mobile Laser Weapon System, physical destruction and interception activities against fixed and rotary wing mini-micro UAV and FPV targets at various distances continued.

**GÖKBERK 100/5**

Land and Weapon System Technologies

Land Weapon Systems

SARP 100/14.5 Remote Controlled Weapon System (UKSS) were delivered for the first time. The SARP 100/12.7D UKSS was integrated onto the Enhanced Armored Tracked Carrier (GZPT) were delivered to Turkish Armed Forces.



SARP

Unmanned Ground Vehicles ASLAN 150M1 LRAS equipped with long-range acoustic system and ASLAN 150M1/G equipped with SARP100/L were delivered to Turkish Armed Forces.

Several international sales contracts were signed for the SARP Remote Controlled Stabilized Weapon System product family. Within the scope of SARP 100/12.7, various quantities were delivered to a country in the Eastern Europe region in 2024.

In a competition organized in the Gulf Region, the SARP 100/12.7 weapon system best system with its strike performance.

ASELSAN Batur 100 Command and Control Systems were delivered to a Middle Eastern country for the modernization of armored vehicles.



ASLAN

Artillery and Mortar Systems

A contract was signed with a vehicle manufacturer company for the supply of ALKAR 100/81 Mortar System for a country in Eastern Europe.



ALKAR 100/81

VOLKAN 230/105 Fire Control Systems were delivered for the needs of a country in the Balkans.

Within the Special Purpose Tactical Wheeled Armored Vehicle, the BATUR 100 Command Control System, SARP 100/25 Weapon System, Communication System, Navigation, Electro-Optic and Ground Radar systems continued to be provided.

As part of ZMA modernization, Modernized ZMAs with increased ballistic and mine resistance, which includes several ASELSAN products together with the SARP 100/25 weapon system, continued to be delivered to the Turkish Armed Forces in 2024.

VOLKAN 220/155 and VOLKAN 221/155 were delivered within the scope of Howitzer Fire Control Systems.



Smart Munition Systems

The first project for the procurement of ATOM 40HV ABM (High Speed Smart Munition) and ATNIS-100 Fire Control System was initiated.

ATOM 40 HVABM



A contract was signed with the Ministry of National Defence for the procurement of Fragmentation Munitions.

ATOM 35 ABM



Design verification activities for the Multi-Purpose Fuze were conducted, along with testing using the ATOM 35 IABM 35 mm Anti-UAV/Anti-Personnel Munition and ATOM 25 ABM 25 mm Smart Munition.

ASAF 155 MOFA 105/155



The ATOM 25 ABM Smart Munition was launched at SAHA EXPO 2024.



ATOM 40HV ABM

High Speed Smart Munition was integrated into the SARP System, and demonstrations were carried out for different forces.



Marine System Technologies



PNS BABUR, was delivered to a country in South Asia, and the first MİLGEM platform exported was equipped with ASELSAN systems.

Surface and Underwater Unmanned Naval Vehicles

MARLIN 100 EW SIDA and ALBATROS platforms became the first Armed Unmanned/Autonomous Naval Vehicles to enter the inventory of the Turkish Naval Forces Command.

With the delivery of MARLIN 100 EW SIDA, the first SMASH 200/12.7L was also delivered.

During the Denizkurdu exercise, the MARLIN 100 EW Unmanned Naval Vehicle was successfully commanded via satellite for the first time in a multi-threat environment operation scenario.

Diving tests of Türkiye's first AUV DERİNGÖZ 100M/600 were successfully completed, and the first contract was signed.



Naval Navigation and Combat Systems

As part of surface platform deliveries, the first domestic and national frigate TCG İSTANBUL including the design which was equipped with nearly 50 ASELSAN systems, the Maritime Resupply Combat Support Ship TCG DERYA, the TCG ORUÇREİS which was subjected to Half-Life Modernization and the first REİS Class submarine TCG PİRİREİS platforms were delivered to our navy.



TCG AKHİSAR, an Offshore Patrol Vessel equipped with ASELSAN systems, made her first voyage.

The first ship modernization contract was signed within the scope of modernizing a ship belonging to a country in the Asia Pacific Region by equipping it with ASELSAN systems.

The first sale of TAKS 100/76, the 76mm Gun Fire Control System, to the Asia Pacific Region and the first sale of MİTOS WECDIS and TAKS 100/40, the 40mm Gun Fire Control System, to a country in the Middle East was realized.

5/54 Gun Fire Control System TAKS 100/127's sea firing test activities were successfully conducted. The first HİSAR-D RF guided missile was fired from TCG İSTANBUL.



Sonar Systems and Submarine Platforms

Preveze Mid-Life Modernization Project (Preveze-YÖM), extended with 4 GÜR-Class Submarines. Within the scope of GÜR-Class Mid-Life Modernization; Satellite Communication Systems, Hoistable Masts for Satellite Communication Systems and Electronic Support Measure Systems will be delivered to Turkish Navy.

Within the scope of the Preveze-YÖM Project:

- FERSAH 100-S FA Flank Array Sonar
- FERSAH 100-S CA96 Cylindrical Array Sonar
- FERSAH 100-S PA90 Passive Ranging Sonar
- FERSAH 100-S IA Cylindrical Intercept Array,
- FERSAH 100-S AO Active Operating Sonar, FERSAH 100-S ONAH
- FERSAH 100-S ONAA Own Noise Measurement Sonar was delivered for the first time for a submarine.



The first export contract for the FERSAH 100-N/MF Hull Mounted ASW Sonar and export contracts for the sale of weapons in various quantities within the scope of naval weapon systems were signed.

Türkiye's first and only Over-the-Horizon Sonar DÜFAS 100/LR was introduced to the Turkish Navy.

aselBUOY 100P launching tests were conducted via participating in the Turkish Navy's "Blue Whale" INVITEX



Command Control Communication Computer Information (C4I) System Technologies



In order to meet the current and future needs of our Air Force Command, the ÇELİKKUBBE Air and Air Defence Command Control Systems Command Control Project, which will be developed with modern and innovative technologies as the main command control system of the ÇELİKKUBBE Program, has been implemented.



Air and Air Defense Command Control Systems

Within the scope of the HAKİM 100 system, the integration of air defence weapon systems of various origins found in the inventory of the importing country into the HAKİM 100 system was completed.

ÇELİKKUBBE 100/TAC-T (Deployable Battery Command and Control Operations Center), a boxed-in and portable version of the Battery Command and Control Operations Center system, was developed within the scope of the needs of the Air Force Command. ÇELİKKUBBE 100/TAC-T was used for the first time in the NATO exercise in which the Air Force Command participated.

In order to test its capabilities of interoperability with the systems of NATO member countries, the Company participated in the NATO Coalition Warrior Interoperability Exercise (CWIX) 2024 with its Air Defence Early Warning and Command and Control System HERİKKS 600, RADNET-II Radar Network Management System ÇELİKKUBBE 100/RAD and ADY Network Supported Capability System KOCATEPE/TACCIS.

Within the scope of the RadNet Project, Basic RadNet field installations were completed at control and reporting centers (CRC), radar detachments and positions.



UAV Defense Systems

A contract was signed for the procurement of the İHTAR 100 system for the protection of oil and natural gas transportation lines against mini/micro-UAV threats.

In the NATO Counter Unmanned Aircraft Systems Technical Interoperability Exercise, the interoperability of the İHTAR 100 system with NATO systems was demonstrated.

Field acceptance activities of various quantities of İHTAR 100 Anti-UAV System were completed.

The SEDA 100-cUAV system integrated into the İHTAR 100 was launched at SAHA EXPO 2024.

Vehicle concept and prototype production studies for the vehicle-integrated reconnaissance surveillance system for use during reconnaissance, surveillance and patrol activities were completed, and trials were carried out in the field.

A project was initiated between ASELSAN and a European Union Member State company for the procurement of various Reconnaissance Surveillance Systems.



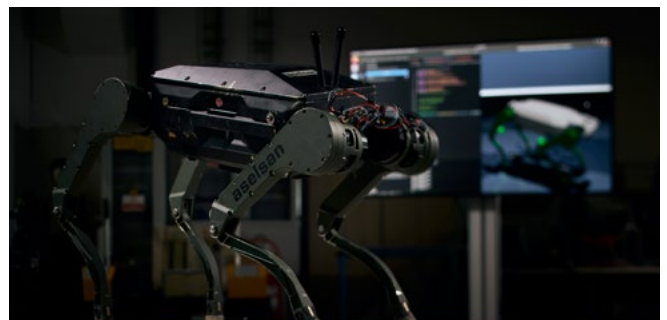
Robotic Systems

The field trials of the DEMİR 200 - ASELSAN Robot Platform with 100 percent domestic and national design and high mobility, DEMİR 100/G Armed Robots developed by integrating automatic weapons and shotguns with turret mechanism on off-the-shelf quadruped robots and DEMİR 100/R Reconnaissance Surveillance Robot with reconnaissance-surveillance payload were carried out.

With the participation of the end-user delegation, the verification tests for the quadruped robot integrated with a turreted automatic weapon and the quadruped robot integrated with a fixed pump-action shotgun in the DEMİR 100/G product group were successfully completed.

A firing test activity for the DEMİR 100/G series weapon integrated quadruped robot and a demonstration for the 2-D mapping capabilities of the DEMİR 100/R reconnaissance and surveillance robot were carried out for the end user.

The development work for the fully domestic DEMİR 200 quadruped robot and the DEMİR 100 CIED - EYP Detection and Intervention Robot within the scope of Mine/improvised explosive device (EYP) detection and intervention capability continues.



Land Command and Control Systems

Provisional acceptance of the EHKOM 100 JOINT Joint Electronic Warfare Control and Coordination System was completed.

Factory acceptance tests of the ADOP 300 Fire Support Command and Control System were completed in order to provide fire support command and control capability to a European country. The delivered system is the first command and control system exported to a NATO country and also the first portable fire support command and control system.

During the Computer Aided Command Post phase of EFES 2024 Exercise, TACCIS (Turkish Army Command and Control Information System), the NATO version of the KOCATEPE 100 HQ Battlefield Management System, was used to display the land operational picture. In addition, KOCATEPE 100 HQ, KOCATEPE 100 BT, KOCATEPE 100 SOL and ADOP 300 systems were introduced and demonstrated at the exercise.



The National Defence University (MSÜ) War Game was conducted with the participation of MSÜ Land/Naval/Air Warfare Institutes, using TACCIS at the Multinational Joint Warfare Center.

With the TACCIS software, participation in the ONGUARD 2024 Exercise and the MIP (Multilateral Interoperability Program) was ensured, and the related activities were successfully completed.

In line with the needs of the Turkish Naval Forces Command, a contract was signed for the supply of KOCATEPE 100 IT product for the New Type LCT ships.

The project was initiated with a contract for the system aiming to develop navigation solutions with artificial intelligence and adaptive methods in environments where Global Navigation Satellite System is either unavailable or blocked.

The demonstration of our Acoustic Based Wearable Shooting Point Detection System was realized.

A project was initiated to carry out different missions with autonomous unmanned Heterogeneous Swarm Systems that exhibit swarm behaviors.



Testing and Verification Activities

Additional capabilities were added to the ROBOSİM Test Infrastructure, which is used to simulate attack scenarios of air and missile defence systems.

The effectiveness of various radar systems used in air defence projects against various attack scenarios was tested with ROBOSİM infrastructure in 2024.



Quality Activities


The Process Cockpit, which shows the status of SST management system processes in terms of indicators, risk management, improvement and nonconformities, has been commissioned and is updated monthly.

In 2024, the Surveillance Audit for Quality Management System Requirements document of AS9100D Aviation, Space and Defence Organizations of the SST Sector,

and the Recertification Audit of AQAP2310 NATO QMS Requirements for Aviation, Space and Defence Suppliers, AQAP2110 NATO Quality Assurance Requirements for Design, Development and Production, and AQAP2210 NATO Supplementary Software Quality Assurance Requirements documents were conducted successfully and with a high contribution to improvement.

On January 01, 2024, in order to measure Customer Loyalty in a realistic and universally valid manner, the measurement for SST services and products with the Net Promoter Score (NPS) and integrated Customer Complaint Management were initiated. This process is successfully maintained. Customers' complaints and expectations were responded to quickly in a short time, while false expectations were resolved by informing the customer in the most accurate way, and complaints were greatly transformed into satisfaction.

Bureau Veritas



Onay Sertifikası

Aşağıdaki Kalite Yönetim Sisteminin belgelendirilmesidir:

ASELSAN ELEKTRONİK SANAYİ A.Ş.

SST Sektör Başkanlığı, Konya Yolu 8. Km, Oğulbey Mah. 3051. Sok. No:3, 06830 Ankara, TÜRKİYE

Bureau Veritas Belgelendirme yukarıda adı geçen kuruluşun, Yönetim Sisteminin aşağıda detayları belirtilen EN 9104-001:2013 Yönetim Sistemi Standardı gerekliliklerini uyguladığını doğrulamıştır.

Standartlar

BS EN ISO 9001:2015
EN 9100 : 2018
(Teknik olarak AS9100'ye eşdeğer)
Belgelendirme Kapsamı

KARA, DENİZ, HAVA VE FÜZE SAVUNMA, KOMUTA KONTROL VE İLETİŞİM SİSTEMİ ERİNİN, YÖNETİM, TASARIM VE GELİŞTİRME, ÜRETİM, KALİTE YÖNETİMİ, PROJE YÖNETİMİ VE ENTEGRE LOJİSTİK DESTEK YÖNETİMİ FAALİYETLERİNİ KAPSAMAKTADIR.

Sertifika Yapısı: Kamplis

Merkezc Adres: SST Sektör Başkanlığı, Konya Yolu 8. Km, Oğulbey Mah. 3051. Sok. No:3, 06830 Ankara, TÜRKİYE

Site Adres: SST Sektör Başkanlığı, Konya Yolu 8. Km, Oğulbey Mah. 3051. Sok. No:3, 06830 Ankara, TÜRKİYE

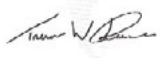
Bu sertifika, sertifika numarası ile tanımlı onaya aittir: TR011988

Orjinal ASCS Onayı: 27-09-2019




Belgelendirme Tarihi: 27-09-2022

Geçerlilik Tarihi: 26-09-2025

Belgenin Yeniden Yayınlanma Tarihi: 12-02-2024



Trevor William Douce
Authorised Signatory

Belge kapsamı ve ilgili standartların gerekliliklerinin uygulanabilirliği ile ilgili ayrıntılı bilgiler, belgelendirme kuruluşundan temin edilebilir.

Yönetim Ofisi: Bureau Veritas Certification Holding SAS-UK Branch 5th Floor, 66 Prescat Street, London, E1 8EG, United Kingdom

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**T.C.
MİLLÎ SAVUNMA BAKANLIĞI
ENDÜSTRİYEL KALİTE GÜVENÇE SEVİYE
BELGESİ**

ANKARA
TEMMUZ 2024

BELGE NO : 2024/16

**KURULUS ADI : ASELSAN A.Ş. SAVUNMA SİSTEM TEKNOLOJİLERİ
SEKTÖR BAŞKANLIĞI**
Oğulbey Mah. 3051. Sok. No:3 Konya Yolu 8. Km. Gölbaşı/ANKARA
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Kuruluşunuza alı kalite güvence sisteminin: AQAP-2310 (Havacılık, Uzay ve Savunma Yüklenicileri için NATO Kalite Yücelim Sistemi Gereklilikleri) isteklerine uygunluğunun tespiti amacıyla yapılan inceleme tamamlanmıştır.

Kuruluşunuzun Mayıs 2024 tarihli ve SEK-SV-01 Rev.1 numaralı kalite el kitabında açıklanmış bulunan, kalite güvence sisteminin aşağıda belirtilen ürün ve/veya hizmetler için AQAP-2310 isteklerine uygun olduğu tasdik olunur.

"Komuta Kontrol Sistemleri, Hava Savunma Sistemleri, Ateş Destek Otomasyon Sistemleri, Ateş Kontrol Sistemleri, Silah Sistemleri, Keşif ve Gözetleme Sistemleri, Askeri Bilgisayarlar, Deniz Savaş Sistemleri, Deniz Savaş Yönetim Sistemleri, Sualtı Akustik Sistemleri, SONAR Sistemleri, Görüntü İzleme ve Yönetim Sistemlerinin Tasarım, Geliştirme, Üretim ve Ürün Desteği."

Bu belge 05 Temmuz 2027 tarihi saat 17.00'a kadar geçerlidir.

Türkiye Cumhuriyeti Millî Savunma Bakanlığı Kalite Güvence Makamı, kalite güvence sisteminin etkinliğini ve uygulanmasını sürekli olarak izleyip denetleyecektir.

Millî Savunma Bakanlığına ibraz edilen kalite el kitabında tanımlanmış sistemde yapılacak değişiklikler ve yenilikler önceden Millî Savunma Bakanlığına bildirilip onay alınmadığı takdirde veya yapılacak teknik sonuçlarının olumsuz olduğu durumlarda, bu belgenin iptali söz konusudur.



M. H. AYCI
Tedarik Hizmetleri Genel Müdürü

Production Activities

Capacity was increased for sonar sensor production.

Production lines were established based on a lean philosophy for the mass production of HİSAR O 100 systems, which would form the backbone of ÇELİKKUBBE.

PCB mounting lines have acquired capabilities for end-to-end traceability, technical response to new PCB designs and flexible design creation.

As part of the 35mm Airburst Ammunition Project, the Particle Arrangement Automation System was commissioned, and automated particle arrangement processes were carried out.

As part of the 40mm High Velocity Airburst Grenade Project, the Grenade Launcher Module Production Line was commissioned within the scope of automation activities, and the first production activities were carried out.

Integrated Logistics Support (ILS) Activities

The Integrated System Training which enables user to operate all systems that are integrated in an simulated field was provided for the first time.

Data records obtained from Enterprise Resource Planning systems for Maintenance and Repair activities were analyzed and visualized using automation tools in order to increase the efficiency of future-oriented activities.

Cross-Sector Repair Activities, Factory Level Traceable Digital Screen Design, SST ELDD Target Realizations Monitoring Screen were created in order to ensure the traceability of processes via the Power BI platform.

The ELDD Portal was created to ensure activity traceability in a digital environment, share activities specific to the technology base and provide newly recruited employees with pertinent information.

As part of the ASELSAN 360 Degree Product Support/Service Management Project, trainings were organized to expand the use of Customer Relationship Management (CRM) application by foreign affiliates and customers.

Phase II studies of the ELD Stock Optimization Application were carried out, and a new dynamic and flexible infrastructure was created in accordance with user needs.



Efforts were made to deliver the customer documents of the systems as **Interactive Electronic Technical Manual (IETM)**.



Microelectronics, Guidance and Electro-Optics Sector

Within the Microelectronics, Guidance and Electro-Optics (MGEO) Sector, production and development activities are being carried out in line with the requirements of domestic and foreign users, especially the Turkish Armed Forces. These fields of activity are categorized as Avionic System Technologies, Electro-Optical System Technologies, Guidance and Seeker System Technologies and Microelectronic System Technologies.

The MGEO Sector, which operates within ASELSAN, serves for our country with its wide product range, production area equipped with state-of-the-art production lines and high quality approach focused on continuous improvement.

Game-changing systems, which are developed in line with the tactical needs of modern armies and are of critical importance for national defense, are

manufactured within ASELSAN thanks to the superior engineering and problem-solving competence of the MGEO Sector. All products are designed and tested according to the harsh environmental conditions exposed to military or civilian air, sea and land platforms.

The MGEO Sector carries out the supply/management of the sub-materials required for the maintenance and sustainment of the product throughout its life cycle and relevant integrated logistics support activities and continues to work effectively after sales as well. The vision of the MGEO Sector, which reflects the competence of ASELSAN, a pioneer in the Turkish defense industry sector, to produce the best in its field, is to support sustainable development, to be a pioneer and leading technology producer and to carry ASELSAN's position in global competition to the top with trust-oriented success.

Avionic System Technologies

- The goal is to produce national solutions with high added value for civil avionics by utilizing ASELSAN's existing avionics system development capabilities and infrastructures in the military field. A contract was signed for the integration of the next-generation avionics suite into aircraft, which is being carried out with ASELSAN's own resources. In this scope, the preliminary design phase was completed, and joint software development activities were started with the platform manufacturer.



- As part of the display unit nationalization activities carried out with ASELSAN's own resources, the RDM-44 and RDM-45 LCD display units of 6.5-inch size were nationalized. These domestically and nationally developed display units are being used in various helicopter programs.

- As part of the display unit nationalization activities carried out with ASELSAN's own resources, the nationalization activities of the 9.7-inch RDM-68M ruggedized LCD Display Unit were completed.
- The first deliveries of the T625 GOKBEY Helicopter, Türkiye's first domestic and national helicopter equipped with ASELSAN's critical avionics systems and payloads, and whose flight management software was developed by ASELSAN, were realized by TAI.
- An order was signed for the GOKBEY Helicopter Avionics Equipment Requirement, and serial production is ongoing.



A contract was signed for the integration of the next-generation avionics suite into aircraft, which is being carried out with ASELSAN's own resources.

- The development and qualification activities of the ATRAS Traffic and Collision Avoidance System, developed for civil and military aircraft, were completed, and the first delivery was made for use in the GOKBEY Helicopter.



- The first delivery of the FLCON 400 Flight Control Computer developed to provide autopilot capability to rotary wing aircraft was realized for the GOKBEY Helicopter.

- The qualification activities of the ANS 610-L Land Navigation System, which includes the Navigation Level Inertial Measurement Unit and Multi GNSS Satellite Receiver, were completed, firing tests were successfully conducted on land and air defense platforms, and the first deliveries were made.



- Activities continued for the development of Avionics, Communication, Radar, Electro-Optic, Electronic Warfare, Navigation and Guidance systems within the scope of the payloads of our KAAN National Fighter Aircraft, which is the most important and critical project to our country's full independence.



- ASELSAN activities for the development of Digital Engine Control System to Türkiye's nationally developed Turboshift engine have been continued.
- The manufacturing of Flight and Mission Management Systems, Display Systems and Navigation Systems to be integrated into the HÜRKUŞ-II platform continued.
- The HÜRKUŞ-II aircraft, in which ASELSAN Avionic Equipment and software were used, successfully performed its first flight.



- Manufacturing of the Flight, Mission and Navigation Systems of the HÜRJET platform continued.
- As part of the KAAN Program, the prototype production of the TULGAR next-generation helmet mounted display system, developed to provide pilots with superior visibility and increase their situational awareness by reducing pilot work load, was completed.





- The first integration of the Aircraft Tracking and Communication System (HeliTR) into new helicopter types was realized.
- As part of the project carried out for the modernization of fighter aircraft of a friendly country, the development activities of the ACORE 500 mission computer responsible for the management of avionics and weapon systems on the platform were completed.



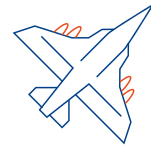
- Serial production deliveries continued within the scope of the modernization of our fighter aircraft with national avionic systems and the integration of national ammunition.
- The ARVEN RNE reached the flight qualification level, and the ARVEN RNE 420 successfully completed its first flight in May 2024. First deliveries were made in three different configurations: ARVEN RNE 420 (TACAN/DME), ARVEN RNE 430 (VOR/ILS) and ARVEN RNE 440 (VOR/ILS/TACAN).



- KILAVUZ 31, National and Indigenous Tactical Level Inertial Measurement Unit development activities were completed, its integration into ammunition was realized, and firing tests were successfully completed.



- The integration of the KILAVUZ 20 Inertial Measurement Unit into ammunition and its firing tests were successfully completed.
- Work on the modernization of training aircraft for a country in the Pacific region continues under the main coordination of the MGEO Sector.
- A contract was signed with an air platform manufacturer in the Middle East region for the development and procurement of Avionic System/ Software.
- As part of export activities, inertial navigation system deliveries were made to different countries in South Asia, Africa and Europe.



Serial production deliveries continued within the scope of the modernization of our fighter aircraft with national avionic systems and the integration of national ammunition.

Electro-Optical System Technologies

Marine EO Systems

Acceptance tests of the new configuration of the AHTAPOT 100 System with HD Thermal Camera were successfully completed. The delivery contract for the AHTAPOT 100 System to a country in the Middle East was signed.



The development of the ORFOZ 120 Coastal Surveillance System, which includes distance measurement capability, is ongoing in addition to the ORFOZ 100.

ORFOZ 120



ORFOZ 100



A new sales contract was signed for the MARTI 200-N Reconnaissance and Surveillance System, which was produced and exported in large numbers to date, within the scope of the needs of a country in the Asia Pacific region.

MARTI 200



MARTI 220-N



Land EO Systems

Within the scope of DRAGONEYE, an integrated electro-optical sensor system, serial production activities continued for deliveries to both domestic and foreign customers. Development activities for the DRAGONEYE 2 system, which includes a SWIR sensor in addition to the existing sensors, were completed, the first deliveries of the system were realized and it was taken into inventory. Deliveries of DRAGONEYE and DRAGONEYE 2 systems, which totaled more than 1400 units by the end of 2024, will continue to increase in the coming period as well.

DRAGONEYE Systems



Over 100 units of the SAGER 300 Missile Sight device were delivered for the use of a foreign customer. Serial production activities continued for deliveries to both domestic and foreign customers. Following successful demonstration activities in 2024, contracts were signed for the SAGER 100 device to be used by foreign customers. International deliveries are expected to increase in the coming years.

SAGER 300



SAGER 100



Domestic and international deliveries of the ATS series thermal camera family, which offers a similar and common solution to various needs in the field, continued in 2024 as well. The 4000th camera was delivered in 2024, and high-volume deliveries are expected to continue in 2025.

ATS72**ATS65**

The delivery of KARTALGÖZÜ 100 for domestic and international tank modernization projects continued successfully.

KARTALGÖZÜ 100

Aerospace EO Systems

CATS, the Electro-Optical Reconnaissance, Surveillance and Targeting System of the national UAVs, which remain highly relevant on the global stage and have a game-changing impact, continues to be actively used in the field and has successfully completed the target detection, tracking and designation tasks for more than 7,500 ammunition firings.

The ASEFLIR 500 Electro-Optical Reconnaissance, Surveillance and Targeting System, which was launched as the world's most advanced system in its class, with contracts signed with 16 countries and numerous orders placed, was transferred to serial production, and product deliveries started in 2024. For the system considered to have a high export potential, domestic and international platform integration and business development activities are ongoing.

ASELFIR 500**ASELFIR 410**

The integration of the ASEFLIR 410 Electro-Optical Targeting System into armored land vehicles and attack helicopters was completed, and serial production continued in 2024.

The ASEFLIR 600 system, which was designed for the long-range target tracking and designation needs of our air platforms flying at long ranges and very high altitudes, completed important stages in its development activities and entered the prototype production phase.



For the ASEFLIR 500 Electro-Optical Reconnaissance, Surveillance and Targeting System, contracts were signed with 16 countries, and many orders were placed.

Serial production deliveries for the ASELPOD Targeting System were completed in 2024. **ASELPOD successfully operates in 6 countries.** In addition, negotiations were carried out for the integration of ASELPOD into different domestic and international platforms.

ASELFIR 600



ASELPOD



The prototype production phase of TOYGUN, the Electro-Optical Sensor and Targeting System, and KARAT, the Infrared Search and Track System, developed for low-visibility high-speed air platforms, started.

TOYGUN



KARAT



EO Self Protection Systems

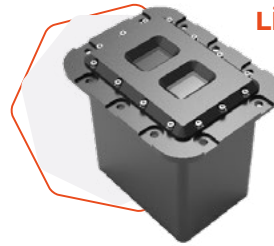
Production and deliveries of the UV Missile Warning System, which is in serial production, have continued. The system was integrated into various air platforms and successfully delivered to customers.



IRIS 100 UV Missile Warning System

The integration of the LIAS 100-N system, designed specifically for naval platforms, into new platforms continues. The deliveries of the LIAS 400 system, specially designed for land platforms, were successfully completed.

LIAS Family



Laser Systems

Deliveries of the CETVEL 100 laser range finder, which incorporates the CETVEL M101, designed using the most advanced technologies in the Laser Range Finder family, continued in 2024.

CETVEL 100



Within the scope of ENGEREK Laser Target Designator sales, deliveries were completed as per the contracts signed with customers in the Far East and Asia regions, and contract and business development activities were continued in response to requests from domestic and foreign customers.

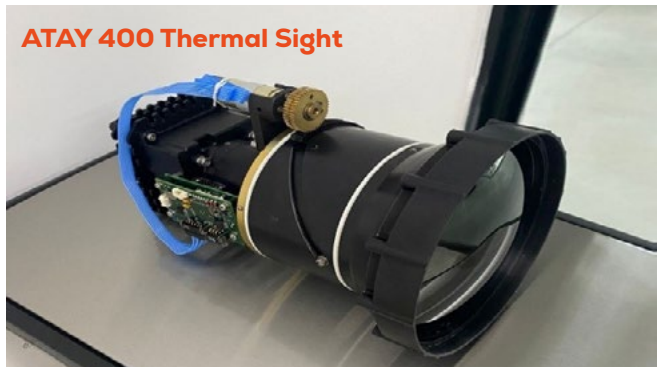


Portable EO Systems

The new products developed within the Thermal Weapon Sight family are the TİMSAH T3100C, a thermal weapon sight specially designed for snipers, and the TİMSAH TM100, a next-generation thermal monocular. The deliveries of both devices were completed in 2024.



The first prototypes of the ATAY 400 Thermal Sight Module, designed to be integrated into the Anti Tank Missile System, were delivered as part of system verification activities. In the first quarter of 2025, this system will be delivered for the first time.



High-volume deliveries of NOVA night vision sights and binoculars were successfully completed in 2024.

NOVA A100 Monocular Night Vision



High-volume deliveries of VEGA Day Sights were realized.

VEGA A941 and A931 Day Sights



A new contract was signed for the aforementioned devices in 2024. Deliveries of the newly signed contract will be completed in 2025

VEGA A940 Day Sights and VEGA ARN12 Reflex Sights



VEGA KND252 and KND312 sniper rifle scopes were exported to Asia Pacific and African countries.

VEGA KND312 and VEGA KND525 Sniper Rifle Scopes



Guidance and Seeker System Technologies

- SADAK 4T, a domestically and nationally designed and produced smart quad rack, has been verified through firing tests that provides simultaneous engagement against multiple targets in a single sortie by quadrupling the number of TOLUN ammunitions carried on the aircraft.
- As a result of the integration of an imaging infrared seeker and the data link that provides bidirectional communication to the TOLUN ammunition, the user has gained the ability to lock on to the target, update the target and select the point of impact through the image provided to the operator in the terminal phase of the firing. This feature was verified with a successful firing test from an unmanned aerial vehicle.



- The Inertial Measurement Unit (KILAVUZ 31) and the GNSS receiver (AselGPS), which are critical sub-components of the TOLUN ammunition, were localized and integrated into TOLUN and verified by hitting the target with full accuracy in a firing test from a fighter aircraft.
- In order to successfully fulfill its mission in a GNSS jamming environment, an Anti-Jam antenna was integrated into the TOLUN ammunition and verified with a firing test in a jamming environment.
- The TOLUN ammunition was integrated with a locally developed Hybrid Motor Propulsion System in order to enable the TOLUN ammunition to be fired from the surface, and the safe separation function was verified with a firing test.

- GÖZDE, which is a precision guidance kit with a laser seeker that converts 500 lb. MK-82 free-fall bombs into highly reliable air-ground smart ammunitions, has been enhanced with the capability to hit high-speed moving targets.



- Deliveries of TOLUN ammunition continued, which has a penetrating warhead that offers an effective and reliable solution, fulfill diverse operational requirements including the precise engagement of strategic enemy targets located with in urban areas, owing to its low collateral damage and high accuracy.



- The first export sale of LGK 83, a laser guidance kit that converts 1000 lb class general purpose bombs into cost-effective and highly reliable smart ammunition, was successfully completed.
- The first export sale of HGK-82 a precision guidance kit that converts 500 lb class general purpose bombs into highly reliable smart ammunition, was successfully completed.
- The first export sale of GÖZDE Guidance Kit, a precision guidance kit with laser seeker head that converts 500 lb class general purpose bombs into highly reliable smart ammunition, was successfully completed.

- For the first time in Türkiye, 4 TOLUN ammunitions carried on the SADAK 4T, a smart quad rack, hit 4 distinct targets simultaneously with full accuracy in a 4-round firing test from a fighter aircraft.



- For the first time in Türkiye, the TOLUN IIR ammunition, which was integrated with the KİLİT 23T Infrared Seeker Head to provide man-in-the-loop capability, hit a fixed target from an unmanned aerial vehicle with full accuracy.



- The Laser Guidance Kit (LGK 82), which was successfully integrated into the QFAB-250 LG general purpose bombs, was dropped from a fighter aircraft and successfully hit the target in firing tests conducted abroad.

- The HİSAR O IIR missile, which is integrated with the KİLİT 32H Infrared Seeker Head developed for low and medium altitude surface-to-air air defence missiles, was updated with domestic sub-components and successfully fired after qualification.



- Serial production activities of Winged Guidance Kits, Laser Guidance Kits and Precision Guidance Kits continued.
- Serial production activities of KİLİT 13K, the infrared seeker head of the KARAOK missile, are ongoing.



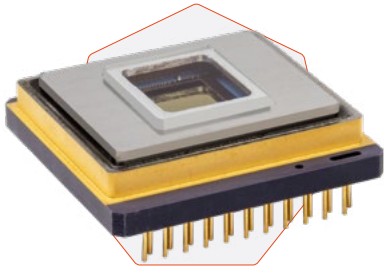
- Export contracts were signed with Asian and African countries for TOLUN, SADAK 4T and guidance kits.



Microelectronic System Technologies

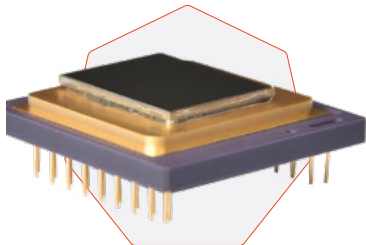
● LEOP 640x512 15 μ /SW

Serial production activities were carried out for our first detector, whose chip technology was designed with national facilities and which detects in the short wavelength infrared band. Following serial production, our detectors were integrated into our national electro-optical system, DRAGONEYE 2. The chips that have begun to be utilized in the field are an essential measure of ASELSAN's technological development and level, and our country is now one of the ten countries with this technology.



● CANIS 640x480 17 μ /LW

Our uncooled national detector was integrated into the Close Range Surveillance System YAMGÖZ 200 and delivered. Thus, ASELSAN microbolometer detectors were used in the field for the first time.



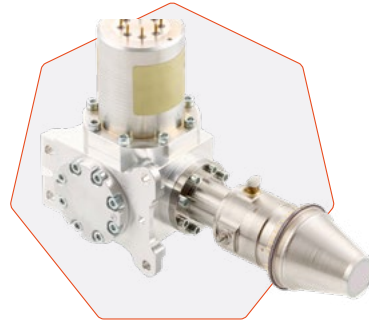
● FELIS 384x288 15 μ /MW JT

The design process of the cooled infrared detector sets, the most critical component of the infrared seeker heads used in our national missiles, has been successfully completed, and serial production will start in 2025.



● TIGRIS 640x512 15 μ /MW

Serial production of cooled national infrared detector sets developed for reconnaissance and surveillance systems will start in 2025.



● CZT (Cadmium Zinc Telluride) Taban

The epitaxial growth-ready CZT crystal base material was delivered to a customer in the Asia-Pacific region, **being the first export** for the microelectronic systems field of activity.



Testing and Verification Activities

In line with the goal of producing domestic and national solutions with high added value for export to the civil avionics market, efforts were made for the approval of the design and production organization by the European Civil Aviation Authority (EASA) and the Directorate General of Civil Aviation (DGCA). The Design Organization Handbook, which comprehensively describes ASELSAN's design organization and its processes such as design and development, compliance demonstration, independent monitoring and continuous airworthiness, was reviewed by EASA, and the third stage of the approval process was approved.

Within the ASELSAN Civil Avionics Suite Project, the 2nd Check Point (CP2) of the Design Organization Approval was closed as part of the DOA (Design Organization Approval), ETSO and POA (Production Organization Approval) applications made to EASA (European Union Aviation Safety Agency). Work is ongoing to complete the guidelines and forms referenced in the Design Organization Handbook.

Quality Activities

AS 9100 "Quality Management System Requirements for Aviation, Space and Defence Organizations" Recertification Audit was conducted by "Bureau Veritas" Audit Team, and the audit was successfully completed.

AQAP-2110 "NATO Quality Assurance Requirements for Design, Development and Production", AQAP-2310 "NATO Quality Assurance System Requirements for Aviation, Space and Defence Suppliers" and AQAP-2210 "NATO Supplementary Software Quality Assurance Requirements to AQAP 2110 or AQAP 2310" recertification audits were successfully completed, and AQAP conformity certificates were renewed for 3 years.

MGEO Sector continuously improves and develops its Quality Management System in line with the requirements of AS9100 and AQAP standards.



Production Activities

ASELFLIR 410 and ASELFLIR 500 electro-optical reconnaissance, targeting and surveillance systems were transferred to serial production and put into service for various users in Türkiye and abroad in 2024. Our efforts to increase the capacity of the production line in parallel with the increasing appreciation and demand for the systems are ongoing.

A significant capacity increase was achieved through the electro-optical production facility, which was realized with an investment of USD 40 million for growth targets for 2025 and beyond. In the facility, which was commissioned in order to respond to the increasing demand, electro-optical systems developed, especially the ASELFLIR Family, TOYGUN and KARAT, will be produced.

The production activities of the DRAGONEYE 2 Electro-Optical System, the new version of the Dragoneye system, which enables the detection of target coordinates with high precision and the transmission of this coordinate information to friendly assets through various communication tools and which has imaging capability in the SWIR band, were carried out.

The 4,000th ATS device was successfully produced in our electro-optical system production line and offered for customer use.

Production activities of ten separate avionic devices continued in our new display systems production lines, which were commissioned as of February 2024.

With the new environmental condition test infrastructures, the production and testing capacities of navigation systems, avionic mission computers, avionic imaging systems and other avionic devices were significantly increased.

In order to increase the production capacities of our guidance and seeker head systems, infrastructure setup activities are ongoing. In this scope, the production lines of TOLUN and LGK guidance kits, which are in high demand at home and abroad, were increased, and preparations were made for the KGK guidance kit production line infrastructure.



Integrated Logistics Support (ILS) Activities

A total of 16 maintenance and repair contracts were signed with 12 domestic and four international customers. Currently, negotiations are ongoing with 11 domestic and two international customers to sign maintenance and repair contracts in 2025.

For national/international factory level maintenance and repair activities, efforts are ongoing to increase capability and broaden the supported device portfolio, as well as expand field activities and field repair offices.

Integrated Logistics Support (ILS) activities were started at the workshops established in Eskişehir and at ASELSAN Malatya Technology Base. Intermediate level maintenance and repair activities are being carried out in these workshops, aiming to increase customer satisfaction by shortening repair times. In addition to the existing national/international centers, activities to open new Maintenance and Repair workshops and to increase digitalization and efficiency continue in two more centers.



Radar and Electronic Warfare Systems Sector

Within the Radar and Electronic Warfare Systems (REHIS) Sector, design, development and production activities for the Radar and Electronic Warfare (EW) requirements of domestic and foreign users, especially the Turkish Armed Forces, are carried out.

Achieving superiority and being deterrent in today's battlefields is only possible with strong armed forces that has the best Radar and EW Systems in its class. Three important competencies of the REHIS Sector, vast engineering experience, mastery of game-changing technologies and integrated approach to Radar and EW solutions, stand out in its ability to offer solutions beyond the capabilities of peer systems.

These three pillars, in which ASELSAN excels, enable the development of more effective, flexible, and resilient defense systems.

By treating Radar and EW as integrated domains, ASELSAN produces advanced algorithms that feed on each other, provides its systems with advanced capabilities and enables gaining real-time situational awareness in times of war and peace.

The joint development of Radar and EW technologies significantly increases the effectiveness of modern defense systems and provides a strategic advantage in the military field.



Radar Technologies

For 35 years, ASELSAN has been developing Radar Technologies, providing effective products across a broad target spectrum, from hypersonic targets to mini/micro UAVs. ASELSAN has the capability and infrastructure across all levels from chip/microwave units to system level in designing, developing, manufacturing, integrating, testing and field using of products, GaN power amplifiers, microwave modules and advanced materials in various antenna technologies, including AESA architecture.

Surveillance Radars

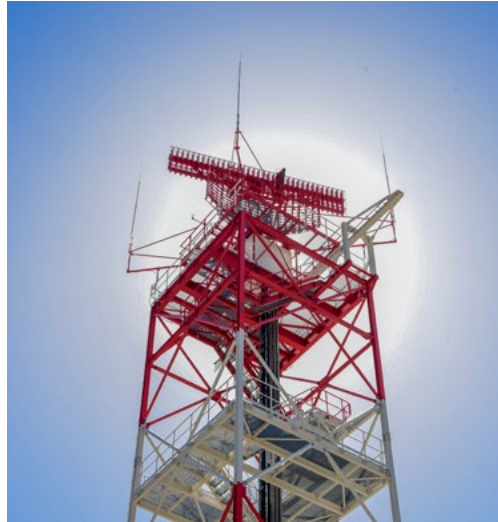
The design of our multifunctional AURA 200-G AESA UAV Detection Radar was completed, and field tests and performance optimization studies were initiated.



The delivery and field installation activities of our AURA 100-G UAV Detection Radars and ACAR 400-G Land Surveillance Radars, which focus on land targets, continued. With over 800 units delivered, our AURA 100-G and ACAR 400-G radars joined the ranks of our most widely used systems in various geographies around the world.



The installation in new locations and commissioning of the HTRS 100 Air Traffic Control Radar, which is of critical importance for the Turkish Air Force and used for the management of air traffic, continued rapidly.



SERDAR 100-Co Coastal Surveillance Radar continued to be the center of attention in Türkiye and abroad. With more than 20 deliveries, the SERDAR 100-Co radar is expected to be offered to the use of various countries in the future.



SERDAR 100-Co Radar is the first choice for maritime traffic management in Türkiye.

Naval Radars

The CENK 400-N 4D Naval Surveillance Radar, AKREP 300-N Dual Band Naval Fire Control Radar, AKREP 100-NI CW Illumination Radar and ALPER 200-N Pulsed LPI Radar were introduced into the inventory of the Turkish Navy with TCG Istanbul frigate.



Our radars, which have proven their performance on our national naval platforms, have attracted great interest abroad and become the flagship of our radar activity areas by entering the inventories of many navies.

The first export delivery of the CENK 200-N 4D Maritime Search Radar was completed. The first export contracts were signed for the AKREP 300-N, CENK 200-N, CENK 350-N, CENK 400-N and CENK 700-N SSR systems.



Weapon Locating Radars

Our STR 100-G Muzzle Velocity Measurement Radars were delivered, and our systems continued to be used in the real operational field without slowing down.

Deliveries of our STR 400-G Mortar Detection Radar to the Turkish Armed Forces were completed. Numerous demo activities for the STR 400-G and STR 700-G Weapon Locating Radars were successfully carried out at home and abroad.



The performance tests of the YENER 100-G Mine Detection System continued under all scenarios determined by the Turkish Armed Forces, confirming again that the system has a performance far beyond the requirements.



A project was initiated to develop the STR 800-G Trajectory Tracking Radar as a domestic and national solution.

Early Warning Radars

The Transportable Early Warning Radar System ALP 300-G has entered the inventory of Turkish Air Force and has been operational. ALP 100-G Multifunction AESA Air Surveillance Radar System has also entered the inventory.

Serial production is in place for both ALP 100-G and ALP 300-G. Development and production activities for the ALP 500-G Stationary Early Warning Radar System are continued in accordance with the contract.



The first exports of early warning radars have been realized, multiple other contract negotiations are in progress.

Air Defense Radars

ASELSAN has continued to expand the KALKAN family, the great power of the Turkish Armed Forces in air defense, with new members. The KALKAN 400-G Air Defense Radar is introduced, and entered in the Turkish Armed Forces inventory.

AKREP 1000-G Multifunctional Fire Control Radar successfully completed the acceptance phases within the first SIPER Long Range Air Defense System.

Thanks to AKREP 1000-G, the top layer of the CELIKKUBBE will be able to engage multiple aerial targets with high precision over long distances.



Live firing tests and serial production activities of KALKAN 100-G and KALKAN 200-G Mobile Search Radars, AKREP 100-G Fire Control Radar and KALKAN 400-G radar continued.

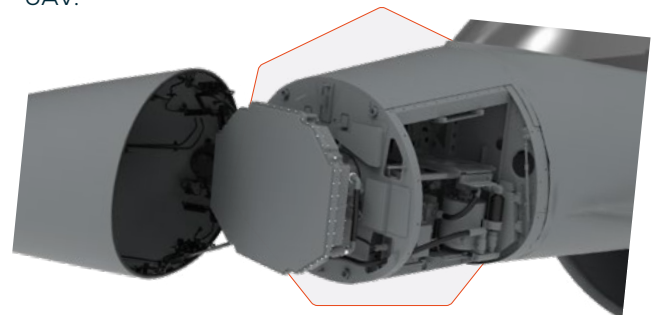
Airborne/Satellite Radars

The integration of the MURAD 100-A AESA Fire Control Radar into the F-16 OZGUR aircraft was completed, and flight tests were conducted. The capabilities provided by our radar have a game-changing role in terms of increasing the operational capabilities of our fighter aircraft. Our MURAD 100-A AESA Aircraft Nose Radar met with the skies on our OZGUR Aircraft.

Integration of the MURAD 100-A Radar into the BAYRAKTAR AKINCI UCAV was initiated. Additional production activities of the MURAD 100-A Radar, developed with domestic and national resources, for both existing platforms and different platforms are ongoing.

The development activities of other members of the MURAD Radar family are also continuing rapidly, and our radar systems for the BAYRAKTAR KIZILELMA UCAV and TUSAS KAAN National Fighter Aircraft platforms are planned to be put into use in the coming years.

Test flights of the FULMAR 200-A SAR Pod System, which has an AESA antenna architecture and low power consumption, were carried out with BAYRAKTAR TB2 UAV.



RF Seekers

The RF Seekers required for our national missiles are being produced at full capacity.

During the year, RF Seekers mounted on our missiles launched from land, sea and air platforms successfully completed all assigned missions. Launched in early 2024, the RF Seekers serial production line with scalable capacity started to operate at full performance.



Electronic Warfare System Technologies

Over 40 years of experience in developing EW Systems, ASELSAN possesses the expertise and advanced infrastructure to meet all requirements in the EW field. This includes system design, hardware/software design, algorithm development, system integration, production, verification and validation, platform integration and after-sales support. As an EW Systems expert, ASELSAN offers solutions aligned with the operational needs of its users.

Radar ES Systems

The land-based ARES 2-L 100 Electronic Support System (ES) was designed, and factory acceptance tests were successfully completed in 2024. Deliveries of the VURAL Radar ES Systems continued throughout 2024.

The integration of the ANTIDOT 2-U/S 100 Electronic Support Pod into the TB2 aerial vehicle was completed and system performance demonstrations were successfully conducted for several countries.



Harbor acceptance tests of the ARES 2-SC 100 Submarine ES System were completed. The sea acceptance tests of the ARES 2-N 110 ES System for Naval Platforms, exported to a South Asian country, were also completed. Export contracts were signed with Asia Pacific countries for the KARTACA-N 100 Countermeasure Launcher System, ARES 2-NCD 100 Next-Generation ES System and ARES 2-NC 100 Compact ES System for Naval Platforms.

Radar EA Systems

In 2024, deliveries of the VURAL Radar EA Systems continued.

Demonstration activities were conducted for the ARES 2-NC/L 100 Compact ES System and AREAS 2-NC/L 100 Compact EA System integrated onto the MARLIN S-IDA platform.



Communication ES Systems

Deliveries of the PUHU product family, the Next-Generation Portable Direction Finding and Spectrum Monitoring System, commenced.

The first deliveries of the PUHU 3-LT Mobile ES System were completed. PUHU 3-LT provides critical advantages in the tactical field with its artificial intelligence and automated solutions, broad frequency coverage, signal analysis capabilities, remote/external command, automatic installation and architecture suitable for the network-centric warfare concept.

Deliveries of the Portable Communication ES System PUHU 3-LCT/L T and Platform Communication ES System PUHU 3-LCT T were realized. Both domestic and international deliveries of the PUHU 200 Portable Electronic Support System were completed. Numerous demo activities were successfully carried out at home and abroad for our PUHU 3-LT, PUHU 4-LCT and PUHU 200 systems.



PUHU 3-LT



PUHU 100 Direction Finding and Spectrum Monitoring System was delivered to a country in the Central Asia region.

As part of Radar Cross Section (RCS) reduction efforts for our UCAVs, Radar Absorbing Paint was applied. By using platform-specific antennas and systems with reduced RCS, we continued to enhance the low observability of the UCAV platforms.

Communication EA Systems

The modernization activities of the Mobile V/UHF EA System ILGAR 330-LT were carried out, and deliveries were completed.

The Multi-Purpose H/V/UHF Jamming System GERGEDAN 500-LCT were delivered.

The first deliveries of ANTIDOT 3-U 100 Electronic Warfare Pod were made.

The Jamming System GERGEDAN 400-U, integrated onto a UAV Platform for the first time, was delivered.

Numerous successful demonstration activities were conducted domestically and internationally for ILGAR 3-LT, Portable H/V/UHF Jamming System GERGEDAN 300-LCT and GERGEDAN 500-LCT systems.

GERGEDAN 701, the Platform Based Jamming System, was delivered abroad.



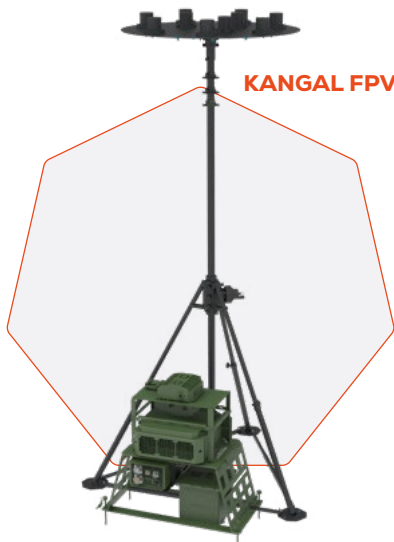
Countering Unmanned Aerial Systems (C-UAS)

Production and first demonstration of the BUKALEMUN 100 System, developed for spoofing of UAVs, were completed. Field tests of the EJDERHA/AD 200 Integrated UAV Detection and Interception System were successfully completed.



In addition to the deliveries of KANGAL/ADL 100 UAV Interception System and MİRKET UAV Detection System to the Central Asia region, modernization activities were carried out under the contract for the KANGAL/AD/LR UAV Interception System and PUHU Portable Communication ES System.

A contract was signed with a country in the Asia Pacific Region for the Vehicle Integrated KANGAL/AD/LR 100 Jamming System. Production activities continued for the KANGAL FPV Jamming System, designed to counter FPV threats in addition to the currently used UAV threats.



Countering Improvised Explosive Devices (C-IED)



The IED Detection System (Gamma Detector), designed to detect explosives buried underground, was developed in 2024.

Production of the Integrated IED Detection and Interception System EJDERHA was completed.

Capability enhancement activities of the KANGAL/LR IED Interception Systems, previously delivered to the Central Asia region, were carried out. Integration of the systems into vehicles together with MİRKET continues.

Production and testing activities of the KANGAL Vehicle Integrated RF Jamming System, which will be delivered to a South American country, were completed. Deliveries of KANGAL integrated into Tactical Wheeled Armored Vehicles were completed in 2024. New delivery demands for 2025 have been accepted.

Active Protection Systems



Development activities continued for PULAT 20 system, integrable into Main Battle Tanks, and the AKKOR KAMA Active Protection Systems developed for light armored vehicles. Field tests for data collection were successfully completed in 2024.

Within the scope of the qualification of the AKKOR 10 Active Protection System, performance tests against anti-tank threat ammunitions were carried out with the procurement authority.

AKKOR 10 Systems integrated on the domestically produced ALTAY Tanks were included in the TAF inventory.

Integration efforts for the AKKOR 10 system on ALTAY and Leopard 2A4 tanks to be modernized continued. In addition, a contract was signed to install the system on a platform other than the Main Battle Tank for the first time.

EW Self Protection Systems

Integration of the Electronic Warfare Suite (ARIA-A 100, ARK-A 100, SMYB-A 100 and KARTACA-A 100) onto the Sikorsky S-70A-28JM helicopter was completed.



Production of the FEWS Self Protection System (ARIA-A 220 and ARK-A 300), developed to be integrated into F-16 platform, continued.

KARTACA-A 200 Next-Generation Countermeasure Dispensing System qualification activities were completed.

Special Mission Platforms EW Systems

Development activities were continued for the ES and EA Mission Systems for Airborne Stand-off Jammer Programs (ASOJ 2-U and ASOJ 34-U).



The factory acceptance tests of ASOJ 23-A Special Mission Aircraft Integrated EW Systems were continued, and those systems, whose tests were completed, were prepared to be integrated on board aircrafts.



For the Naval EW Suite consisting of ARES 2-N 210 Naval Radar ES System, AREAS 2-NC 100 Surface EA System, NEWS 100 Central Management System and KARTACA-N 100 Countermeasure Launcher System, sea acceptance tests were carried out for the domestic user, and harbor and sea acceptance tests were carried out for its delivery to a European country.

Testing and Verification Activities



In 2024, Functional, Environmental Conditions and EMC tests of **nearly 120** units were carried out. **More than 500** verification and serial production test infrastructures were designed, and **more than 800** test infrastructures were prototyped.

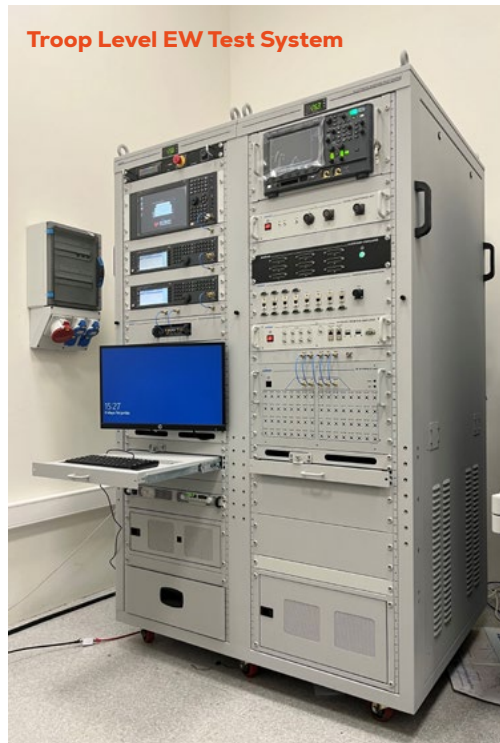
Hardware Test Design Activities



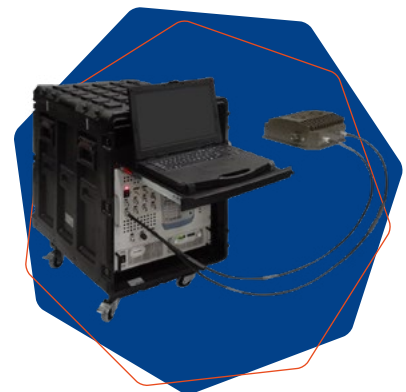
More than 8,000 test equipment were manufactured and delivered to the relevant user directorates.

Within the scope of providing unit level maintenance and repair capability to REHIS Radar ES Electronic Warfare Systems, an Automatic Test Equipment (EW ATE) was developed to support the unit level test and programming activities of 23 different LRUs.

Troop Level EW Test System



The RFJTS-P and RFJTS-T3 Portable Communication RF Jammer Test System were developed to support the field testing and programming of our REHIS communication electronic warfare solutions.



Software Test Design Activities

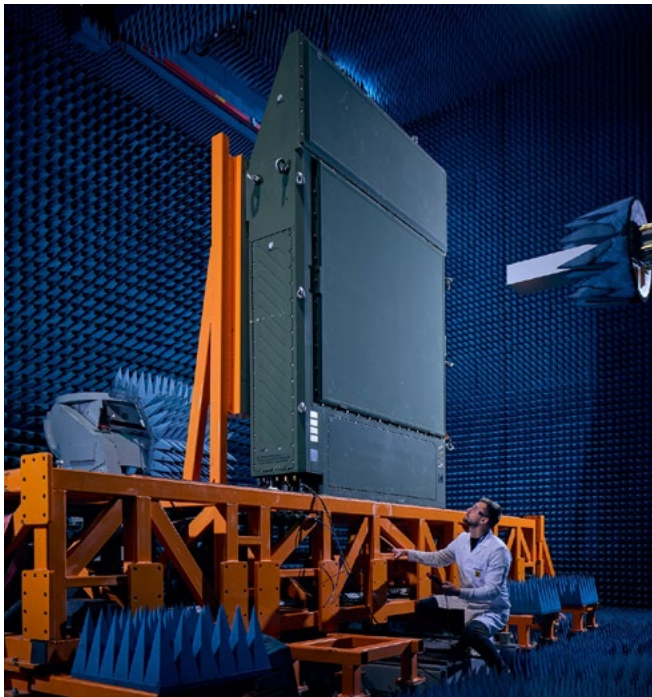
In 2024, more than 1.000 versions of over 200 Software Configuration Units (SCUs) were tested in 72 different projects, and integrated software tests of 31 subsystems of different projects were conducted.

For web-based software configuration units development of software test automation infrastructures were completed and automatic test execution, announcement of test results and coverage analysis methods were standardized as part of continuous integration (CI/CD) process.

System Test Design Activities



System integration and production test infrastructure development activities were carried out for radar and electronic warfare systems.



Test Laboratories Activities

During 2024, a total of 14,310 tests were carried out at the EMC Test Laboratory for more than 90 units within the scope of MIL-STD-461, DO-160, MIL-STD-704 and MIL-STD-1275 standards.

Within the scope of RS-103 Radiated Susceptibility test infrastructure development activities, the acceptance activities of domestically and nationally developed Phase-2 RF Power Amplifiers were completed.



313 design verification tests within the scope of environmental conditions test laboratory activities and post-production ESS (Environmental Stress Screening) tests of more than 20.000 products within the scope of more than 5.000 production work orders were carried out.

One Vibration Test System and two Temperature ESS test cabinets, which are among the infrastructures to be included in Serial Production Facility were completed and commissioned.



Test Infrastructures

A Mobile Test Vehicle was commissioned to enable design verification, field testing and customer acceptance activities of product and system solutions in a comfortable and controlled environment.



A Fixed Tower infrastructure was put into use at Gölbek test site for the measurement of the characteristics of Radar EW Antenna structures in open field and to be able to conduct system level tests of EW systems.



In Gölbek Test Site, in order to conduct the system integration and operational tests, field tests, demonstrations and customer acceptance activities in a controlled environment, an office building located at the Gölbek test site was built.

Within the scope of the Portable Radar Electronic Warfare Simulator work, the domestic development of the simulation infrastructure operating at the 0.5-18 GHz band was completed and commissioned.



Quality Activities



As part of ARES 2-A 100 product development activities, REHİS obtained the "Supplemental Type Certificate" (STC) which is the first STC for ASELSAN.

AQAP2110 (NATO Quality Assurance Requirements for Design Development and Production), AQAP2310 (NATO QMS Requirements for Aviation, Space and Defence Suppliers) certificates and within the scope of services provided by REHİS; ISO/IEC 20000-1:2018 (IT Service Management System) certificates were renewed.

The continuity of the certificates AS9100D (Quality Management System - Requirements for Aerospace and Defence Organizations) and TS EN ISO/IEC 17025:2017 for Environmental Conditions Tests and EMC Tests Laboratories were ensured.

Within the scope of planned and realized process improvements:

- Transition to the Digital Quality Management System was planned, and Processes were transferred to the Process Modeling tool.
- A cockpit application was implemented for process performance indicators.
- Reuse Market and Artificial Intelligence usage were defined in the processes.

- By adding the Product Information Document to the processes, easy accessibility to the technical specifications of the developed items and efficiency in design processes were ensured.
- Within the scope of production and inspection of Composite Materials necessary guidelines, checklists and instructions were prepared.
- Risk Management Process was updated for the compliance with ISO 31000 Risk Management Standard.

EASA Part 21 Audits and necessary follow-ups as part of DO-254 and DO-178 compliance were carried out. Project process implementation reports, project audits, risk management and joint review process measurements were automated, ensuring instant follow-up.

For the scope of common quality management activities of all Business Sectors in ASELSAN, "The Main Operational Document" was prepared. The Suppliers' company development and scorecard studies initiated by the coordination of the Deputy Directorate General of Supply Chain Management are ongoing. Participation for 12 working groups coordinated by the Secretariat of Defence Industries is ongoing.

Production Activities



Within the improvements made upon **958 Kaizens** in 2024, 10 man/year labor force and more than TRY 21 million of financial gain were achieved.

Production activities were carried out using internal and contract resources. Subcontractor development activities continued, and work was carried out to increase the competence of existing companies and to onboard new companies.

The process defining the principles, methods, flow and controls for the logistics activities of products to be shipped abroad was defined and put into operation, ensuring the fast and seamless execution of the export process.

Precision mechanical production infrastructure investments were made, and production capacity was increased. Investments were made to meet the increasing production needs of solderable thin film ceramics and ferrite microwave devices.

In order to meet the increasing demand, the Radar Integration Center was commissioned with an investment of USD 50 million. With this investment, which includes workshops for precision mechanical production, printed circuit board production and system integration activities, the serial production capacity of many products was increased.



With the standardization of test infrastructures used in microwave component production, 35 percent improvement was achieved in the production times of products.

As part of the digitalization of production processes, 12 new cockpit screens and 82 programs for data processing automation, data analysis and machine learning were created. In the field of artificial intelligence, the number of applications using machine learning was increased to six.

Within the scope of continuous development activities, a total of 14 Green and Black belt 6-Sigma projects and 1086 Kaizen studies were carried out in 2024. An investment of USD 15 million was realized to increase production capacity.

An assembly automation was designed for mass production of solderable circulators together with process development studies. A laser welding process for hermetic packaging of copper-mechanized microwave modules was developed.



Simultaneously with the hybrid plating method of mechanics consisting of a combination of aluminum and copper, a gold plating on electroless nickel process was developed, and a patent application was filed. Induction Brazing capability suitable for robotic automation was acquired.



Process development studies were carried out to enable high-precision automatic mounting in multi-chip package designs. The development studies of a domestic iCVD process and material for high-frequency applications were carried out in collaboration with one of our universities.

Within the automation activities, an automatic calibrated dosing device for mechanical building blocks, an automated visual inspection station and an automated electrical testing station, which are subcomponents of the radar antenna unit, were developed.

Within the scope of digitalization activities, live monitoring and analysis of production and critical process parameters are performed with data received via IoT. The module developed to enable analysis of the development and prototyping activities conducted during the design period was also put into use.

Integrated Logistics Support (ILS) Activities

Repairs started at ASELSAN Malatya Facility and preparatory work for the new Maintenance and Repair Center was completed.

A maintenance and repair team has been established within ASELSAN Cyprus.

General Order Contract (GSS) works were carried out with the General Directorate of Military Factories (AFGM) for out-of-warranty REHIS products, whose maintenance and repair obligation was under the responsibility of the Factory Directorates affiliated to AFGM.

The infrastructure software ForIPS, which enables the production of user technical publications in S1000D standard, has been put into use.

Participation was ensured in the working group established by TSSÖDYP (Turkish Defence Industry Life Cycle Management Platform) titled "Special Engineering RAM, Maintenance, Safety, Software, Testability Area Working Group (WG/4)".

Within the scope of the ELD Orientation Program, orientation training was provided to 66 ELD employees.



Transportation, Security, Energy, Automation and Healthcare Systems Sector

Within the Transportation, Security, Energy, Automation and Healthcare Systems (UGES) Sector, activities are carried out with the aim of transforming ASELSAN's advanced technology, know-how and qualified workforce it gained in the defense industry into advantages in the civil technology fields of our country and worldwide.

UGES Sector develops solutions that provide sustainable growth with industrial products that design the future and comply with global standards with advanced technology; it also carries out technology, hardware, software, product and system development, production, domestic and international sales and after-sales support activities in transportation, security, energy and healthcare industries. The Company aims to be a leading solution provider with innovative, environmentally friendly, energy-efficient systems and products in these fields.



Transportation and Energy System Technologies

Intelligent Transportation and Disaster Management Systems

aseiTOLL PLAZA Toll Collection System installation activities continued in a European country. aseiTOLL PLAZA was also installed in Türkiye to connect Bursa Technology Organized Industrial Zone to the Istanbul-Izmir Highway.

The Main Control Center and stations of the aseIFLOW HSWIM vehicle detection and high-speed weight measurement system were accepted in a foreign country.



The Company attended the InterTraffic and Rebuild Karabakh fairs, as well as the 4th International Intelligent Transportation Systems Summit, presented an article and a speech at the ITS (Intelligent Transportation Systems) World Congress.



aseiTOLL PLAZA was also installed in Türkiye to connect Bursa Technology Organized Industrial Zone to the Istanbul-Izmir Highway.

An agreement was reached with TÜRASAF for the purchase of URUK Train, a national remote monitoring system for electrical train sets. In this scope, the aim is to deliver software that enables the monitoring, analysis of the train data and AI-powered predictive maintenance, as well as the hardware to collect the data.

Deliveries were completed to Kastamonu, Sakarya and Kocaeli provinces for Phase 7 of the a-WARN İKAS National Warning and Alarm Siren System in collaboration with AFAD Presidency.



Rail Systems

Within the scope of the National Train Mass Production Project, in which aselRAIL CESUR EMU, aselRAIL Motor EMU, traction transformer, gearbox and aselRAIL TCMS products delivered in 2024 were used, **more than 500.000 km were traveled, and 584.000 passengers were transported with trains using ASELSAN's Traction System and Train Control and Management Systems.**

ASELSAN participated in InnoTrans 2024 to showcase its advancements and innovative solutions in Rail Systems.

A study on remote monitoring of the data generated by aselRAIL CESUR EMU in National Train sets and providing solutions with prognostic actions in case of issues that may prevent operation was presented at the International Telemetering Conference 2024 held in the USA.

Furthermore, ASELSAN took part in the ERTMS (European Rail Traffic Management System) Conference held in France and the RAILWAYS & STECH 2024 Conference held in the Czech Republic, reinforcing its presence in key industry events.



The contract for COBaLT ONBOARD ETCS (European Train Control System) system solution, which will enable the safe travel of 99 locomotives in the fleet in compliance with ERTMS (European Railway Traffic Management System), was signed with TCDD Taşımacılık.

The integration of the Platform Screen Door (PSD) System on the Gayrettepe-Istanbul Airport-Halkalı metro line, featuring the COBaLT CITYLINE solution, has been completed, at 10 stations currently in service.. The final five stations of the line are scheduled to be commissioned by the end of 2025, along with the transition to fully driverless operation across the entire line.

Additionally, the COBaLT CITYLINE solution will be implemented on the Gebze-Darica metro line, where static tests of the trains has been successfully performed. Assembly work were completed on the temporary test line covering two stations.

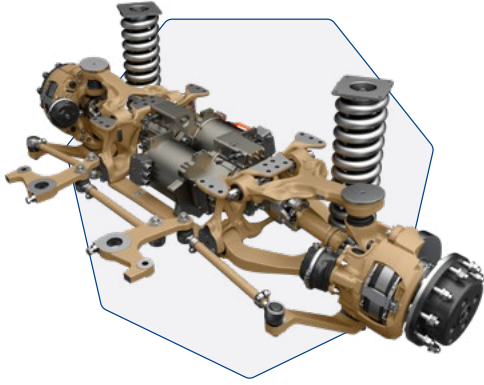


Electric/Hybrid Traction Systems

The development process started with the contract signed for the development of main drive systems for the needs of the Turkish Naval Forces Command.

The eTRAC CITY M1/M2 traction system was integrated and put into use for public transportation.

The eTRAC MIL WHEEL hybrid drive system developed for military vehicles was produced as a prototype and has reached the field test stage.



SCADA and Energy System Technologies

GridMENTOR (ASELSAN SCADA) and ARTU (ASELSAN Remote Terminal Unit) systems are used in remote monitoring and control of BOTAŞ Batman-Dörtüyoil Oil Pipeline. The contract has been renewed to increase the scope of work to cover the entire pipeline.

A new contract was signed with BOTAŞ for the renewal of the remote monitoring and control- system of Turkish natural gas transmission line. GridMENTOR Gas will be used in the project.

ASELSAN ARTU was sold to different customers, with the aim of increasing its usage across the natural gas and petroleum pipelines.

The development of a central inverter and storage inverter for solar power plants is ongoing.

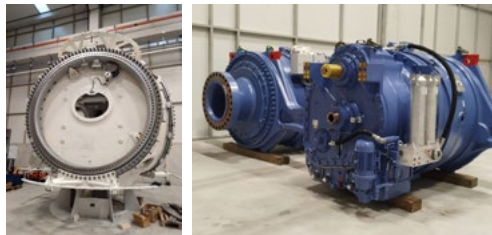
Following the design studies, development work will proceed with the prototype production phase.

Activities within the scope of the Alaçatı WPP (Wind Power Plant) Project signed with EÜAŞ have continued.





The first domestic delivery of the Portable Mobile Face Detection Camera KARAGÖZ, one of our ODAKAN FD Face Detection Cameras, was made.



Security System Technologies

Facility Security

The AI-Powered Image Processor SoC (System-on-Chip) Development Project for Smart Cameras, carried out under the Technology-Oriented Industry Move Program Digital Transformation Call of the Ministry of Industry and Technology, has been ongoing, and design activities for the prototype chip on which AI-based video analysis algorithms could operate continued.

The development work of the uncooled thermal camera, which will include the national SAFIR-640 uncooled thermal detector module, has been completed to a great extent, and verifications are expected to be finalized in 2025, after which the system will be deployed for field use.

New products have been added to the long-range DayTV and uncooled thermal ODAKAN UMA camera family with superior performance, long service life and AI-based video analysis capabilities, and field use will be widely expanded in 2025.



More than 100,000 ODAKAN cameras and more than 4,000 KAYIN video recorders have been put into use in the facilities of the Ministry of Youth and Sports. In this scope, ODAKAN FX Mini-Bullet and ODAKAN FX Mini-Dome products, which provide AI analytics with a cost-effective hardware solution, were developed for the first time and entered the inventory.

Thanks to the original video management software and video analysis algorithms developed by ASELSAN engineers, end-to-end security is ensured in ASELSAN security system solutions, and cybersecurity vulnerabilities caused by unknown software that may threaten national security are prevented. Efforts in this area were strengthened, and process updates were completed to increase the effectiveness of all solutions.

Within the scope of the contract signed with DHMİ, ARIN X-Ray Baggage Scanning Devices were delivered to 11 new airports, bringing the number of airports using the devices to 13. ARIN X-Ray Baggage Scanning Devices have started to be used at the embassies and consulates of the Turkish Ministry of Foreign Affairs in 10 countries.



The installation and integration work of the electronic and physical security systems of critical facilities in Türkiye was realized, and deliveries were completed in this context. Work was carried out for new requirements in various critical facilities both inside and outside the country.

Within the scope of surveillance systems, sales were made to a Central Asian country for the first time.

The first export of the Mobile Face Detection Camera KARAGÖZ was made to a country in Central Asia.

The first exports of the ODAKAN YAKA .Body-Worn Camera were made to North America and Central Asia.

Homeland and Border Security

Within the scope of Homeland and Border Security, BorderGuard Border Security Solution is being used on more than 1.500 km of national and international borders with the installations in 2024.

The first phase of the development of MIRSAD-AI software was completed with addition of artificial intelligence feature to MIRSAD Security Management software.



A System Effectiveness Analysis Laboratory (SEAL) was developed for the capabilities of conducting operator trainings for MIRSAD integrated joint security management software, carrying out control and performance tests of virtual sensors through MIRSAD, making coverage/effectiveness analysis of sensors without physical installation in the field, evaluating visibility analysis, detection distances and ranges of sensors and simulating virtual targets, threats and movement scenarios for these threats.

The design, qualification and serial production activities of aselZone SİSMİK-T product, which meets the early warning needs of mobile units which have limited equivalent products worldwide, were completed and made ready for use.

The OCİT Project for optical device detection was initiated with TÜBİTAK, and the production of the first prototypes was completed.

Modular security systems and security management centers were installed in base areas against terrorism.

The first delivery of the AVAZ-200 system, which provides directional acoustic broadcasting and voice message transmission over long distances, was made, and it was added to the inventory.

The first international delivery of the MÜGAS system developed by ASELSAN, which offers mobile surveillance capability to field units with surveillance systems on towed trailers, was made to an African country in 2024.

Border security solutions were developed by conducting field studies in some countries in the Middle East, Europe, Central Asia and Pacific regions.



Within the scope of line security, security solutions provided with advanced technology products such as MİDAS Fiber-optic Based Intrusion Detection System and ODAKAN Smart Cameras were started to be extended to thousands of kilometers of pipelines through critical manned and unmanned stations. Development work was initiated for MİDAS to detect intrusion in electricity transmission lines.

Within the scope of Pipeline Security, over 2000 km of Oil and Natural Gas Pipelines were secured until 2024. In addition, this distance is expected to increase to 4.000 km with the contract signed at the end of the same year.



Urban Security

The GEKO-300 4K Vehicle Recognition System, which is being expanded in the field as part of road security, offers a solution that can read license plates and recognize vehicles with high accuracy day/night with a single camera in two lanes. With fewer cameras and a built-in light sensor, maintenance and repair activities and energy consumption will be more efficient.

Development activities for the GEKO-411 Radar-Equipped Mobile Plate Recognition System are ongoing. With this product, Mobile Plate Recognition Systems in use in the field will be modernized to provide speed detection capability along with license plate recognition.

RoadGuard100, one of the few products that can simultaneously perform license plate recognition and in-vehicle face detection in flowing traffic, was developed and started to be used in the field.



In line with the needs of our security forces, the installations of imaging and license plate recognition system points were completed in many provinces, and the systems were commissioned.

Within the scope of Urban Security Solutions, new contracts were signed to expand the imaging/recording infrastructure established by ASELSAN, which provides 24/7 service throughout Türkiye. AI-supported smart cameras and smart query capabilities at the center continued to be expanded in the field.

Within the scope of Urban Security projects, more than 100,000 cameras are on duty 24/7 in 81 provinces and 922 districts, including installations for 2024. More than 10.000 AI-supported smart cameras were installed in 2024. In total, more than 100,000 cameras are on duty 24/7 in 81 provinces and 922 districts.

Under the management of the Secretariat of Defence Industries, the installation of monitoring points started as part of the project in the safe city concept, which was realized through a model applied for the first time for the needs of the Esenler Municipality, the Turkish National Police and the Ministry of National Education.

Thanks to the Urban Security Management Systems, an end-to-end secure system solution is offered with ASELSAN-designed smart cameras, recording systems and video management software. With AI technologies, the system enables 24/7 video analysis (such as person/vehicle recognition, facial recognition, density analysis), thereby enhancing the detection of criminal and terrorist activities, increasing deterrence against crime and providing concrete and reportable evidence related to incidents.

More than 20.000 ODAKAN YAKA body-worn cameras, which include AI-supported analysis, were delivered to our security forces and critical state institutions. In line with current needs, 2nd Generation ODAKAN YAKA Body-Worn Camera design activities have continued and will be put into use in 2025.

Urban security solutions have been created for the needs of some countries in the Middle East, Central Asia and Pacific regions, and activities are ongoing.



Healthcare System Technologies

Medical Imaging Systems

The design, testing, and verification of the HealthView ADR-M100 mobile X-ray device were completed, and the product was officially launched on March 14th, in celebration of Medicine Day. Throughout 2024, the HealthView ADR-M100 has been in use at Hacettepe University Hospital clinics, providing healthcare professionals with ease of use and enhanced efficiency through its unique design, easy portability, rapid image capture, and high-resolution imaging capabilities.



The first sale of HealthView ADR-M100 was made to a domestic customer.

HealthView ADR-M100 entered mass production in 2024.

HealthView ADR-M100, was showcased at the National Radiotechnology Congress and Medical Imaging Techniques Congress, received full marks from users.

In the short term, the goal is to support healthcare professionals in their decision-making processes by integrating AI-powered imaging analysis features into the Healthview ADR-M100. Looking ahead, the company aims to introduce pioneering technologies, including Mobile

C-ArmFluorocopy system in the medium term and Magnetic Particle Imaging (MPI) in the long term.



Life Support Systems

With the integration of the IoT module into our HEARTLINE OED (Automated External Defibrillator), our OED devices were enabled to be remotely monitored instantly.

Blood tests of our Heart Lung Machine (LIFELINE HLM) in the clinical environment were successfully carried out by our experts in the field.

The first deliveries of the HEARTLINE OED device were made to the USA and Gulf regions. To date, a total of 11.718 HEARTLINE OED devices have been delivered. The General Directorate of Occupational Health and Safety of the Ministry of Labor and Social Security became the first user of the HEARTLINE OED with IoT Module.

At the Cardiovascular Surgery Congress held this year, the first prototype of Lifeline HLM was exhibited and attracted great interest. Our Manual External Defibrillator device (HEARTLINE Pro) received IF Design and RedDot design awards. Also, our prototype device exhibited at the Emergency Medicine Congress held this year attracted great interest. HEARTLINE OED with IoT module was exhibited for the first time at the Emergency Medicine Congress.

In the Life Support Systems domain, the Company aims to create value with its HEARTLINE and LIFELINE product families developed in the fields of cardiology and cardiovascular surgery. HEARTLINE OED has contributed to bringing many people back to life so far. Development activities of HEARTLINE Pro and LIFELINE HLM for the use of healthcare professionals continue.

HEARTLINE OEDs have been exported to more than 15 countries, mainly in Europe. The export of the Biyovent brand ventilator device, the production of which started during the Covid period, continues.



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Testing and Verification Activities

Software test automation infrastructures have been established in alignment with DevOps infrastructures and Continuous Integration (CI)/Continuous Deployment (CD) processes and tools.

These infrastructures have been developed in differentiated forms as desktop-based, Web-based, Mobile/API-based and integrated into CI/CD processes to enable testing across various projects and products. By integrating LLM (Large Language Model) into the automatic reporting tools within the test automation infrastructures, and a foundation has been laid for an AI-supported model capable of providing solution suggestions for detected errors.

For the ODAKAN product family, which aims to meet high-volume mass production needs, mass production test infrastructures have been developed and commissioned on a flexible production line. As a result, production test duration has been improved by 80%.

To enhance test capabilities for products developed in civil domains, an EMC anechoic chamber investment was made as part of pre-compliance testing efforts prior to the certification process. Further investments in EMC software and test equipment are planned for the 2025–2030 period to strengthen pre-compliance testing capabilities.

The Software Test and Verification Engineering team has launched a generic simulator development initiative to support the various simulators required for test activities across different domains. This simulator is being developed in a generic and modular structure; its core infrastructure and interface have been coded, and interface adapters have started to be developed for the testing of the MIRSAD product family and for the tests of Software Configuration Units (SCUs) in railway signaling projects. The simulator has started to be used in the software testing activities of the related projects.

Within the COBaLT MAINLINE product family, the test infrastructures have been established to carry out design verification activities.

In line with the aselsaneXt vision, the needs and plans for environmental conditions, EMC and special test infrastructures and test areas that will support testing and verification activities have been defined.



Quality Activities

In order to manage the activities in the development stages of UGES products:

- A cybersecurity process was published,
- Safety critical software development process was defined.

The update of the Product Management Process was initiated from the perspective of Product and Technology Roadmaps.

Compliance with the ISO 9001 General Quality Management System standard was accomplished.

ISO/IEC 15504 SPICE surveillance audit was conducted.

In the field of rail transportation:

- Within the scope of our Quality Management System ISO/TS 22163:2023 standard, first surveillance prerequisite documents were shared with the audit company.
- EN 15085-2 Welding of Railway Vehicles and Components Competence Certificate was obtained.
- Stage 1.1 of the Metro Signalization System has been certified for the compliance of the Functional Safety Integrity Level (SIL) as a result of the audits conducted by the Independent Safety Audit Organization.

In the field of health systems:

- Mobile X-Ray Device ADR-M100 MDD certification was extended, and an agreement was made with the Notified Body for transition to the scope of the Medical Device Regulation (MDR).
- Application for CE certification of HEARTLINE OED defibrillator and LIFELINE HLM Heart Lung Pump was made within the scope of MDR.
- The processing of the IoT device into the CE certificate of the OED device was accomplished.
- ISO 13485:2016 Health Quality Management System external audit was successfully completed.

Within the scope of our Rail Transportation Quality Management System, compliance activities with the new version of the IRIS certification, the ISO 22163:2023 standard, was carried out.

Configuration audits, verification test results reviews, post-installation audit and control activities, dry-run activities before customer acceptance and acceptance tests for the UGES products and systems were carried out.

Coordination of work definition preparations, proposal evaluation and documentation activities for the work carried out with independent safety assessment and notified bodies in rail system development projects was ensured.

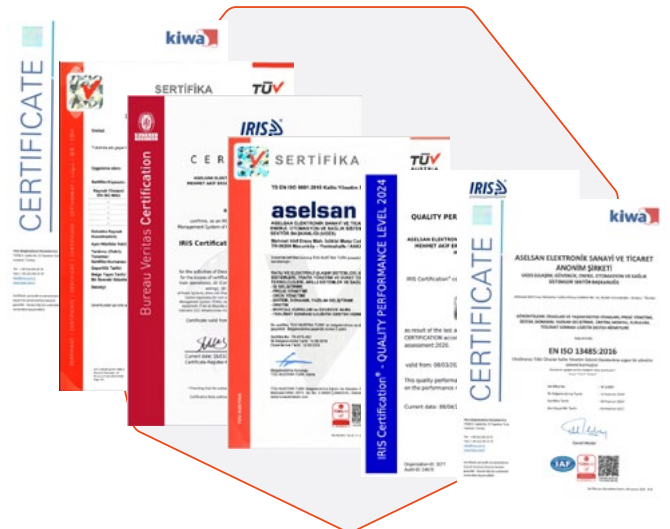
First Article Inspections (FAI) were carried out before serial production of new products by subcontractors.

Technical file preparation and post-market surveillance reporting trainings were provided.

UGES main operating document was prepared.

The Qualification Status Tracking Tool and PROSED (Project Process Effectiveness Evaluation) Tool, which were included in the Good Practices Portfolio, were developed.

The steps for operator control of the AS366 serial production line were specified, and audit processes were defined.



Production Activities

With the Digital Kanban study, material flow from the warehouse to production workshops was made efficient and traceable, resulting in an 85% improvement in costs.

With the analysis of sales projections, a sales forecast management platform was created and started to be used in effective cost studies for products.

Practical interviews were started for technician recruitment.

Method engineering practices started to be implemented with software support. Approximately 41% efficiency was achieved in production labor costs.

Mobile imaging device product cost was reduced by 20% through strategic product development and effective cost management efforts.

A traceable systematics was established within the scope of the Inventory Entry process.

By matching the production infrastructures with the business plans in SAP, a tracking systematics for infrastructure capacities was established.

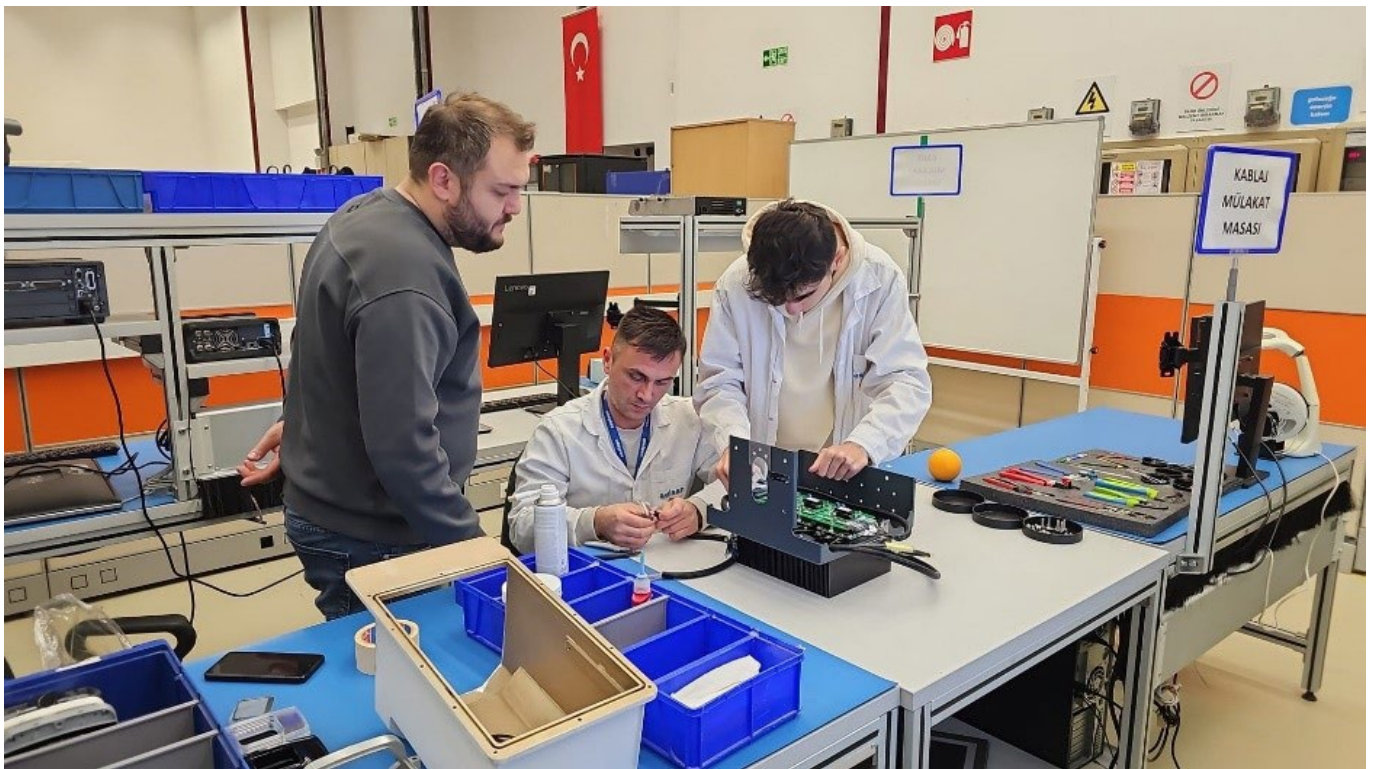
A Workshop Scheduling and Dashboard Platform was prepared for daily production tracking.

210 production documents were created in a user-friendly, easy-to-understand format.

Within the scope of customer satisfaction, factory acceptance test area was established. Acceptance, meeting, demonstration and test runs started to be carried out in the same area.

AS366 Digital Supported Flexible Production Line was commissioned. Integration with ERP-MES-Automation and database was achieved. It started to be offered alongside product sales as a whole solution for TOP. An average of 40% efficiency was achieved in labor costs.





AS366 Digitally Assisted Flexible Production Line



Integrated Logistics Support (ILS) Activities

As the Integrated Logistics Support Directorate, 24/7 field services were successfully continued in 2024 with experienced maintenance teams in the main fields of activity of the UGES Sector, and new maintenance contracts were signed in addition to the existing ones. In this scope:

- The first maintenance and repair contract was signed in the Performance Based Logistics (PBL) setup covering nine separate border security projects. Due to the critical nature and importance of the project, a dedicated field organization was established to intervene in system failures within the response times specified in the contract, ensuring zero tolerance for error.
- The first maintenance and repair contract was signed for the 24/7 maintenance and repair of Turkish Republic Northern Cyprus Urban Security Management Systems.
- Maintenance and repair contracts were signed with various customers for Toll Collection Systems.

In 2024, significant growth was achieved in ILS deliveries, increasing by 66% compared to 2023.

Export activities are intensively followed-up, and negotiations with countries with export potential are ongoing. The Company is actively working with the Maintenance and Repair Center organization in Central Asia. Efforts are ongoing to provide warehouse-level maintenance and repair competence to the ASELSAN Cyprus Country Directorate.

Repairs started at ASELSAN Malatya Technology Base, and preparatory work for the new Maintenance and Repair Center was completed.

An article titled "Mean Time Between Failures Analysis of Systems in Defense Industry" was completed and published in September 2024.

- Within the scope of ASELSAN 360 Degree Product Support/Service Management Project, activities were carried out to expand the use of Customer Relationship Management (CRM) application by foreign affiliates and customers.
- Phase II studies of the ILS Stock Optimization Application were carried out, and a new dynamic and flexible infrastructure was created in accordance with user needs.





2024 ANNUAL REPORT

Financial Information

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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.)

ASSETS	Note References	Audited	
		31 December 2024	31 December 2023
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
<i>From Related Parties</i>	5	12.644.260	13.060.339
<i>From Third Parties</i>		15.711.174	16.671.767
Other Receivables	7	2.485.446	2.382.979
<i>From Third Parties</i>		2.485.446	2.382.979
Inventories	9	43.471.734	46.455.849
Prepaid Expenses	10	12.212.061	13.127.239
<i>From Related Parties</i>	5	1.912.275	2.259.250
<i>From Third Parties</i>		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
<i>From Related Parties</i>	5	40.140.620	34.501.820
<i>From Third Parties</i>		14.838.318	11.135.357
Other Receivables	7	11.898	10.509
<i>From Third Parties</i>		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
<i>From Related Parties</i>	5	1.326.936	2.067.242
<i>From Third Parties</i>		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.)

LIABILITIES	Note References	Audited	
		31 December 2024	31 December 2023
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
EQUITY		141.359.149	127.602.504
Equity Attributable to Equity Holders of the Parent		140.298.941	126.058.597
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
Non-Controlling Interests		1.060.208	1.543.907
TOTAL LIABILITIES AND EQUITY		242.797.511	217.402.501

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.)

PROFIT OR LOSS	Note References	Audited	
		1 January- 31 December 2024	1 January- 31 December 2023
Revenue	20	120.205.594	106.252.343
Cost of Sales (-)	20	(82.047.403)	(77.224.731)
GROSS PROFIT		38.158.191	29.027.612
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)
OPERATING PROFIT		27.315.635	36.056.785
Income From Investing Activities	23	85.101	49.539
Shares of Profit of Equity Accounted Investees	8	(57.994)	(2.127)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		27.342.742	36.104.197
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)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		8.265.853	10.409.179
Tax Income from Continuing Operations		6.956.866	237.695
- Current Corporate Tax Expense(-)	28	(54.072)	(1.630.375)
- Deferred Tax Income	28	7.010.938	1.868.070
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		15.222.719	10.646.874
Profit for the Period Attributable to		15.222.719	10.646.874
Non-Controlling Interest		(76.024)	120.976
Owners of the Company	29	15.298.743	10.525.898
		15.222.719	10.646.874
Earnings for per 100 Shares (in full kuruş)	29	335,50	230,83

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
PROFIT FOR THE YEAR		15.222.719	10.646.874
OTHER COMPREHENSIVE INCOME			
Items that will not to be Reclassified Subsequently in Profit or Loss		139.532	3.154.767
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)
Items that may be Reclassified Subsequently to Profit or Loss		(687.931)	(1.958.213)
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
OTHER COMPREHENSIVE INCOME		(548.399)	1.196.554
TOTAL COMPREHENSIVE INCOME		14.674.320	11.843.428
Total Comprehensive Income Attributable to			
Non-Controlling Interest		(76.024)	120.976
Owners of the Company		14.750.344	11.722.452
		14.674.320	11.843.428

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				
	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	Revaluation Reserves	Remeasurement of Defined Benefit Plans
Balance as of 1 January 2023	2.280.000	21.829.459	21.004.764	793.145	(770.459)
Transfers	--	--	--	--	--
Capital Increase	2.280.000	2.369.684	--	--	--
Total Comprehensive Income	--	--	--	3.401.542	(246.775)
Consolidation Effect of Share Change in Establishment	--	--	--	--	--
Dividends	--	--	--	--	--
Balance as of 31 December 2023 (Closing Balance)	4.560.000	24.199.143	21.004.764	4.194.687	(1.017.234)
Balance as of 1 January 2024	4.560.000	24.199.143	21.004.764	4.194.687	(1.017.234)
Transfers	--	--	--	--	--
Capital Increase	--	--	--	--	--
Total Comprehensive Income	--	--	--	399.878	(260.346)
Consolidation Effect of Share Change in Establishment	--	--	--	--	--
Dividends	--	--	--	--	--
Balance as of 31 December 2024 (Closing Balance)	4.560.000	24.199.143	21.004.764	4.594.565	(1.277.580)

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 may not be Reclassified Subsequently to Profit or Loss		Birikmiş Kârlar			Net Profit/ (Loss) for the Year	Equity Attributable to Owners of the Company	Non- Controlling Interests	Equity
Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income	Translation Reserves	Restricted Reserves	Retained Earnings					
1.565.574	473.868	4.944.924	61.315.577	1.850.881	115.287.733	1.378.981	116.666.714	
--	--	82.463	816.830	(899.293)	--	--	--	
--	--	--	(4.649.684)	--	--	--	--	
(1.565.574)	(392.639)	--	--	10.525.898	11.722.452	120.976	11.843.428	
--	--	--	--	--	--	43.950	43.950	
--	--	--	--	(951.588)	(951.588)	--	(951.588)	
--	81.229	5.027.387	57.482.723	10.525.898	126.058.597	1.543.907	127.602.504	
--	81.229	5.027.387	57.482.723	10.525.898	126.058.597	1.543.907	127.602.504	
--	--	51.000	9.964.898	(10.015.898)	--	--	--	
--	--	--	--	--	--	--	--	
(489.897)	(198.034)	--	--	15.298.743	14.750.344	(76.024)	14.674.320	
--	--	--	--	--	--	(407.675)	(407.675)	
--	--	--	--	(510.000)	(510.000)	--	(510.000)	
(489.897)	(116.805)	5.078.387	67.447.621	15.298.743	140.298.941	1.060.208	141.359.149	

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.)

	Note References	Audited	
		1 January- 31 December 2024	1 January- 31 December 2023
A.Cash Flows from Operating Activities		21.417.440	12.091.527
Profit for the Period		15.222.719	10.646.873
Adjustments to Reconcile Profit for the Period		21.161.401	21.735.275
- 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	28	(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
Changes in Working Capital		(10.724.390)	(16.036.032)
- 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)
Cash Flows From Operations		25.659.730	16.346.116

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.)

	Note References	Audited	
		1 January- 31 December 2024	1 January- 31 December 2023
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.Cash Flows From Investing Activities		(21.347.846)	(16.865.758)
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	13	44.750	22.219
Other Cash Outflows		(758.040)	639.384
C.Cash Flows From Financing Activities		10.017.341	5.993.544
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)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		10.086.935	1.219.313
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(46.776)	104.903
E. MONETARY GAIN/LOSS EFFECT ON CASH AND CASH EQUIVALENTS		(2.933.450)	(5.318.384)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		7.106.709	(3.994.168)
F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		9.530.555	13.524.723
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	3	16.637.264	9.530.555

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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

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 ANONİM ŞİRKETİ 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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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)

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:

Period	Index	Correction Coefficient
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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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)**2.2 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 ANONİM ŞİRKETİ 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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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)

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 ANONİM ŞİRKETİ 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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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 (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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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)**2.4 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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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)

2.4 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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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)

2.4 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.

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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.

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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.

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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.

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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:

	<u>Useful life</u>
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

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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.

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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:

	<u>Useful life</u>
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.

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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.

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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.

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.

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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.

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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.

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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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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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).

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3. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
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
Cash and cash equivalents on the cash flow statement	16.637.264	9.530.555
Interest income accruals	--	12.924
	16.637.264	9.543.479

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.

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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.

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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 ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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5. RELATED PARTY DISCLOSURES (continued)

	31 December 2024				
	Receivables				
	Short-term		Other Receivables	Long-term	
Trading	Prepaid Expenses	Trading		Prepaid Expenses	
Balances with related parties					
<u>Main shareholder</u>					
TSKGV	--	--	--	--	--
<u>Main shareholder's subsidiaries and associates</u>					
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	51.907	540.715	--	14.818	207.112
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	41.186	223.300	--	--	51.535
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	--	187.410	--	--	42.099
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	--	8.204	--	--	18.527
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	137.819	20.725	--	745.830	--
Tusaş Motor Sanayii Anonim Şirketi ("TEI")	43.853	--	--	--	--
Türk Havaçılık ve Uzay Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	4.035.731	--	--	2.310.786	--
<u>Financial Instruments</u>					
ASPILSAN Enerji Sanayi ve Ticaret Anonim Şirketi ("ASPILSAN")	--	23.766	--	--	4.826
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	3.750.514	75.052	--	393.294	830.853
<u>Joint ventures and its related parties</u>					
ASELSAN Bilkent Mikro Nano	--	245.937	--	--	73.482
İhsan Doğramacı Bilkent Üniversitesi	--	6.221	--	--	--
IGG	21.670	--	--	3.038	--
IGG ASELSAN	6.065	36.380	--	--	3.627
ASELSAN Kazakistan	298.626	--	--	59.682	--
ASELSAN Jordan	123.051	--	--	--	--
TÜBİTAK BİLGEM	--	84.949	--	--	13.886
TÜBİTAK-UME	--	2.494	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	9.858	45.597	--	307.947	1.283
TÜBİTAK SAGE Savunma Sanayii	30.027	196.544	--	9.707	77.070
Savunma Sanayi Başkanlığı ("SSB")	3.161.285	--	--	36.295.518	--
SSTEK	3	--	--	--	--
ULAK	932.665	2.374	--	--	--
TÜYAR	--	52.128	--	--	--
EHSİM	--	160.479	--	--	2.636
<u>Shares offered to the public</u>	--	--	--	--	--
	12.644.260	1.912.275	--	40.140.620	1.326.936

¹ All other short term payable is 2023 dividend payments.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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Payables				
Short-term			Long-term	
Trading	Deferred Income	Other Payables¹	Trading	Deferred Income
--	--	340.357	--	--
845.770	6	--	--	643.486
527.150	11.851	--	--	--
77.256	--	--	--	--
42.308	--	--	--	--
18.321	--	--	--	632.133
14.134	359.211	--	--	--
19.164	4.697	--	--	--
464.670	516.322	--	--	262.645
88.244	--	--	--	--
37	--	--	--	--
--	2.334	--	--	--
24.227	--	--	--	--
288	1.381	--	--	--
26.057	348	--	--	5.513
100.892	--	--	--	--
3	--	--	--	--
3.729	5.515	--	--	13.795
154.584	1.020	--	--	--
--	4.766.811	--	--	5.430.149
--	398.792	--	--	16.471
3.266	--	--	--	--
--	--	--	--	--
48.523	--	--	--	--
--	--	--	--	--
2.458.623	6.068.288	340.357	--	7.004.192

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5. RELATED PARTY DISCLOSURES (continued)

	31 December 2023				
	Receivables				
	Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses
Balances with related parties					
<u>Main shareholder</u>					
TSKGV	167	--	--	--	--
<u>Main shareholder's subsidiaries and associates</u>					
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	116.452	421.410	--	22.687	63.943
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	12.886	294.752	--	--	6.333
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	--	318.045	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	--	51.569	--	--	15.880
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	784.615	28.986	--	558.567	--
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	2.528.965	--	--	2.482.978	--
<u>Financial Instruments</u>					
ASPILSAN Enerji Sanayi ve Ticaret Anonim Şirketi ("ASPILSAN")	711	58.843	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	2.941.545	214.329	--	437.769	1.842.572
<u>Joint ventures and its related parties</u>					
ASELSAN Bilkent Mikro Nano	--	284.481	--	--	31.119
İhsan Doğramacı Bilkent Üniversitesi	43	7.713	--	--	--
IGG	372.279	--	--	6.116	--
IGG ASELSAN	49.701	37.498	--	--	5.236
ASELSAN Kazakistan	556.015	--	--	--	--
ASELSAN Jordan	204.544	--	--	--	--
TÜBİTAK BİLGEM	--	111.869	--	--	14.780
TÜBİTAK-UME	--	976	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	43.321	11.184	--	237.341	2.079
TÜBİTAK SAGE Savunma Sanayii	15.851	401.633	--	--	64.004
Savunma Sanayi Başkanlığı ("SSB")	5.433.244	--	--	30.756.362	--
SSTEK	--	--	--	--	--
EHSİM	--	15.962	--	--	21.296
DASAL	--	--	--	--	--
TR Eğitim	--	--	--	--	--
<u>Shares offered to the public</u>	--	--	--	--	--
	13.060.339	2.259.250	--	34.501.820	2.067.242

¹ All other short term payable is 2022 dividend payments.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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Payables				
Short-term			Long-term	
Trading	Deferred Income	Other Payables ¹	Trading	Deferred Income
--	--	385.415	--	--
586.764	--	--	--	--
253.536	1.617	--	--	819
112.324	--	--	--	--
269.207	--	--	--	--
36.619	--	--	--	280.753
1.047	192.372	--	--	223.090
110.339	6.782	--	--	--
2.548.053	352.052	--	--	103.116
137.534	--	--	--	--
19.079	--	--	--	--
--	--	--	--	--
30.697	--	--	--	--
347	64	--	--	24
52.997	8.211	--	--	--
84.184	--	--	--	--
780	--	--	--	--
18.386	31.867	--	--	18.263
311.873	7.147	--	--	--
--	2.937.718	--	--	4.196.213
--	213.563	--	--	466.588
38.594	--	--	--	--
11.392	--	--	--	--
224	--	--	--	--
--	--	--	--	--
4.623.976	3.751.393	385.415	--	5.288.866

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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5. RELATED PARTY DISCLOSURES (continued)

	1 January- 31 December 2024	1 January- 31 December 2023
<u>Transactions with related parties</u>	<u>Purchases</u>	<u>Purchases</u>
<u>Main Shareholder</u>		
TSKGV	2.105	3.388
<u>Main shareholder's subsidiaries and associates</u>		
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
<u>Financial Instruments</u>		
ROKETSAN	58.231	3.542.013
ASPİLSAN	171.293	164.092
<u>Joint ventures and its related parties</u>		
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
	4.085.837	6.175.553

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5. RELATED PARTY DISCLOSURES (continued)

	1 January- 31 December 2024	1 January- 31 December 2023
Transactions with related parties	Sales	Sales
<u>Main Shareholder</u>		
TSKGV	565	27.315
<u>Main shareholder's subsidiaries and associates</u>		
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	--
<u>Financial Instruments</u>		
ROKETSAN	2.422.052	3.627.938
ASPİLSAN	2.241	2.704
<u>Joint ventures and its related parties</u>		
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
	84.360.288	106.151.193

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

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

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

	31 December 2024	31 December 2023
Short-term trade receivables		
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)
	28.355.434	29.732.106
	31 December 2024	31 December 2023
Long-term trade receivables		
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
	54.978.938	45.637.177

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

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

The sectorial distribution of trade receivables is as follows:

	31 December 2024	31 December 2023
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
Total receivables	83.334.372	75.369.283

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

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

	31 December 2024	31 December 2023
Short-term trade payables		
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
	19.760.534	21.460.577
Long-term trade payables		
Other trade payables	--	8.797
Notes payables	--	100.210
	--	109.007

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

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

b) Other payables

	31 December 2024	31 December 2023
Short-term other payables		
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
	548.563	493.835
Long-term other payables		
Deposits and guarantees received	7.053	8.619
Other payables	5.291	16.216
Leasing Liabilities	6.956	28.074
	19.300	52.909

¹ Mainly comprises Value Added Tax (VAT) returns and are expected to be offsetted in the following periods.² 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:

31 December 2024	Ownership Rate (%)	Current Assets	Non-current Assets	Total Assets	Short-term Liabilities	Long-term Liabilities	Total Liabilities
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
		3.460.713	3.996.141	7.456.853	2.238.193	2.238.041	4.476.233

31 December 2024	Ownership Rate (%)	Revenue	Expenses	Net Profit/(Loss)	Group Share of Net Assets	Group Share of Profit/(Loss)
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 ¹	--	--	--	--	--	(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)
		2.921.101	(2.955.049)	(33.947)	1.332.264	(57.994)

¹ %49 of Dasal shares was transferred on 25 October 2024.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

8. EQUITY ACCOUNTED INVESTMENTS (continued)

31 December 2023	Ownership Rate (%)	Current Assets	Non-current Assets	Total Assets	Short-term Liabilities	Long-term Liabilities	Total Liabilities
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
		2.892.888	2.274.780	5.167.668	1.368.692	1.140.082	2.508.774

31 December 2023	Ownership Rate (%)	Revenue	Expenses	Net Profit/(Loss)	Group Share of Net Assets	Group Share of Profit/(Loss)
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)
		2.170.170	(2.146.036)	24.134	1.241.418	(2.127)

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to The Consolidated Financial Statements for The Year Ended 31 December 2024

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9. INVENTORIES

	31 December 2024	31 December 2023
Raw materials	25.620.024	26.647.066
Work in progress	12.551.533	13.305.250
Goods in transit ¹	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)
	43.471.734	46.455.849

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:

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to The Consolidated Financial Statements for The Year Ended 31 December 2024

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10. PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2024	31 December 2023
Short-term prepaid expenses		
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
	12.212.061	13.127.239
Long-term prepaid expenses		
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
	3.738.690	3.550.807
Short-term deferred income		
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
	13.004.540	12.834.333

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).

	31 December 2024	31 December 2023
Long-term deferred income		
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
	11.828.502	8.530.942

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 ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets ¹	Leasehold improvements	Financial leasing ²	Construction in progress ³	Total
Cost and revaluation											
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 ⁴	--	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)	--
Closing balance as of 31 December 2024	7.416.219	533.644	13.028.034	21.999.420	612.619	6.115.892	2.774.349	2.639.827	319.974	7.196.306	62.636.284
Accumulated depreciation											
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	--	--	--	--	--	--	--	--	--	--	--
Closing balance as of 31 December 2024	--	302.858	2.616.954	13.697.510	189.070	5.024.477	2.080.517	1.048.609	267.247	--	25.227.242
Net book value as of 31 December 2024	7.416.219	230.786	10.411.080	8.301.910	423.549	1.091.415	693.832	1.591.218	52.727	7.196.306	37.409.042

¹ All of the net book value of other fixed assets consists of mold models manufactured by the Group.² 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.³ Includes of investments in molds, models, devices and construction works.⁴ TL 127.394 of additions are free of charge investment income.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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.)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land	Land improvements	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Other fixed assets ¹	Leasehold improvements	Financial leasing ²	Construction in progress ³	Total
Cost and revaluation											
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 ⁴	--	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)	--
Closing balance as of 31 December 2023	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
Accumulated depreciation											
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	--	--	--	--	--	--	--	--	--	--	--
Closing balance as of 31 December 2023	--	338.390	2.432.899	13.102.657	97.464	4.989.363	1.875.894	899.728	214.792	--	23.951.187
Net book value as of 31 December 2023	6.959.216	178.771	6.319.466	7.749.108	402.530	1.492.420	759.267	1.768.554	107.180	8.524.265	34.260.777

¹ All of the net book value of other fixed assets consists of mold models manufactured by the Group.² 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.³ Includes of investments in molds, models, devices and construction works.⁴ TL 134.376 of additions are free of charge investment income.

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11. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	31 December 2024	31 December 2023
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
	2.750.472	3.590.487

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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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:

	Fair value as of reporting date			
	31 December	Level 1	Level 2	Level 3
	2024	TL	TL	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
	7.416.219	--	--	7.416.219

	Fair value as of reporting date			
	31 December	Level 1	Level 2	Level 3
	2023	TL	TL	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
	6.959.216	--	--	6.959.216

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

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

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12. INTANGIBLE ASSETS

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

¹Other intangible assets include licences related to computer software and right of usage assets.

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12. INTANGIBLE ASSETS (continued)

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

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

	31 December 2024	31 December 2023
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
	920.379	1.808.202

¹Other intangible assets include licences related to computer software and right of usage assets.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to The Consolidated Financial Statements for The Year Ended 31 December 2024

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13. GOVERNMENT GRANTS AND INCENTIVES

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

	31 December 2024	31 December 2023
Current government grants and incentives	66.034	82.979

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.

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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).

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

	31 December 2024	31 December 2023
Other short-term provisions		
Provision for warranties ¹	3.940.906	4.020.457
Provision for onerous contracts	218.200	312.095
Provision for delay penalties ²	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
	6.912.705	6.359.374

The movement of the provision for warranties is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
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)
Closing balance	3.940.906	4.020.457

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

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

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

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

	1 January- 31 December 2024	1 January- 31 December 2023
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)
Closing balance	1.915.570	1.736.951

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

	1 January- 31 December 2024	1 January- 31 December 2023
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)
Closing balance	54.616	52.537

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

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

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

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

	1 January- 31 December 2024	1 January- 31 December 2023
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)
Closing balance	8.507.865	5.004.504

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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:

	Description	2024	2023
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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16. COMMITMENTS AND CONTINGENCIES**a) Guarantees received**

	31 December 2024	31 December 2023
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	--
	12.356.537	15.447.866

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)**

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

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.

¹ 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 ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

<u>USD</u>	<u>EURO</u>	<u>ROL</u>	<u>Qatar Rial</u>
278.011	100.387	4.004	250
--	--	--	--
--	--	--	--
--	4.000	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
1.270	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
279.281	104.387	4.004	250

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

31 December 2023	TL Equivalent	TL
A. Total amount of CPM given on behalf of the legal entity		
<i>-Collateral</i>	22.024.907	1.968.929
<i>-Pledge</i>	--	--
<i>-Mortgage</i>	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation		
<i>-Collateral</i>	188.120	--
<i>-Pledge</i>	--	--
<i>-Mortgage</i>	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties		
<i>-Collateral</i>	--	--
<i>-Pledge</i>	--	--
<i>-Mortgage</i>	--	--
D. Total amount of other CPM given		
i. Total Amount of CPM on behalf of the main partner		
<i>-Collateral</i>	--	--
<i>-Pledge</i>	--	--
<i>-Mortgage</i>	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C ¹		
<i>-Collateral</i>	90.105	--
<i>-Pledge</i>	--	--
<i>-Mortgage</i>	--	--
iii. Total amount of CPM on behalf of third parties that do not cover		
<i>-Collateral</i>	--	--
<i>-Pledge</i>	--	--
<i>-Mortgage</i>	--	--
Total	22.303.132	1.968.929

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.

¹ 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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<u>USD</u>	<u>EURO</u>	<u>ROL</u>	<u>Qatar Rial</u>
304.953	149.406	6.952	535
--	--	--	--
--	--	--	--
--	4.000	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
2.120	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
307.073	153.406	6.952	535

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

	31 December 2024	31 December 2023
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
	3.540.568	1.739.276

b) Short-term provisions for employee benefits

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

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

	2024	2023
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)
Closing balance	1.134.076	1.013.031

c) Long-term provisions for employee benefits

	31 December 2024	31 December 2023
Provision for severance pay	1.051.359	1.535.147
	1.051.359	1.535.147

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

	2024	2023
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)
Closing balance	1.051.359	1.535.147

Provision for severance pay:

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

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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 41.828,42¹ (31 December 2023: 35.058,58 TL ¹)

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

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:

	31 December 2024 (%)	31 December 2023 (%)
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

¹ Amount is shown in full TRY.

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

	31 December 2024	31 December 2023
VAT carried forward ¹	1.760.513	2.262.580
Other VAT	1.083.029	1.557.646
Other ²	113.437	167.033
	2.956.979	3.987.259

b) Other non-current assets

	31 December 2024	31 December 2023
VAT carried forward ¹	956.769	121.624
Prepaid taxes and funds	166.238	194.035
Other ²	15.883	35.475
	1.138.890	351.134

c) Other short-term liabilities

	31 December 2024	31 December 2023
Taxes and funds payable	6.499	9.036
Other ²	28.460	5.795
	34.959	14.831

d) Other long-term liabilities

	31 December 2024	31 December 2023
Other	40.179	7.042
	40.179	7.042

¹ 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.

² Mainly comprises of other assets and liabilities of consolidated subsidiaries.

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19. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital

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

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

Restricted reserves

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

Retained Earnings

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

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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

	1 January- 31 December 2024	1 January- 31 December 2023
a) Revenue		
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)
	120.205.594	106.252.343

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

	1 January- 31 December 2024	1 January- 31 December 2023
b) Cost of sales(-)		
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
	82.047.403	77.224.731

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

	1 January - 31 December 2024	1 January - 31 December 2023
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
	11.223.521	10.799.570
	1 January - 31 December 2024	1 January - 31 December 2023
a) General administrative expenses (-)		
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
	5.275.649	4.891.203

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

	1 January- 31 December 2024	1 January- 31 December 2023
b) Marketing expenses (-)		
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
	2.629.612	2.088.462
c) Research and development expenses (-)		
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
	3.318.260	3.819.905

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

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

b) Other operating expenses (-)

	1 January- 31 December 2024	1 January- 31 December 2023
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
	17.097.770	30.562.625

23. INCOME FROM INVESTING ACTIVITIES

	1 January- 31 December 2024	1 January- 31 December 2023
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
	85.101	49.539

24. FINANCIAL INCOME

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

¹ 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.

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25. FINANCIAL EXPENSES

	1 January- 31 December 2024	1 January- 31 December 2023
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
	6.975.655	12.753.697

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

Net Monetary Gain/ (Losses)	31 December 2024
Balance Sheet Items	(11.092.286)
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)
Statement of Profit or Loss Items	(2.777.141)
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
Net Monetary Gain/ (Losses)	(13.869.427)

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27. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS

	31 December 2024	31 December 2023
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)
	2.710.283	3.258.682
	1 January- 31 December 2024	1 January- 31 December 2023
Gain from revaluation of financial assets that fair value reflect in other comprehensive income:		
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
Closing balance	(489.897)	--

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.

	1 January- 31 December 2024	1 January- 31 December 2023
Revaluation of property		
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)
Closing balance	4.594.565	4.194.687

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.

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

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27. ANALYSIS OF OTHER COMPREHENSIVE INCOME ITEMS (continued)

	1 January- 31 December 2024	1 January- 31 December 2023
Gain/Loss on remeasurement of defined benefit plans		
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	--
Closing balance	(1.277.580)	(1.017.234)

28. INCOME TAXES

<u>Corporate tax liabilities:</u>	31 December 2024	31 December 2023
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
Tax income:		
Current corporate tax (expense)	(54.072)	(1.630.375)
Deferred tax income / (expense)	7.010.938	1.868.070
	6.956.866	237.695

	1 January-31 December 2024		
	Amount before tax	Tax income/expense	Net of tax amount
Tax effects related to components of other comprehensive income			
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)
Other comprehensive income in the period	(648.041)	99.642	(548.399)

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28. INCOME TAXES (continued)

	1 January-31 December 2023		
	Amount before tax	Tax income/expense	Net of tax amount
Tax effects related to components of other comprehensive income			
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)
Other comprehensive income in the period	1.495.858	(299.304)	1.196.554
	1 January- 31 December 2024	1 January- 31 December 2023	
Tax recognized directly in equity			
Deferred tax:			
- 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
Deferred tax recognized directly in equity	99.642		(299.304)

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:

Deferred Tax Assets/Liabilities:	31 December 2024	31 December 2023
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)
Deferred tax assets	29.117.748	15.060.157
Deferred tax liabilities	(20.969.661)	(14.022.650)
Deferred tax assets – net	8.148.087	1.037.507

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

	1 January- 31 December 2024		1 January- 31 December 2023	
<u>Movement of deferred tax assets/(liabilities):</u>				
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)
		8.148.087		1.037.507
	Effective Tax Rate (%)	1 January- 31 December 2024	Effective Tax Rate (%)	1 January- 31 December 2023
<u>Tax reconciliations:</u>				
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
Tax (income) / expense recognized in profit or loss	(31)	(6.956.866)	(1)	(237.695)

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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:

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

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

	31 December 2024	31 December 2023
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
	8.089.405	8.545.473

a) Fair Value Difference Reflect in Other Comprehensive income

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

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).

Company Name	Ratio(%)	31 December 2024	Ratio (%)	31 December 2023
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:

Company Name	Ratio (%)	31 December 2024	Ratio (%)	31 December 2023
Girişim Sermayesi Yatırım Fonu		186.908		90.613
ASPIİSAN	1	27.998	1	20.479
		214.906		111.092

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**

		31 December 2024	31 December 2023
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
Total short-term financial liabilities		22.835.575	27.155.210
Other long-term financial liabilities	Unsecured loan	9.726.747	1.630.905
Total long-term financial liabilities		9.726.747	1.630.905
Total financial liabilities		32.562.322	28.786.115

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

Currency	Weighted average interest rate (%)	31 December 2024	
		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
		22.835.575	9.726.747
Currency	Weighted average interest rate (%)	31 December 2023	
		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	--
		27.155.210	1.630.905

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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
	32.562.322	28.786.115

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
Net debt/total equity	11%	15%

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) ¹	52.784.880	30.549.492	--	2.497.344	16.486.763	149.437
- The part of maximum risk under guarantee with collateral etc. ²	--	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						

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

² 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) ¹	47.562.159	27.807.124	--	2.393.488	9.534.485	7.690
- The part of maximum risk under guarantee with collateral etc. ²	--	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	--	--	--	--	--	--

¹ While determining the amount, components which provide increase on credit reliability, like guarantees received are not taken into consideration:

² 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:

	31 December 2024	31 December 2023
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
Total receivables	17.501.840	19.590.783

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:

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

Expected Maturity	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
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	--

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

Expected Maturity	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
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	--

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)

FOREIGN EXCHANGE POSITION						
31 December 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other ¹
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
4. Current assets (1+2+3)	28.127.450	549.124	19.373.257	144.496	5.308.235	117.979
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
8. Long-term assets (5+6+7)	46.052.494	556.942	19.649.089	710.783	26.111.482	13.826
9. Total assets (4+8)	74.179.944	1.106.066	39.022.346	855.279	31.419.717	131.805
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	--
13. Current liabilities (10+11+12)	34.532.095	587.218	20.754.522	487.305	17.933.984	273.693
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	--
17. Non-current liabilities (14+15+16)	14.163.861	344.162	12.163.973	140.055	5.154.354	--

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

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

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)

FOREIGN EXCHANGE POSITION						
31 December 2023	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other¹
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
4. Current assets (1+2+3)	30.514.097	464.951	19.761.578	160.286	7.538.218	119.287
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
8. Long-term assets (5+6+7)	36.978.938	453.786	19.287.051	368.577	17.334.123	22.616
9. Total assets (4+8)	67.493.035	918.737	39.048.629	528.863	24.872.341	141.903
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	--
13. Current liabilities (10+11+12)	39.840.827	492.921	20.988.186	462.207	21.776.651	338.995
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	--
17. Non-current liabilities (14+15+16)	2.837.415	141.847	6.039.729	83.992	3.957.256	--

¹ 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)

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

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)**Foreign currency sensitivity**

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

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

Foreign currency sensitivity table				
31 December 2024				
	Profit/Loss		Equity¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	1.655.698	(1.655.698)	1.655.698	(1.655.698)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	1.655.698	(1.655.698)	1.655.698	(1.655.698)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	844.047	(844.047)	844.047	(844.047)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	844.047	(844.047)	844.047	(844.047)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/(liabilities)	(25.566)	25.566	(25.566)	25.566
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(25.566)	25.566	(25.566)	25.566

¹ Comprises of profit/loss effect.

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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 ¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	2.427.892	(2.427.892)	2.427.892	(2.427.892)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	2.427.892	(2.427.892)	2.427.892	(2.427.892)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	590.656	(590.656)	590.656	(590.656)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	590.656	(590.656)	590.656	(590.656)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/(liabilities)	(31.695)	31.695	(31.695)	31.695
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(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:

¹ Comprises of profit/loss effect.

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

31 December 2024	Financial assets at fair value P/L	Financial assets at amortized cost	Financial assets at fair value through OCI	Financial liabilities at amortized cost	Carrying value	Note
Financial assets						
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
Financial liabilities						
Borrowings	--	--	--	32.562.322	32.562.322	31
Trade payables	--	--	--	19.760.534	19.760.534	6
Other payables	--	--	--	567.863	567.863	7
31 December 2023						
Financial assets						
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
Financial liabilities						
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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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.)

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	<u>31 December 2024</u>	<u>31 December 2023</u>
	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	--	--
Closing balance	<u>7.874.499</u>	<u>8.434.381</u>

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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.)

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
	--	--	7.874.499

31 December 2023

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

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	--	--	7.874.499

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
Total liabilities arising from financing activities	28.786.115	9.670.044	470.235	2.484.129	(8.848.201)	32.562.322

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.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ 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.)

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).

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

Revenue – Accounting of Revenue Recognised Over Time

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:

- The customer simultaneously receives and consumes the benefits as the entity performs
- The customer controls the asset as the entity creates or enhances it,
- 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

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.

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 of 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 judgements 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, in addition to others, the following;

Controlling the terms of the contract in accordance with the criteria of over time accounting

Cross-check of the amounts subject to revenue calculation with contracts,

Controlling monthly changes of variables that directly affect revenue such as profitability on project basis, 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.

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.

Independent Auditor's Report



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.

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.



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

- 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

aselsan

Report of the Board of Directors

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Vision - Mission

Vision

To be a reliable, competitively preferred, environment-friendly and human conscious technology firm which preserves its sustainable growth in the global market via the values created for stakeholders, as well as serving its establishment purposes.

Mission

By focusing primarily on the needs of the Turkish Armed Forces; to provide high-value-added, innovative and reliable products and solutions to both local and foreign customers in the fields of electronic technologies and system integration; continuing activities in line with global targets as well as increasing brand awareness and contributing to the technological independence of Türkiye.

1- Principles of Preparation

The annual report of the Board of Directors is prepared on the basis of Communiqué Series II, No: 14.1 "Principles of Financial Reporting in Capital Markets" dated 13 June 2013.

The report comprises the events took place during the period 1 January – 31 December 2024. The title of the main shareholder in the report is ASELSAN Elektronik Sanayi ve Ticaret A.Ş. and will be referred as "the Company" in the accompanying notes.

The Company's consolidated subsidiaries are ASELSAN Baku ("ASELSAN Baku"), 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 Malaysia Sdn. Bhd. ("ASELSAN Malaysia"), ASELSAN Konya Silah Sistemleri Anonim Şirketi ("ASELSAN Konya"), BITES Savunma Havacılık ve Uzay Teknolojileri Yazılım A.Ş. ("BITES"), Aselsan Global Dış Ticaret ve Pazarlama A.Ş. ("ASELSAN Global"), Aselsan Sivas Hassas Optik San. Tic. A.Ş. ("ASELSAN Optik"), ASELSAN UKRAINE LLC. ("ASELSAN Ukraine"), ASELSAN Latin Amerika SpA ("ASELSAN Latin Amerika") and ASELSAN Technologies Limited ("ASELSAN UAE").

The Company has five branch offices; Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi EP Co. ("ASELSAN South Africa"), ASELSAN Balkans ("ASELSAN Balkans") and ASELSAN Kıbrıs İleri Teknolojiler 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- Company Information and Organizational Structure

The Company is a leading defense industry company developing advanced technology system solutions within land, air, naval and space platforms.

The Company, being an establishment of Turkish Armed Forces Foundation ("TSKGV"), stands in a position of a technology center within the fields of design, development, manufacturing, system integration, modernization and after sales services of military and civil communication systems, avionics systems, electronic warfare and intelligence systems, radar systems, command and control systems, naval warfare systems, security systems, transportation systems, energy systems, traffic and automation systems, medical systems, electro-optic systems and products.

The Company has been organized under five divisions with regard to production and engineering requirements of projects. These divisions comprise Communication and Information Technologies Vice Presidency ("HBT"), Microelectronics, Guidance & Electro-Optics Vice Presidency ("MGEO"), Defence Systems Technologies Vice Presidency ("SST"), Radar and Electronic Warfare Systems Vice Presidency ("REHİS"), and Transportation, Security, Energy, Automation and Health 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 Department 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. Additionally, the Company has a test production field area in Gölçek. Headquarters is located in Ankara Macunköy.

The Company's international, nation-wide and sectoral rankings are summarized in the table below:

Institution	Research / Study	Related Period	Raking	
			Current	Prior
DefenseNews	Defense News Top 100	2024	42	47
	ICI 500 Top Industrial Enterprises	2023	19	20
FORTUNE	Top 500 Companies	2023	31	40
	Sustainability Index	2024	No Raking	
	Corporate Governance Index		No Raking	
	BIST Top 30 Index		No Raking	
	BIST Top 100 Market Value Raking		6	10
	Research and Development Expenditures Türkiye Top 100	2023	2	1
	Top 50 Firms (Universities)	2024	5	5
	Ideal Employers (Engineering and IT) 100 Companies	2024	1	1
Deloitte.	Technology Fast 50 Big Star Category	2024	No Raking	

Commercial title and trade registration number of the company and contact information pertaining to its headquarters, branches and its website addresses are shown below:

Company	Type	Country / City	Address	Telephone / Fax	Web Site
ASELSAN Elektronik Sanayi ve Ticaret A.Ş.	Head Quarters	Türkiye Ankara	Mehmet Akif Ersoy Mahallesi İstiklal Marşı Caddesi No:16 06200 Yenimahalle/Ankara Trade Registry: 31177	P: +90 (312) 592 1000 Fax: +90 (312) 354 1302	www.aselsan.com
ASELSAN South Africa	Branch	Republic of South Africa Pretoria	Summit Place Office Park Building 2, First Floor 221 Garsfontein Road Menlyn, Pretoria, 0181	P: +27 (0) 12 349 2613 Fax: +27 (0) 12 349 2544	--
ASELSAN Balkans	Branch	N. Macedonia Skopje	St. Makism Gorki No.13, Building No: 1, Entrance :1, Floor: 5, No:9, Skopje, 1000, North Macedonia	--	--
ASELSAN Cyprus Advanced Tech. Research Center	Branch	TRNC Güzelyurt	Middle East Technical University North Cyprus Campus ODTÜ KALTEV A R-GE Building No: E-19 99738 Kalkanlı/Güzelyurt	--	www.aselsan.com
ASELSAN Qatar Branch	Branch	Qatar Doha	Qatar Science & Technology Park Free Zone, Street No: 2322, Zone No: 51, Unit No: 107, Building No:153, Building Name: Tech1	P: + 974 444 11 975	--
ASELSAN Poland Branch	Branch	Poland Warsaw	Skylight Building, 5 th Floor, Złota 59, 00-120 Warsaw	--	--
ASELSAN Saudi Arabia Office	Office	Saudi Arabia Riyadh	Riyadh Business Gate, Building: Zone D-3, GF, Unit 1	--	--
ASELSAN Pakistan Office	Office	Pakistan İslamabad	Serena Business Complex 3 rd Level, Office No:3 Sector G-5/1 Ramna Suhrwardy İslamabad	--	--
ASELSAN Nigeria Office	Office	Abuja Nigeria	World Trade Center, Central Business District, Abuja, FCT.	--	--
ASELSAN Indonesia Office	Office	Cakarta Indonesia	Menara Astra 32 nd Floor J1 .Jenderal Sudirma No. Kav 5-6 Jakarta-Pusat	--	--

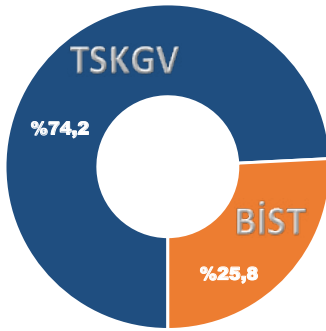
3- The Company's Shareholder Structure

Registered capital ceiling of the Company is TL 10.000.000.000 (TL ten billion). The nominal capital of the Company is TL 4.560.000.000 (TL four billion five hundred sixty million) and is divided into 4.560.000.000 (TL four billion five hundred sixty million) shares, each having a nominal value of 1 TL.

2.421.818.182 (two billion four hundred twenty one million eight hundred eighteen thousand one hundred eighty two) of the shares are Group A shares and 2.138.181.818 (two billion one hundred thirty eight million one hundred eighty one thousand eight hundred eighteen) of the shares are Group B Shares. All shares are in the name of the holder.

Group A shares are nominative preferred shares and 6 of the Members of the Board of Directors are elected among the Group A preferred shareholders or among the candidates presented by them.

Share distribution table of the Shareholders is presented below:



Partners	TL Thousand
Turkish Armed Forces Foundation (TSKGV)	3.383.302
Quoted on BIST (Free Float)	1.176.698
Paid-in Capital	4.560.000
Inflation Adjusted Capital	28.759.143

a) Members of the Board of Directors and Senior Executives

Within the framework of the provisions of the Company's Articles of Association, the Board of Directors consists of total 9 members comprising of 6 members to be elected from preferred shareholders or candidates nominated by group A and 3 independent members to be elected under Capital Markets Board (CMB) regulations. Information regarding the Members of the Board of Directors and Senior Executives as of publishing date of the report are as follows:

Members Of The Board Of Directors And Senior Executives				
List No	Name and Surname	Position	Positions In Other Company's	Date of First Assignment
1.	Ercüment ARVAS	Chairman of the Board	Member Of The Board Of Directors of Kardemir Sanayi Ve Ticaret A.Ş.	22 September 2023
2.	Alpaslan KAVAKLIOĞLU	Deputy Chairman of the Board	Deputy Minister of Ministry of Defense, Chairman of The Board of Directors of MKE, Member of The Board of Directors of Turkish Parliamentarians Union	26 April 2019
3.	İsmail ARI	Member	Ozyegin University Faculty Member, Member of The Board of Directors of Tübitak Sage, Member of The Executive Council of University-Industry Collaboration Centers Platform of Türkiye	22 September 2023
4.	Bekir BAYRAKDAR	Member	Commissioner of Revenue Administration	22 September 2023
5.	Yavuz ÇELİK	Member / Managing Member	--	19 June 2020
6.	Göksel SEVİNDİK	Member	--	14 June 2024
7.	Mustafa Murat ŞEKER	Member / Managing Member	Vice President At Presidency of Defence Industries, Vice Chairman of Ankara Aerospace Industry Zone, Vice Chairman of The Board of Directors of SSTEK A.Ş., Member of The Board of Directors of Asfat A.Ş.	29 June 2021
8.	Ebru TÜMER	Member	Professor in Gebze Technical University	22 September 2023
9.	Ahmet YOZGATLIGİL	Member	Rector of The Middle East Technical University, Member of The Board of Directors of MKE, Member of The Board of Directors of Tubitak, Member of The Board of Directors of Bilişim Vadisi, Member of The Board of Directors of Saha Istanbul, Member of The Board of Directors of Izmir Biomedicine And Genome Center	22 September 2023
10.	Ahmet AKYOL	President and CEO	Member of The Board of Directors of TÜBİTAK Sage, Member of NATO Science And Technology Organization Set Panel, Member of The Board of Directors of SASAD, Member of The Board of Directors of Saha Istanbul, Chairman of TOBB (The Union of Chambers And Commodity Exchanges of Türkiye) Defense Industry Council, Member of The Board of Directors of Istanbul Finans Ve Teknoloji Üssü A.Ş.	1 July 2022
11.	Yusuf Bora KARTAL	Vice President	Member of The Board of Directors of HTR, Member of The Board of Directors of Qatar of Aselsan	3 January 2025
12.	İsmail ÖZSARAÇ	Vice President	Chairman of The Board of Directors of South Africa	3 January 2025
13.	Murat KARATAŞ	Vice President and President Business Sector (MGEO Sector President)	Member of The Board of Directors of Aselsan Middle East, Chairman of The Board of Aselsan Sivas Hassas Optik A.Ş.	22 January 2024
14.	Mustafa YAMAN	Vice President and President Business Sector (HBT Sector President)	Member of The Board of Directors of Ulak A.Ş., Chairman of The Board of Managers of Aselsanet, Chairman of The Board of The Directors of Communication Technologies Cluster, Chairman of The Board of The Directors of Aselsan Bakü	1 July 2022
15.	Zekeriyya ŞAHİN	Vice President and President Business Sector (SST Sector President)	Member of The Board of Directors of IGG-Aselsan Integrated Systems LLC., Chairman of The Board of Directors of Bites Savunma Havacılık Ve Uzay Teknolojileri Yazılım Elektronik A.Ş., Member of The Board of Directors of Kazakhstan Aselsan Engineering, Chairman of The Board of Directors of Aselsan Ukraine LLC.	22 January 2024
16.	Mehmet ÇELİK	Vice President and President Business Sector (UGES Sector President)	Member of The Presidency's Council of Science, Technology And Innovation Policies, Principle Member of Turkish Academy of Sciences, Member of The Board of Managers of Aselsanet, Teaching Professor in KTO Karatay University Mechanical Engineering Department	1 July 2022
17.	Özgür Taylan SARI	Vice President (Business Development and Marketing)	Chairman of The Board of The Directors of Aselsan Qatar, Member of The Board Of Turkish Defence And Aerospace Industry Exporters' Database, Member of The Board of BARQ QSTP LCC	17 August 2023
18.	Mehmet ARTAR	Vice President (Corporate Management)	--	18 July 2023
19.	Ahmet AKYOL	Vice President A. (Financial Management)	Member of The Board of Directors of TÜBİTAK Sage, Member of NATO Science And Technology Organization Set Panel, Member of The Board of Directors of SASAD, Member of The Board of Directors of Saha Istanbul, Chairman of TOBB (The Union of Chambers And Commodity Exchanges of Türkiye) Defense Industry Council, Member of The Board of Directors of Istanbul Finans Ve Teknoloji Üssü A.Ş.	1 July 2022
20.	Taha YÜCEL	Vice President (Technology & Strategy Management)	Member of The Board of Information Security Association	1 July 2022
21.	Murat ASLAN	Vice President (Supply Chain Management)	Member of The Board of Directors of Aselsan Sivas Hassas Optik A.Ş.	30 July 2024
22.	Mürsel Ali KAPLAN	President of Internal Audit	--	6 March 2023

The Members of the Board of Directors are entitled with the authorizations stipulated in the Turkish Code of Commerce ("TCC") and in article 13 of the Articles of Association of the Company.

Entitled shareholders, members of the board of directors, senior executives and to their spouses as well as relatives up to second degree are not authorized to perform transactions, which may cause conflict of interest or competition with the Company and/or subsidiaries. There are no transactions conducted by board members, either on their own behalf or on behalf others, that violate the Company's transaction ban. There is no operation regarding the non-compete obligation by the members of the board.

The controls are carried out by the Internal Audit Presidency ("IAP") and Audit Committee within the parent company in order to minimize the substantial error risk on the financial statements of the Group. IAP and Audit Committee carry out their duties independent from each other but within the guidance of common objectives and targets, with the aim of observing an internal control system, which provides required controls in matters such as the reliability of the financial reporting system, the efficiency of the activities in order to eliminate the operational risks and compliance with the law. Furthermore, the efficiency and sufficiency of the internal control are supported with the directives in effect.

Total Amount of the Financial Benefits Given to Senior Executives:

The total amount of the remuneration and similar benefits paid to the top level executives by the Company as for the period that ended on 31 December 2024 is approximately TL 368.485 Thousand (Majority of the amount paid consist of salary payments and benefits provided).

b) Information on Business Partnerships, Associates, Subsidiaries, Joint Ventures and Branches

The Company's consolidated subsidiaries and branches are as follows:



Both our subsidiaries and joint ventures subject to consolidation fulfill their obligations regarding the tax legislation of the countries in which they operate and submit their audited financial statements and declarations regarding their tax assets/liabilities to the relevant authorities.

There is no cross-ownership relation between the companies subject to full consolidation (ASELSANNET, ASELSAN Bakü, ASELSAN Optik, ASELSAN Global, Mikro Ar-GE, ASELSAN Malaysia, ASELSAN Konya, BİTES, ASELSAN Ukraine, ASELSAN Latin America and ASELSAN UAE) and equity pick-up consolidation method (ASELSAN Bilkent, IGG ASELSAN, ASELSAN Kazakhstan, ASELSAN Jordan, TÜYAR, BARQ OSTP LLC, TEKNOHAB, EHSİM, TR EĞİTİM, İFTÜ, ULAK, ADIYAMAN Kablo) and the Company. Roketsan and Aspilsan are considered financial assets held for sale.

4- Main Factors That Affect the Performance, Investment and Dividend Policy of the Company

The Company carries on its business operations mainly in defense industry as well as in non-defense industry. According to the latest data, world defense expenditures has increased by 6,8% (the highest ratio increase in the last 15 years) reaching USD 2,44 Trillion and the ratio of total expenditures to total GDPs has realized as 2,3%. The summary table on the right side gives information about the top five countries, which accounted for 61% of the total defense expenditure in 2023 and Türkiye.

Rank	Country	Expenditure (m USD)	2023-2022 %Δ	Expend./GPD %	Share in the World %
	World	2.443	6,8	2,3	100,0
1	ABD	916	2,3	3,4	37,0
2	Çin	296	6,0	1,7	12,0
3	Rusya	109	24,0	5,9	4,5
4	Hindistan	84	4,2	2,4	3,4
5	S. Arabistan	76	4,3	7,1	3,1
22	Türkiye	16	37,0	1,5	0,6

As of 2023, Türkiye's annual defense expenditures increased by 37% to USD 16 Billion and ranks 22nd in the world. The ratio of defense spending to GDP is 1,5%.

Due to the industry's nature, defense projects spread over years, furthermore a system project lasts approximately 5 to 6 years from its start to its delivery.

As of 31 December 2024, The Group's long-term plans which have been accordingly signed as contracts spread over years amounts to USD 13,9 Billion.

The determination of target regions/countries and focusing on these markets for marketing and direct sales as well as engaging in joint productions, transfer of technology to/from international platform producers and strategic initiatives for sales to third countries are concurrent to our sustainable growth objectives.

The Company's profit distribution policy is posted on www.aselsan.com website under Investor Relations/ Corporate Governance/Policies. According to the policy, at least 10% of the net profit is targeted to be distributed.

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 shall be allocated as Extraordinary Legal Reserves and distribution of the cash dividends to the shareholders shall be distributed as of 25 November 2024, the dividend payment was made on 25 November 2024

5- Enterprise Risk Management

ASELSAN's Enterprise Risk Managements 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 governance. 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. In the developing and rapidly changing world, every risk that arises or increases in impact and probability is proactively followed, and the possible effects on the Company and the opportunities created by these risks are evaluated.

At ASELSAN, risks are followed under four main categories:

a) Main Risk Categories

Strategic Risks: Risks that may prevent ASELSAN from reaching its targets in short, medium or long terms are classified under this heading. Risks under this heading include factors such as; growth and continuity, changing customer expectations, technological changes and market share.

While ASELSAN manages its strategic risks effectively; it aims to increase its backlog, increase exports and to take part in sustainable works. In order to increase ASELSAN's market share and offer new products / services, ASELSAN seizes company merger / acquisition opportunities both at home and abroad. ASELSAN also conducts business development activities successfully.

ASELSAN increases its research and development activities in order to meet changing customer expectations and changes in technology, and realizes the necessary infrastructure and technological investments. ASELSAN diversifies the geographical regions in sales, customer portfolio and the sectors in order to maintain its growth and continuity in the medium and long term.

Operational Risks: It is defined as the risks arising from errors and negligence that may occur while performing the operational activities of the company. Risks under this section include factors such as; production, supply chain, human resources, information technologies, natural disaster and terrorist attacks.

In order to ensure the continuity of the processes, in-house directives and functors have been prepared and necessary updates are being made when needed. Within the scope of the Internal Audit plan and work schedule prepared in ASELSAN, business processes are being audited and process improvements are made in line with the audit outputs.

Quality in production processes involving internal operations and suppliers is uncompromisable; where subcontractor and supplier development activities are carried without slowing down. In terms of managing Human Resources and increasing employee motivation; activities were made with the participation of employees from every level and process improvements were made. Security policies are sustained at the highest level in Information Technology applications. In this area, internal and external audits are carried out periodically and precautions are taken against probable cyber-attacks and in the field of Information Technologies, business continuity in-house is provided.

Our all processes are administered by directives, quality plans, standards, audits and test instructions. Our processes have been certified by internationally accepted standards such as AS9100, ISO 9001, AQAP and CMMI so that our products and services are secured to protect quality standards. These certificates are renewed every year with the audits performed. Changes and improvements of international standards are being followed and our processes are developed accordingly.

Regarding risks, such as natural disasters, terrorist attacks, necessary precautions are taken, primarily insurances have been made, and drills are carried out.

Financial Risks: It refers to the risks arising from the financial structure and financial preferences of the company. Exchange rate, liquidity and interest rate risks are some risks under this heading.

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.

ASELSAN eliminates the liquidity risk, which is known as the risk arising from default and inability to fund 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.

Compliance Risks: It refers to the risks associated with the Company's financial losses and / or loss of reputation as a result of the company's activities or the attitudes and behaviors of the company employees that are not in compliance with the legislation, regulations and standards. While conducting its activities, ASELSAN closely follows national and international standards with the best practices in the sector, and compliance with legislation and regulations is ensured at the highest level. In addition, by Internal Audit Presidency; the effectiveness of controls, compliance with legislation and ASELSAN regulations, compliance with ethical principles and controls to eliminate risks are being evaluated.

b) Early Detection and Management of Risk Committee Works

The Early Detection and Management of Risk Committee, which consists of the members of the Board of Directors, has been operating at ASELSAN since 2012 in order to ensure early detection of risks that may endanger the existence, development and continuity of the Company, to take necessary measures related to the identified risks and to manage the risks. The Chairman of the Committee is an Independent Board Member.

Committee; carries out its own activities in full compliance with the regulations of the Capital Markets Board and all the related legislation, especially article 378 of the Turkish Commercial Code No. 6102. In addition, the Early Detection of Risk System and Committee, established by ASELSAN, is subjected to independent audits annually and the Auditor Report stating that the activities performed is sufficient, is submitted to the Board of Directors. Committee conducted 7 meetings by the end of year 2024 in order to follow the works on early detection and management of risks and to make evaluations about this issue. The reports containing the works of the Committee were being submitted to the Board of Directors periodically.

c) Training

At ASELSAN, spreading risk management to the Company culture and creating risk awareness in each employee are among the basic elements that ensure the success of the Corporate Risk Management System. In this context, "Corporate Risk Awareness Training" and "Climate Change Risk and Opportunity Studies at ASELSAN" have been added to the vocational and on-the-job training programs of all ASELSAN personnel. It has become compulsory to take these trainings.

CLIMATE CHANGE

ASELSAN has been continuously working within the scope of Carbon Disclosure Project (CDP) Climate Change since 2010, achieving scores above the global and national averages. In the CDP reporting, it scores above the global and national averages in climate change, while it maintains its leadership position with the score it receives in water management.

According to the "Global Risks Report 2024" published by the World Economic Forum, as in previous years, the most important risks evaluated according to probability and impact level for the next decade are climate change risks.

ASELSAN continues to take the necessary actions for the management of climate change risks and a sustainable world, especially CDP Climate Change reporting, and maintains its place among the world's important defense industry leaders in this regard. In this context, it has made climate change and environmental risks, which are among the most important risks of our age, a part of the corporate risk system.

6- Financial Information of the Company

The forecasts under the normal conditions regarding the Group's consolidated financial results for the 2025 year are presented below:

Financial Targets of 2025	Inflation Adjusted Amount / Ratio
Revenue Growth (TL)	>10%
EBITDA Margin (Adjusted without Foreign Exchange Rate Differences)	>23%
Capital Expenditures	20.000 Million TL

The Company, which has been in the most prestigious Defense Industry list since 2008, "Defense News Top 100", published by "Defense News" magazine, aims to increase its ranking in the list in following years. Ranking 47th in the 2023 list and ranking 42nd place in the 2024 list.

In order to achieve the sustainable growth:

- The quality and technological perspectives of the cooperation formed with the universities have been increased.
- ASELSAN employees are provided with the opportunity to study in the work environment with the initiation of ASELSAN Academy Postgraduate Training Program. The program serves the purpose of having the necessary technologies and developing existing technologies.
- In cooperation with the Ministry of National Education's Directorate of Vocational and Technical Education of the Republic and ASELSAN, aimed at contributing to the development of a qualified workforce needed by the defence industry, the first vocational and technical Anatolian high school in the field was established in 2019 in Ankara.
- The eco-system with the sub-industry companies and SME's is formed.
- Company is continuing its operations in non-defense electronic areas which requires high technology.
- Inorganic growth will also be evaluated as well as organic growth.

a) Financial Resources of the Company

The most substantial financial resources of the Company comprise the advance and interim payments taken within the scope of the contracts signed and profits generated by the main activities.

During the period between 1 January – 31 December 2024, the cash requirements were met with the available cash, cash inflows from operations and loans.

As of 31 December 2024, there is a loan balance amounting to USD 924 Million.

Planned Measures to Improve the Financial Structure of the Company

As for the annual budgets and implementations for the period 2023-2024, the Group have adopted the principles as the basis to take care of savings in all kinds of expenditures, to follow up the advances and receivables closely, to pay attention to the proportion of the term and currency in purchasing and sales agreements and the risk status of the domestic/foreign suppliers and sub-contractors.

b) Research and Development Activities

The Group, as a leading defense industry establishment, develops advanced technology system solutions on land, air, naval and aerospace platforms, places great importance to Research and Development activities and technological gains since it was founded.

By following up on all kinds of technological developments pertaining to land, air, naval and aerospace platform product/system technologies, the Company not only applies technology but also designs, develops and produces product/system technologies in order to share or sell with/to national and international collaborations.

Projects are striving at maximum level in order to benefit from the technological opportunities existing in the country aiming to increase the national contribution share. For this purpose, cooperation is made with universities and various R&D organizations and importance is given to the use of local suppliers and subcontractors.

As for the projects carried out within the Group, Research and Development center application pursuant to the Law regarding the support of Research and Development activities numbered 5746 is being implemented. As for non-public R&D projects, the approval of TEYDEB (Technology and Innovation Support Programs Directorate) and ARDEB (Research Support Programs Presidency) are received and supported by the institutions.

Within the Company, there are 11 Research and Development centers within the scope of Defense System Technologies (SST-1 and SST-2), Radar Electronic Warfare and Intelligence Systems (REHİS), Microelectronics, Guidance and Electro-optics (MGEO-1 and MGEO-2), Communication and Information Technologies (HBT), Transportation, Security, Energy, Automation and Medical Systems (UGES-1 and UGES-2), Information Management Director (BYD) as well as Middle East Technical University (Teknokent and Titanyum). Currently, 8.002 staff are employed at the Group's Research and Development centers.

The Company also carries on its activities at METU Teknokent, Hacettepe Teknokent, and Teknopark İstanbul within the scope of the Law numbered 4691 on Technology Development Regions. 2 staff at METU Teknokent, 67 staff at Teknopark İstanbul, 3 staff at Teknopark Hacettepe and 7 staff at Gebze IT Valley are employed.

c) Progress in Investments and Degree of Incentive Utilization

I. Investments

Directing the Company's resources to profitable, high value-added fields, where advanced technology is used, is anticipated in the first place by considering the global tendencies, technological developments and the actual and prospective requirements of all customers, particularly Turkish Armed Forces. The investments within the Company are carried out after detailed consideration of the technological plans, strategic plans and project requirements.

During the current period, the investments, which will meet the needs of infrastructure and equipment in order to be used in research and development projects have been sustained in compliance with the investment scheme in accordance with the policy of efficient use of resource.

II. Incentives

Income tax withholding incentive, insurance premium support, stamp tax exemption and Research and Development incentives are utilized within the scope of the Law numbered 5746. In accordance to the Law regarding the Incentive of Research and Development Activities numbered 6676 published on Legal Gazette 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. Income tax withholding incentive, insurance premium support and stamp tax exemption are utilized by being calculated over the salaries of the Research and Development personnel and not being paid to the relevant institution and the Research and Development discount is utilized by means of applying a discount on the corporate tax return. Aforesaid law is valid until the date of 31 December 2028.

Within the scope of the Teknokent Law numbered 4691, incentive on withholding income tax, insurance premium support and stamp tax exemption are applied. These are utilized by making calculations on Research and Development and software personnel wages and not being paid to the related institution. The gain obtained with reference to the execution of Technology Development Zones Law numbered 4691 is exempted from the corporate tax of 31 December 2028.

Between the period 1 January – 31 December 2024 because of having Research and Development centers, TL 4.313.839 Thousand within the scope of income tax withholding incentive, promotion of insurance premium, stamp duty exception; as a result of being active at ODTÜ Teknokent (as of March 2024 restructured as Research and Development Center), Gebze Informatics Valley and İstanbul Technology Development Area Technopark TL 329.160 Thousand incentives have been used. Within the scope of the Research and Development Law No 5746 and Teknokent Law No 4691, TL 1.411.269 Thousand Corporate Tax advantage has been gained as of 1 January – 31 December 2024 period.

At the periods when Group's Research and Development expenses, which is subject of Research and Development discount, is higher than the principal amount of Research and Development discount which is indicated at corporate tax return, Corporate Tax ratio is 25% of distinction amount is evaluated as deferred tax income at financial tables.

Subject to the Tübitak Academic Support Programs; there are four ongoing projects in the 1004-Center of Excellence Support Program.

Subject to the Tübitak, one project in the 1511-Research Technology Development and Innovation Projects in Priority Areas (Technology Focused Industrial Movement Program), one project in the 1515-Frontier R&D Laboratory Support Programme. The application was removed from the programs for large-scale organizations; SMEs were left under the program based on the changes made on the 1501-Industry R&D Projects Support Program on 1 July 2019. The 1007 Public Institutions Research and Development Project Support Program has been formed in order to meet the requirements of the Public Institutions with Research and Development or to support the projects aimed at solving their problems. In scope of this support six Research and Development projects and one Horizon Europe Programme are still ongoing.

The incentives for the related programs are used periodically. In addition, there are seven projects carried out in the Tübitak 1707 Order-Based R&D Projects Program.

There is one ongoing project within the scope of Tübitak 2247-A National Outstanding Researchers Program.

Incentives were received from Turquality and Support and Price Stability Fund (DFIF) due to the Market research, fair, and library support activities (TL 85.480 Thousand). Supports are received within the scope of TUBITAK projects. (TL 9.001 Thousand).

Within the context of "Taxes and Funds Exemption Certificate" received from Republic of Türkiye Ministry of Trade in order to increase exports and gain competitiveness in international markets, stamp duty and fee exemptions are used in export sales and deliveries and foreign exchange gain activities. (TL 420.024 Thousand)

Within the Decision Regarding the Governmental Grant in Investments, there are twelve Investment Incentive Certificates taken from the Turkish Republic Ministry of Industry and Technology General Directorate of Incentives and Implementation. With such incentive certificates, VAT exemption and customs tax exclusion are utilized (TL 510.326 Thousand). VAT exemption is applied to our purchases, which are used for our deliveries subject to VAT 13/f Article and our exports (TL 6.195.821 Thousand).

d) Production, Capacity and Revenue

The Company can conduct complicated projects through its own integrated system architecture by means of knowledge, highly developed R&D infrastructure, well-equipped production lines and facilities.

According to the relevant sales agreement terms and conditions, the Company's revenue from projects contains order-based production, mass production product sales, services, commodities and progress billing sales. Sales terms and conditions are subject to change as for the respective agreements.

Substantial part of production has been realized based on orders. All related processes are being managed efficiently since product requirements, quantities and prices are different. Works in order to perform distinctive business development and marketing activities in global markets to increase efficiency in international markets and exports have been continued. As of December 2024, net sales increased by 13% to TL 120,2 Billion and export to net sales ratio is 14,3%.

e) Financial Ratios

As of 31 December 2024, the Group's financial statements prepared in accordance with the Communiqué Series II, No: 14.1 "Communiqué on Capital Market Financial Reporting Standards" issued by Capital Markets Board. Based on this, financial ratios are presented as below.

Financial Ratios	Dec 24	Dec 23
Current Ratio	1,52	1,45
Liquidity Ratio	0,68	0,58
Short Term Current Liabilities / Total Financial Liabilities	70,1%	94,3%
Total Financial Liabilities / Total Assets	13,4%	13,2%
Gross Profit Margin	31,7%	27,3%
Operating Profit Margin (EBIT)	22,4%	17,2%
Adjusted EBITDA Margin (*)	25,1%	21,8%
Net Profit Margin	12,7%	10,0%
Return On Equity (ROE)	11,3%	8,7%
Net Working Capital / Net Sales	35,4%	47,4%
Return on Assets (ROA)	6,6%	5,0%

*General administrative expenses, marketing expenses and research and development expenses are subtracted from and current period's depreciation and amortization expenses are added to the gross profit in calculation of Adjusted EBITDA value. Other operating income and other operating expenses are not included in the calculation.

7- Changes in the Legislation Which Would Have Significant Impact on the Activities of the Company

Inflation Accounting

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

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

As of the date of these financial statements, inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 31 December 2024 and 31 December 2023.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms using the general price index. One of the conditions that require the application of TAS 29 is a three-year cumulative inflation rate of approximately 100% or more. In Türkiye, based on the consumer price index ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"), the cumulative rate was 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 December 31, 2024, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

Period	Index	Correction Coefficient
31 December 2024	2.684,55	1
31 December 2023	1.859,38	1,44379
31 December 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.

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.

8- Compliance Report on Corporate Governance Principles and Sustainability Principles Compliance Framework Report

"Corporate Governance Compliance Report" is in the Appendix 1, "Sustainability Principles Compliance Framework Report" is in the Appendix 2.

9- Information Regarding the Lawsuits of the Group

The lawsuits and execution proceedings filed by or against the Group as of 31 December 2024 are summarized in the table:

Statement	December 24 (TL Thousand)
Ongoing lawsuits filed by the Group	42.865
Execution proceedings carried on by the Group	746.897
Lawsuits proceedings carried against the Group	54.616
Execution proceedings carried against the Group	19.169
Lawsuits finalized in favor the Group within the period	7.059
Lawsuits finalized in against of the Group within the period	4.954

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

10- Information Regarding the Transactions Made within the Reporting Period

a) Changes in the Articles of Association

There are no changes in the Articles of Association within the reporting period.

b) Collective Agreement Implementations, Rights and Benefits Provided to the Personnel and Workers

The Group recruited a total number of 2.506 people as the personnel including fixed-term contracted personnel, disabled and terror-stricken personnel during the period 1 January – 31 December 2024 and the number of people quit for the same period is 1.069.

The rights and benefits provided to the personnel by the Company are bonus payments, meal allowances, marriage benefits, maternity benefits, life insurance, transportation, private health insurance, and childcare and kindergarten benefits. The average number of personnel employed by the Group as of 31 December 2024 is 12.014.

c) If it is an affiliate company, the legal transactions carried out in favor of the parent company or its affiliate with the parent company, with an affiliate company connected to the parent company with the direction of the parent company and all other measures taken or avoided to be taken in favor of the parent company or its affiliate in the previous activity year

There has not been such an event within the reporting period.

d) If it is an affiliate company, whether any counter performance was realized for each legal transaction according to the known status and conditions at the time the legal transaction mentioned in article c was realized or at the time the measures were taken or avoided to be taken and whether the company incurred losses due to the taken or avoided measure and if the company incurred losses to observe whether this was equalized or not

There has not been any material event that affects the Company's financial statements within the period.

e) Information Regarding the Donations and Social Responsibility

Within the period of 1 January – 31 December 2024, the donation amount made by the Group is TL 57.968 Thousand.


f) Events After the Reporting Period

After the reporting period, the Group has 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).


ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. SIGNATURE SECTION OF ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD BETWEEN 1 JANUARY – 31 DECEMBER 2024



Ercüment ARVAS
Chairman of the Board of Directors



Alpaslan KAVAKLIOĞLU
Vice Chairman of the Board of Directors



İsmail ARI
Member of the Board of Directors



Bekir BAYRAKDAR
Member of the Board of Directors



Yavuz ÇELİK
Member of the Board of Directors



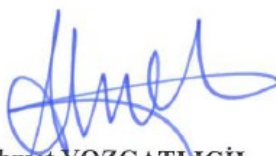
Göksel SEVİNDİK
Member of the Board of Directors



Mustafa Murat ŞEKER
Member of the Board of Directors



Ebru TÜMER
Member of the Board of Directors



Ahmet YOZGATLIGİL
Member of the Board of Directors

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CHAPTER I - STATEMENT FOR COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

ASELSAN, in scope of the Corporate Governance Principles which has been implemented by Capital Markets Board (CMB) since 2003, has been making efforts to work in compliance with the principles under the titles shareholders, public disclosure and transparency, stakeholders and Board of Directors.

Since 2012, ASELSAN has been receiving Corporate Governance Rating services to measure its level of compliance with corporate governance principles. In this context, the Corporate Governance Rating for ASELSAN, which was first established on December 13, 2012, was 8.77 out of 10. Following an assessment by SAHA Corporate Governance and Credit Rating Services Inc. (SAHA), authorized by CMB, our rating reached a historical peak of 9.49 on December 10, 2024.

The reason for the upward revision in our rating is the establishment of a target ratio and target time for the percentage of female members on the Board of Directors, with a minimum of 25%, and the creation of a policy to achieve these goals. Additionally, the statement in the General Assembly Internal Directive allowing guests and audiovisual technicians to attend the General Assembly.

Corporate governance rating grade shows to what extent the companies comply with the corporate governance principles set out by the CMB. The Company's compliance level with the principles is defined with a methodology measuring under the main titles Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors. Within this context, the methodology that is based on the "Corporate Governance Principles" published by CMB in January 2014, was used in the rating made by SAHA.

The ratings of 2023 and 2024 and the subtitles are given below:

2023 Rating Distribution		2024 Rating Distribution	
Shareholders	: 89.59 / 100	Shareholders	: 89.82 / 100
Public Disclosure and Transparency	: 98.72 / 100	Public Disclosure and Transparency	: 98.72 / 100
Stakeholders	: 99.17 / 100	Stakeholders	: 99.17 / 100
Board of Directors	: 91.88 / 100	Board of Directors	: 94.06 / 100
Average 9.41 / 10.00		Average 9.49 / 10.00	

ASELSAN Corporate Rating Reports published by SAHA are available in Turkish and English on the Company's website at www.aselsan.com.

ASELSAN is in full compliance with all the mandatory principles of Corporate Governance Principles. There are no conflicts of interest arising because of the arbitrary principles where compliance has not been achieved. The titles regarding the arbitrary principles, where compliance has not been achieved yet, are given below and are explained in detail through the Compliance Report.

- No recognition of minority rights to those who own less than twentieth of the capital indicated in the Articles of Association,
- Group A shares having the privileges on Board nominations and the transfer of those shares being subject to permission,
- The fact that although the mechanisms enabling the participation of stakeholders in the management of the company are built, they are not included in the Articles of Association.

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- Non-existence of a judgement in the Articles of Association; declaring that shareholders may individually demand special audit of certain incidents from the General Assembly even if it is not on the meeting agenda, under the condition that the right to ask to obtain information and to examine has been used before and if the exercise of shareholders rights is necessary,
- The article "Group A shares shall not be sold or transferred without the consent of the Board of Directors because of the Company's operations in security and defence industry; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records" in the Articles of Association of the Company,
- Not disclosing the compensation of board of directors and executive managers or the benefits provided to them per each individual,

With the resolution of CMB, numbered 2/49 and dated 10.01.2019, it has been decided that companies shall make their Corporate Governance Compliance Reporting, which is made in accordance with the Corporate Governance Communiqué numbered II-17.1, by filling the Corporate Governance Compliance Report and Corporate Management Information Form templates via the Public Disclosure Platform (PDP). In accordance with this decision, our Company filled the relevant templates in PDP and added the templates to the end of the report as Appendix-1.

Corporate Governance Committee will carry on the necessary efforts in order to achieve full compliance with Corporate Governance Principles.



İsmail ARI
Independent Member of Board of Directors
Corporate Governance Committee Chairman



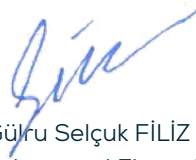
Mustafa Murat ŞEKER
Member of Board of Directors
Member of Corporate Governance Committee



Ahmet YOZGATLIGİL
Member of Board of Directors
Member of Corporate Governance Committee



Cansin MISIRLI
Investor Relations and Financial Analysis
Manager Member of Corporate Governance
Committee



Gülrü Selçuk FİLİZ
Investor Relations and Financial Analysis
Senior Team Leader
Member of Corporate Governance Committee

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CHAPTER II - SHAREHOLDERS

2.1. Investor Relations and Financial Analysis Department

The information regarding Investor Relations and Financial Analysis Department responsible for the relations with shareholders is given below.

Ali ERAY	: Finance Director
Cansın MISIRLI	: Investor Relations and Financial Analysis Manager
Gülru SELÇUK FİLİZ	: Investor Relations and Financial Analysis Department / Senior Team Leader
Hüseyin Ada ACUN	: Investor Relations and Financial Analysis Department / Leader Specialist
Yunus Emre ÇOLAK	: Investor Relations and Financial Analysis Department / Leader Specialist
Ece DENİZ	: Investor Relations and Financial Analysis Department / Senior Specialist
Bariş EKER	: Investor Relations and Financial Analysis Department / Specialist

Contact Information

Phone: 0850 828 1 828

E-mail: aselsan.ir@aselsan.com

Investor Relations Department has submitted the report regarding the tasks carried during 2024, to Board of Directors on 21.01.2025.

Gülru Selçuk FİLİZ, Investor Relations Team Leader and the responsible, has Capital Markets Transactions Level-3 and Corporate Governance Rating Expertise Licenses.

Main operations carried out by Investor Relations Department during 2024 are as follows:

- Maintenance of the exercise of partnership rights of shareholders, updated and safe records regarding shareholders,
- Coordination of public disclosure of material events,
- Answering the written inquiries of shareholders regarding the company, excluding the information considered as confidential, trade secret and which was not disclosed to public,
- Ensuring the execution of General Assembly meeting in compliance with the regulation in force, Articles of Association and other company regulations, records being kept regarding the ballots and the results being reported to shareholders,
- Monitoring of every issue regarding the public disclosure including the regulations and company policies on information,

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- Execution of tasks assigned by Corporate Governance Committee,
- Operation of transactions regarding dividend distribution and tasks regarding Corporate Governance Principles,
- Coordination of updating the list of people who have access to insider information; informing those people in purpose of protecting the insider information and making sure they follow the confidentiality rules until financial and operational results are disclosed to public,
- Monitoring of the Credit Rating processes, disclosure on the PDP, and uploading to the website,
- Contributing to the preparation process of the Sustainability Report and ensuring its disclosure on the PDP,
- Contributing to the preparation process of international sustainability surveys.,
- Contributing to the preparation of the required information for the Borsa İstanbul (BIST) Sustainability Index,
- Preparing the information requested for the Borsa Istanbul Participation Index and disclosing it to the public,
- Performing the tasks regarding the compensation of the beneficiaries with the capital market instruments, the property of which has been lapsed to the Investor Compensation Center (ICC) and have become valid again,
- Preparing and presenting periodic Financial Analysis reports to the management.
- Answering investors' questions via the Voice Response System, report the phone calls,
- Manage the content of the Investor Relations section on corporate website.

The Investor Relations Department accepted the meeting requests of domestic/foreign corporate and individual investors to the maximum extent in 2024. In this context, a total of 192 investor meetings were held, 15 of which were held at the SAHA EXPO 2024, 56 of which were one-on-one meetings held at intermediary organizations and on-site visits, 114 of which were teleconferences, and 7 of which were held at ASELSAN facilities. Additionally, approximately 1.000 retail shareholders' questions regarding fluctuations in the stock price, exercising shareholder rights, material event disclosures made, financial tables, etc. were answered either written or verbally in 2024.

The information and explanations, which may affect the exercise of shareholders rights, are provided in the company website.

2.2. Exercising of Information Acquisition Rights of the Shareholders

Investor Relations Department has taken care of every written and verbal inquiry of all shareholders in 2024 with the most accurate and fastest way. It has paid attention to respond to all the information demands of shareholders with complete and comprehensible responses.

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Investor Relations Department has been using Turkish and English website www.aselsan.com/en actively in order to inform ASELSAN's investors on a timely and accurate basis and has been updating the information given on the web constantly. The electronic platform on our website is being effectively used regarding the issues that may affect exercising of the shareholders rights. The material event disclosures made through PDP incorporated under BIST are being disclosed both in Turkish and in English from 26.10.2015 onwards, the material event disclosure and other notifications are being published on our corporate website in Turkish and in English on the same day. Additionally, PDP announcements are sent via email to domestic and foreign investors who follow ASELSAN's stock. Moreover, KAP notifications are made available to all employees within the company through a shared platform. In general, any changes occurred in the Company structure are announced on our website and the investor presentations are constantly updated. Information on capital increases and dividend distribution is also submitted to our investors' knowledge on the website. In addition, notifications regarding the attendance of shareholders to the General Assembly and electronic general assembly principles within the context of the new Turkish Code of Commerce (TCC) are being made.

Full compliance of both Turkish and English chapters on "Investor Relations" of our company's website as per the regulations was achieved.

Within the context of regulations of CMB, in 2024;

- General Assembly documents within legal deadlines,
- General Assembly minutes and participants list,
- 2023 Annual Report was uploaded to website
- The reports for the 1st quarter, 2nd quarter, and 3rd quarter period for 2024,
- Investor presentations, updated in parallel with the quarterly financial results, have been published on the website.,
- Disclosure of material events made in 2024,
- Our Company's consolidated financial statements and basic performance indicators for the last 5 years along with the Financial Report,
- Forward looking evaluations,
- Earnings Release has been published,
- Investor Calendar
- Corporate Governance Principles Compliance Report,
- Subsidiaries,
- ASELSAN Sustainability Report,
- Board Committees,
- CVs of Board Members,
- Corporate Governance Rating Report,
- Credit Rating Report,
- Public disclosures,
- Analyst information,
- Dividend data,
- Share data fields have been updated.

were published on the website in Turkish and English.

Due to the reason that a regulation is present within the TCC numbered 6102 according to which the shareholders will be able to request from the General Assembly the assignment of a special auditor for the inspection and disclosure of the financial status, and due to the reason that the law and the relevant legislation are considered for the issues not present in the Articles of Association of the Company, there is no respective provision with regard to this issue in the Articles of Association. There was no request of any shareholders with respect to the assignment of a special auditor in 2024.

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2.3. General Assembly Meetings

The agenda and invitation for the 49th Ordinary General Assembly Meeting held on 14.06.2024 were duly announced on 16.05.2024 in a daily newspaper published throughout Türkiye, on the website and in the Turkish Trade Registry Gazette in a manner to include all necessary information. Furthermore, the invitation was sent to the main shareholders and the shareholders who attended the previous meeting via mail two weeks prior to the General Assembly. The 49th Ordinary General Assembly Meeting was held on 14.06.2024 with the representation of a total of TL 3.418.575.056,681 out of 4.560.000.000 shares representing the issued capital of TL 4.560.000.000, of which TL 656.384,84 shares were represented in person, TL 34.616.174, shares were represented by the depositing representatives and TL 3.383.302.497,84 shares were represented by other representatives. The decisions taken at the meeting were registered and announced in the Trade Registry Gazette on 01.07.2024.

In scope of the Communiqué on Corporate Governance numbered II.17-1 of CMB, one month before the General Assembly Meetings in 2024, on 13.05.2024, Information Documents containing all details regarding the General Assembly Meeting were announced on PDP and were published on our Company website. The annual report was made available for the review of shareholders at the headquarters 15 days prior to the date of the Ordinary General Assembly Meeting, and was provided to shareholders who applied to attend the general shareholders' meeting and to those who requested it.

For the facilitation of physical attendance to General Assembly Meeting in 2024, transportation from central spots to our Akyurt facility was provided for our shareholders.

In the General Assembly Meeting in 2024, the shareholders were informed regarding the presence of managing members, all the Board of Directors members and auditors at the meeting. The shareholders exercised their rights to ask questions regarding the topics in the agenda and the answers to the questions took place in the General Assembly Meetings minutes. There are no questions, which has not been answered in the General Assembly Meetings and answered by the Investor Relations and Financial Analysis Department later on. Within the period, there have not been any transactions of which their resolutions were submitted to General Assembly because the confirmative vote of the majority of the independent board members are required where as they have voted negatively. The minutes of the General Assembly Meeting held in 2024 can be accessed from the website of our Company.

The shareholders were informed about donations and aids were made in 2023, with a separate agenda item at the 49th Ordinary General Assembly Meeting.

2.4. Right to Vote and Minority Rights

In article 25 of the Articles of Association titled "Right to Vote", there is a provision stating that "the Shareholders and their representatives who are present at the Ordinary and Extraordinary General Assemblies shall have one right to vote for each share" and there is no privilege or no upper limit pertaining to the numbers of votes. The right to vote arises as soon as the share is acquired and there is no regulation setting forth that the vote shall be used when a certain time passes after the acquisition date of the share. The regulations regarding the voting of the shareholders through their representatives are followed by; in the event of a legal representation, it is certified and the open proxy rule is applied.

Particular attention is paid in exercising the minority rights in our Company and the provisions of Turkish Code of Commerce and the relevant legislation regarding minority rights are applied as is. All shareholders are treated equally in our Company, including the minority and foreign shareholders.

There are no prevailing partners in our Company. In the Articles of Association, there is no provision with respect to the representation of the minority shares in the management and their accumulated casting of votes. Due to the voluntary implementation of this issue regarding the capital market legislation, provision with respect to the current General Assembly quorum is applied.

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2.5. Dividend Rights

There are no privileges with respect to the participation in the profit gained by the Company. The dividend policy was last revised in 2016 and was submitted to following ordinary general assembly meeting. The dividend policy published on our website is given below.

"The dividend amounts which shall be calculated considering the sustainable growth rate, market capitalization, net working capital requirements, dividend yield and cash flows, equity ratio, with the relevant legislation and the provisions of the articles of association over the distributable profit amount calculated taking the period profit as the basis which is shown on the financial statements of our Company prepared pursuant to the existing legal regulations (after the compulsory legal reserves are reserved and the taxes, funds and financial liabilities and losses of the previous year, if any, are deducted and the donations are added), the profit distribution proposal which shall be prepared by the Board of Directors in order for the shares which shall be issued by means of adding the cash or the dividend on the capital on the date(s) determined pursuant to the regulations of the Capital Markets Board to be distributed targeting at least %10 of net profit in cash in the defined amounts or as bonus shares or partly in cash, partly as bonus shares in defined amounts, shall be submitted to the approval of the General Assembly. Following the approval of the General Assembly, the determined dividends are distributed to the shareholders within the legal periods on the date determined by the General Assembly.

There is no privilege to participate to the profit of our Company. The dividends are distributed equally regardless of all the existing shares and their issue and acquiring dates.

In case of a revision made on the Dividend Policy, the resolution of Board of Directors regarding this revision and the reason for revision shall be publicly announced with respect to the legislation of Capital Markets Board."

The net distributable profit calculated within the scope of the profit distribution decision taken at the Ordinary General Assembly Meeting held on 14.06.2024 within the framework of the Capital Markets Law and other legal regulations and the provisions of the articles of association, is equal to 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 10,0657% on the basis of the capital) shall be distributed in the form of cash. The said profit distribution rates, which were decided at the Ordinary General Assembly meeting, were announced on the PDP. Of the dividends decided to be distributed, it was paid on 27.11.2024.

2.6. Transfer of Shares

The transfer of the nominated Group A shares representing majority part of the capital and which are not traded in BIST has been restricted with the provision of article 6 of the Articles of Association stating "As the company operates in security and defense sector; Group A shares shall not be sold or transferred without the consent of the Board of Directors; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records".

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CHAPTER III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Company Website and its Content

In order to inform our shareholders in a timely and accurate manner within the context of public disclosure and transparency; the website of the Company at the address www.aselsan.com/en in Turkish and English is actively used and the information published on the web are updated regularly.

The section "Investor Relations" is included on our website also comprising the issues listed in article 2.1.1 of the corporate governance principles of Communiqué on Corporate Governance numbered II-17.1 issued by CMB on 03.01.2014.

Under "Investor Relations" section;

1. Corporate Governance
 - 1.1 Shareholder Structure and Privileged Shares
 - 1.2 Board of Directors
 - 1.3 Key Resolutions of Board of Directors
 - 1.4 Board Committees
 - 1.5 Articles of Association
 - 1.6 Company Profile and Trade Register Information
 - 1.7 Policies
 - 1.8 Ethical Principles
 - 1.9 Corporate Governance Rating
 - 1.10 Credit Rating
 - 1.10 General Assembly Meeting
 - 1.11 Compliance with Corporate Governance Principles
2. Financial and Operational Data
 - 2.1 Financial Reports
 - 2.2 Financial Highlights
 - 2.3 Investor Presentations
 - 2.4 Board of Directors Reports
 - 2.5 Earnings Release
3. Stock Info
 - 3.1 Stock ID
 - 3.2 Capital Increases
 - 3.3 Analyst Coverage
 - 3.4 Dividend Info
4. BIST Disclosures
5. Annual Reports
6. Investor Calendar
7. FAQ

chapters exist. Necessary records and information are included under these titles. The information given on the Turkish website under "Investor Relations" section is included entirely on the English website.

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3.2. Annual Report

The Board of Directors prepare the annual report in detail regarding the operations of the Company and enable the public to reach complete and accurate information that can be comprehensive. The 2023 annual report of our Company was prepared as per the Turkish Code of Commerce numbered 6102, the Regulation Regarding the Determination of the Minimum Content of the Annual Reports of Companies issued by the Ministry of Customs and Trade, the Communiqué Regarding the Principles Related to Financial Reporting in the Capital Market and the Communiqué Regarding the Determination and Implementation of the Corporate Governance Principles, both issued by the CMB.

CHAPTER IV - STAKEHOLDERS

4.1. Informing the Stakeholders

The information requests of stakeholders are keenly handled and attention is paid in responding these accurately and in an understandable manner. Our employees are informed with an employee hand book and informative presentations over the intranet; continuous access to data and support is provided through help desk application over the intranet. Nonetheless, general and personal data that can be necessary outside the company are provided to access over the internet.

On the suppliers' side, activities to expand the ASELSAN Supplier Portal and Powerful Together, which were put into use to ensure effective information exchange, continued. Technical development and improvements are continuously made on the Supplier Portal. On-site trainings provided to suppliers, starting with sub-industry companies, continued. In 2024, ASELSAN suppliers were provided with trainings in this context. On-site trainings will continue to be provided in the coming period. In addition, our supplier communication and development activities are carried out on a single interface with the Powerful Together Platform, which was developed specifically for our suppliers and launched in April 2020. More than 100 training courses in such areas as Purchasing, Quality, Personal Development and Environment are offered to suppliers through the Platform.

High quality standards and high technological solutions are offered for services or delivered products with regard to customer needs and expectations so as to meet customer satisfaction. Requirements of these quality standards are met and inspections, tests are applied through every process from projects' start till the delivery phases. Our all processes are administered by directives, quality plans, standards, audits and test instructions. Our processes have been certified by internationally accepted standards such as AS9100, ISO 9001, AQAP and CMMI so that our products and services are secured to protect quality standards. These certificates are renewed every year with the audits performed. Changes and improvements of international standards are being followed and our processes are developed accordingly. Customer satisfaction, which is the primary objective, is evaluated and reported for the access of related executives. In addition, results and trends are evaluated by the senior management on an annual basis and required improvement activities are planned.

It is possible to increase the quality of product and service correspondingly increasing customer satisfaction by supplying the materials used in products from the right and trusted sources. For this purpose, suppliers are subject to field of activity-based selection, evaluation and auditing processes. These activities that target continuous improvement and high quality standards for suppliers are regarded as playing an important role in eventual product quality. In this direction, technical, trainings, technology/equipment transfers, on site visits and guidance, on the job trainings are for creating a high quality supplier portfolio. In addition, supplier development activities are carried out in order to clarify ASELSAN's expectations from the firms, increase their awareness and take improving actions. In order to reduce the ASELSAN's burden of design, development and/or production, and to maximize the utilization of suppliers' expertise through the cooperation starting from the design stage, and to have a faster and safer product/service supply chain;

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Strategic Cooperation Agreements are signed with ASELSAN approved suppliers having adequate technological infrastructure and expertise and that are able to develop themselves technicalwise and to sustain long-term relationship with ASELSAN. Within this context, ASELSAN suppliers are continuously evaluated. All information is shared within the context of confidentiality with our suppliers, who have the status of our business partners, and it is not permitted to share this information with unauthorized persons and third-party firms. Through related directives, handling any kind of relations between ASELSAN and the suppliers within the scope of law and ethical values, minimizing the occurrence of unsuitable conditions for protecting parties and securing the justice and transparency.

ASELSAN Magazine, published in Turkish and English every 3 months and A Bülten published in Turkish every month, provide information regarding the activities, technical issues and up-to-date social events. Hard copies of ASELSAN Magazine is delivered to the end users of products and uploaded to the company's website. A Bülten is uploaded to the company's internet/intranet site, social media, Magzter and Pressreader applications right after it is publication.

The Compensation Policy can be accessed from our Company's website under Investor Relations- Corporate Governance title.

The members of the Board of Directors and the executives do not perform any activities that may cause shareholders to incur losses or may diminish the Company assets. The subject that no debt shall be given, no loans shall be granted or no pledges such as guarantees in favor thereof may be extended to any members of the Board of Directors or to any employees through the use of ASELSAN assets, is declared within the "ASELSAN Ethical Principles, Values and Conduct Rules Document", which is available on our Company's website.

The e-mail mechanism for the stakeholders to report their complaints regarding the transactions of the company, which are against the legislation or deemed unethical, is stated in the ASELSAN Ethical Principles Policy. The policy has been published on the Turkish and English web site following the approval of the policy. Within the context of the policy, the Ethics Committee is informing the Corporate Governance Committee.

4.2. Participation of Stakeholders in the Management

ASELSAN observes the sensitivities of the sector where it operates; never compromises on the principles of fairness, transparency, accountability, and responsibility, which are the cornerstones of corporate governance; adds momentum into its consistent growth, a safeguard the interests of stakeholders. In an attempt to bring its lead on domestic platforms to the international arena, the Company works without respite towards full compliance with corporate governance principles and legal regulations.

In the Articles of Association, there are no provisions regulating the participation of the stakeholders in the management. However, their participation to management shall be supported provided that it does not corrupt the Company activities.

The corporate governance structure of the Company gives the opportunity to all stakeholders including the employees and representatives to convey their worries with regard to transactions, which are inappropriate in terms of legality and ethics.

Our employee suggestion system with the theme of "Development Workshop", which aims to live, keep alive and take our values of development and excellence further together, continued to work in 2024.

Throughout the year, our employees conveyed suggestions to Development Workshop with the following topics; increasing productivity and efficiency, developing business processes, raising the level of quality, reducing cost / increasing income, enhancing employee and customer satisfaction, providing occupational health and safety, improving working conditions and the company image. Each suggestion was evaluated attentively and necessary actions were ensured to be taken.

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4.3. Human Resources Policy

ASELSAN updates its Human Resources Policy regularly to maintain its strong employer brand and enhance employee experience. ASELSAN's main focus areas are to manage qualified human resources in full compliance with applicable laws and regulations governing the working life, provide modern employment and working conditions, encourage personal development, and boost work performance. ASELSAN's Human Resources Policy is aimed at creating a fair, respectful, and transparent working environment, and is made up of principles based on the Universal Declaration of Human Rights, the Conventions of the International Labor Organization (ILO) to which the Republic of Türkiye is a party, and the Turkish regulations on labor and social security. Our human resources management policy is a set of principles which creates a fair, respectful and transparent working environment. All employees are responsible for the implementation of the Human Resources Management Policy within the limits of their duties and authorities. Our Human Resources Policy supports a management strategy that not only allows the recruitment of successful and dynamic talents in compliance with vision of ASELSAN but also contributes to sustainable achievement of the company. The strategy also aims to enrich the culture by supporting its employees. Therefore, a lot of new human resources projects have been implemented in 2024.

The basic principles of ASELSAN Human Resources Management Policy are as follows:

- To accept the employees as a social entity with a personality, to respect their personalities, to protect their material and moral rights.
- To ensure that the authorities and responsibilities are fully determined, and to consider the fit of the characteristics of the task and the competencies of the employees.
- Creating equal learning and development opportunities and designing learning programs according to abilities, qualifications and development areas of ASELSAN employees.
- To ensure that the employees are motivated for high performance.
- To ensure that the workforce plan is dynamic and meets the strategic needs of the company.
- To design a career management system which allows employees to ensure their career development and promotion in accordance with their performances.
- To create a peaceful working environment which promotes creative, constructive, honest, well intentioned and open communication.
- To ensure that appointment, dismissal and evaluation procedures are based on objective and egalitarian principles, away from personal criteria.
- To encourage every employee to express their ideas by activating all possible communication channels.
- To encourage each employee for improvement and development, as an individual or team member.
- To make employees feel safe regarding their job security unless their behaviors contradict with ethical rules, general principles and laws.
- To continuously review and revise the human resources management policy, in accordance with the values and strategic plans of the company.
- Not to discriminate based on language, race, gender, disability, political thought, philosophical belief, religion, sect etc. in the business relations.
- Except for compulsory reasons, not to take any different action directly or indirectly due to gender or pregnancy while making, implementing and terminating the employment contract.

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64% of our employees stand for the engineering group, 27% for the technician group, 6% for the administrative group, %3 for the support group.

Within the scope of the ASELSAN Talent Management Model, short, medium and long-term succession plans are created for managerial and critical roles in order to plan human resources in advance, prepare the organization for the future, and create a sustainable and healthy organization. These succession plans are based on the principle of determining the employees to be appointed to the vacant positions in the event that managerial positions and critical positions at the director and manager level are vacant for various reasons and bringing these employees to a level where they can undertake the said duties. It is under the authority of the Board of Directors to equip the employees determined for key positions with the qualifications required by the relevant positions and to train the relevant employees as the managers of the future, to identify the managers who will come to the key positions, to evaluate the managers who contribute to the realization of the company's strategic goals, and to assign them with an employment policy that provides equal opportunity in the relevant positions.

4.4. Ethical Rules and Social Responsibility

4.4.1. Ethical Rules

ASELSAN's Ethical Principles, Values, and Code of Conduct is reviewed and updated regularly to create working environments that comply with ethical principles based on integrity, honesty, and work discipline; prevent unethical behavior, raise awareness on ethical values; and align the Company's practices with ethical principles.

Ethical Principles enable ASELSAN to create and preserve a working environment where ASELSAN employees treat one another with kindness, genuineness, tolerance, and respect, and voice their opinions open-mindedly. Thanks to the mutual trust established in the Company, employees act responsibly and look after not only their interests but also the long-term interests of their society, their Company, and all the stakeholders.

ASELSAN's Ethical Principles Committee is established under the corporate structure and management system of the Company and consists of eight members. Chaired by the Contracts Directorate, the Committee consists of the representatives from Internal Audit Presidency, Support Services Directorate, Deputy General Manager of Supply Chain Management, Legal Affairs, and Human Resources, and two ASELSAN Vice Presidency employees who are elected with the votes of employees. All ASELSAN employees are entitled to obtain information from the Committee and report any suspected unethical conduct to the Committee. Unethical conduct is promptly inspected by the Committee, which also implements necessary measures in line with the information and contributions received from the Senior Management.

When selecting new hires, utmost attention is paid to choose who are willing to comply with ASELSAN's core values and ethical principles. Every new member of the ASELSAN family takes an onboarding program whereby they go through comprehensive training on ASELSAN's Ethical Principles, Values and Code of Conduct, and ASELSAN's Directive on Ethical Values. New recruits are also tasked with mandatory Ethical Principles, Values, and Code of Conduct; provided a booklet on ethical principles, values, and code of

Conduct; and are expected to commit to ethical principles specified in the ASELSAN Covenant for Employment. Efforts are undertaken to ensure that all ASELSAN employees internalize ethical values in an environment where they are encouraged to uphold these values in their day-to-day work and at all times after the onboarding period. All ASELSAN employees can apply to the Ethical Principles Committee via the Ethical Principles Help Desk, while external applications are received at etik@aselsan.com.tr. ASELSAN's Ethical Principles Committee regularly announces the applications received and the evaluations made by the Committee to all ASELSAN employees to raise awareness on ethical principles and values. The Ethical Principles Committee presents a report at the Board Meeting every year in January regarding its activities, applications received and evaluations conducted.

The Committee issues certificates of appreciation for employees to encourage employee behavior that help promote ethical principles and values. Meanwhile, necessary steps were taken to send "Glad to Have You" notifications to employees via the "Glad to Have You" app on behalf of the Committee.

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4.4.2. Social Responsibility

4.4.2.1. Environment

As part of ASELSAN's strategic objectives, the Company has been monitoring its carbon emissions since 2009. ASELSAN was the first defense industry company in Türkiye to participate in the UK-based independent Carbon Disclosure Project (CDP) Climate Change program, which evaluates how companies manage climate change risks. By earning scores above both global and national averages, ASELSAN ranks among the world's leading defense industry companies in climate change management. Achieving success in its first year of CDP Water reporting and subsequently maintaining its "Water Leader" status demonstrates the importance ASELSAN places on water management. In 2024, ASELSAN systematically integrated its efforts within the TS ISO 46001 Water Efficiency Management System approach and successfully passed the certification audit by an internationally accredited independent auditing firm, making it the first defense industry company in Türkiye to be certified in this field. Through its work on the value chain, ASELSAN has also continued its achievements in CDP Climate Change Supply Chain Management.

By effectively managing carbon emissions, ASELSAN continues to accelerate its efforts in improving energy efficiency in production, prioritizing energy generation technologies that reduce carbon emissions, and manufacturing eco-friendly products as a responsible producer. Under its 2050 net zero emissions goal, ASELSAN has committed to converting its entire passenger vehicle fleet to electric vehicles by 2030 and has begun the transformation activities necessary to reach this target. In addition, work has started to ensure that ASELSAN campuses meet their electricity needs through renewable energy sources.

ASELSAN's ongoing efforts have garnered numerous national and international awards. In 2024, the Company received scores above the global and national averages in both the Carbon Disclosure Project (CDP) Climate Change and Water programs, earning an A- rating in the Water category, thus holding a leadership position in this area. At the 21st International Business Awards (IBAs) organized by the U.S.-based Stevie Awards, ASELSAN received two sustainability awards. For its strategies to reduce its carbon footprint in the fight against climate change, its sustainability approach, and its sustainable product development projects, ASELSAN was honored in Europe as the "Sustainability Initiative of the Year." Moreover, the Company's collective effort in response to the devastating earthquake of 06.02.2023—which severely affected 11 provinces in southeastern Türkiye—was recognized with the "Achievement in Corporate Social Responsibility" award. In addition, ASELSAN received an award in 2024 from the UK-based The Green Awards for its "Climate Change Management." Likewise, for its water efficiency initiatives and strategies under the theme "Our Environmental Sustainability Journey," ASELSAN earned another award from the U.S.-based Stevie Awards.

Prioritizing reuse, preventing or minimizing waste in production, consumption, and service processes, and collecting and recycling waste at its source to protect the environment and public health are the main objectives of the Zero Waste System, which was further strengthened at ASELSAN in 2023. In addition to our Macunköy, Akyurt-1, and Gölbaşı campuses, Akyurt-2 and Temelli campuses also received Basic Level Zero Waste Certificates, underscoring our commitment to zero-waste principles in waste management and ensuring that all ASELSAN campuses are now zero-waste certified.

At ASELSAN, waste is carefully separated for repurposing to create added value for the environment and the economy. Food leftovers are donated to animal shelters, organic waste is composted, and office waste is sent for recycling. Clothing and toy collection boxes are placed in campus parking lots so that donated items can be delivered to those in need as part of our social responsibility efforts. Additionally, used cooking oil stations set up in parking areas allow ASELSAN employees to bring in their household cooking oil waste for recycling.

Our Company holds the TS EN ISO 45001:2018 Occupational Health and Safety, TS EN ISO 14001:2015 Environmental Management, and ISO 14064:2006 Greenhouse Gas Integrated Management System certifications. In 2024, we additionally received certification for the TS ISO 46001 Water Efficiency Management System for the first time, underscoring ASELSAN's continued leadership in national and international initiatives aimed at safeguarding the environment and its employees. Our commitment to occupational safety—an essential part of our human-centered approach—was recognized in 2024 with international awards from ROSPA (The Royal Society for the Prevention of Accidents) and the British Safety Council.

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Having been established in 2021, the TS ISO 39001 Road Traffic Safety Management System continued to undergo system enhancements in 2024 and has yielded improvements in traffic accident statistics. In the same year, we introduced a Virtual Reality-based Fire Safety and Road Traffic Safety simulation, reinforcing safe driving principles for professional drivers and ASELSAN employees who frequently request vehicle use.

BIST launched its sustainability index in November 2014, aimed at evaluating not only the financial performance of companies in the BIST-30 index (based on data from January–March 2014) but also their performance in environmental, social, and corporate governance matters. ASELSAN was selected as one of the 15 companies included in the index.

Prepared in both Turkish and English, ASELSAN's Sustainability Report provides details on the Company's sustainable practices in areas such as strategic management, corporate governance, ethical principles, internal audit, anti-bribery and anti-corruption, risk management, stakeholder communication, supply chain, information systems, facility management, employee development, human rights, occupational health and safety, and environmental management. The latest version of the report was published on our PDP and Company's website on 18.10.2024.

BIST has introduced changes to the evaluation methodology used to identify companies included in the BIST Sustainability Index. According to this revised methodology, starting from the 2021 evaluations, the sustainability assessments of Refinitiv Enformasyon Limited Şirketi ("Refinitiv," part of LSEG) will be used to determine the companies that will be included in the BIST Sustainability Index. Since 2021, ASELSAN has been entering the data for the BIST Sustainability Index through Refinitiv LSEG and is subject to evaluation. Additionally, internal efforts were made at ASELSAN to raise the Company's score within the BIST Sustainability Index. As part of these activities in 2024, six meetings were held with the Sustainability Committee, during which the ASELSAN 2050 Net Zero Emissions Roadmap was developed, and a Board of Directors Diversity and Inclusion Policy was drafted and approved by the Board. Moreover, the ASELSAN Sustainability Strategy was enhanced, and a Corporate Social Sustainability Strategy was formulated. ASELSAN also participated in surveys conducted by independent sustainability rating organizations, including Sustainalytics, S&P Global, FTSE Russell, Corporate Knights Research Global 100 Ranking, and Fortune & CRIF.

4.4.2.2. Social Responsibility Activities

4.4.2.2.1. ASELSAN Social Innovation Leaders Assistance Association ("ASİL")

ASİL, which was established in 2019 with the intense efforts and cooperation of volunteers within ASELSAN and ASİL Association and Social Responsibility Working Groups, gained the status of public benefit association in 2023 with the Presidential Decree No. 6917. Since the day it started its activities, ASİL has been working to add hope to the future and value to life with the awareness of social responsibility.

In 2024, ASİL implemented numerous impactful projects:

- ASİL supported 1,288 families who were unable to meet their needs due to financial difficulties. Educational aid was provided to 59 schools, and clothing assistance was extended to 2,034 children to meet their clothing needs.
- ASİL Bazaar was opened in Macunköy campus in March and in Akyurt and Gölbaşı campuses in August to ease the daily lives of ASELSAN personnel. These bazaars offer services such as women's and men's hair salons, tailoring, dry cleaning, shoe shining, a Tarım Kredi Kooperatifleri (Agricultural Credit Cooperatives) market, and an ASELSAN store.
- By organizing the "Let Our Bicycle Be a Feast" campaign, bicycles not used by ASELSAN employees were collected, planned to be taken to container cities in the earthquake region after they were repaired and maintained, and presented to children in the container city in Malatya on 04.04.2024.
- Within the scope of the "Ramadan is Sharing" campaign, 626 food vouchers were distributed to families in need, and 232 families were provided with donations made as zakat.

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- Within the scope of the "Every Child Wants a Feast Dress" campaign, children in need were taken to clothing stores and 466 children were provided with clothes.
- Through the Askıda İyilik platform, ASELSAN personnel were connected with families in need. During the Feast of Sacrifice, 113 out of 115 request for sacrificial meat shares made by families are fulfilled by ASELSAN personnel.
- ASİL Board members and ASELSAN workplace physician Tolga UZ visited girls at the Ankara Child Support Center, which serves under the General Directorate of Child Services of the Ministry of Family and Social Services, within the scope of the "Tolga Runs for Girls" campaign. Within the scope of this visit, 54 girls were presented with gifts purchased with the proceeds from the campaign.
- ASİL Board of Directors visited Saray Barrier-Free Living and Rehabilitation Center and met with our citizens with special needs and visited the work and activity workshops. Our citizens with special needs were invited to ASELSAN Macunköy campus ASİL Café to show and sell their handmade products during the exhibition on 26-27.12.2024.
- Within the scope of health aids, a total of 1.823.982,55 TL aid was provided in 2024, distributed as follows

• Rehabilitation Assistance	147.175,00 TL
• Medical Supplies/Medicine Assistance	96.361,35 TL
• Psychologist / Treatment / Surgery Fee Assistance	795.046,20 TL
• Battery/Wheelchair Assistance	326.100,00 TL
• Prosthesis Assistance	459.300,00 TL
- Within the scope of educational aids, 59 schools were provided with aid in 2024; in this context, educational material support, stationery set support, laboratory installations, sports equipment and reference books were provided to students. Educational support was provided to 50 female students in need staying at the Credit and Dormitories Institution.
- Clothing vouchers were sent to 1000 children in need to buy coats and boots.
- In addition to the above, 349 families received food vouchers and 144 families received clothing vouchers.

With the belief and support of its members, donors and volunteers, ASİL will continue to add hope to the future and value to life by working with all its strength on the basis of social responsibility awareness in order to reach our citizens in need.

4.4.2.2.1. Techno Adventure Project

Tekno Adventure is a corporate social responsibility project implemented by ASELSAN on 24.04.2019. The project aims to instill a love for science, coding and technology production in children, to whom we will entrust our future in a changing world.

In line with this aim, it is aimed to contribute to, inspire and arouse curiosity in children to discover themselves, their environment and the world they live in through science and technology by bringing children together with various activities that both teach and entertain in order to increase their technological literacy.

The project carries out its activities in many different science festivals and events to ensure that children between the ages of 7-13 gain awareness and self-confidence, acquire the ability to develop ideas, combine their imagination with the skills they gain in real life, become technology and code literate, and understand the importance of domestic and national production.

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Since its inception, the project has reached many children through both physical and digital channels. Since 2019, more than 60 thousand children have been reached in 9 different cities, 4 different schools, more than 11 festivals, more than 90 educational workshops and experience areas. These activities include the , , Space station and submarine marlin kit workshops, Mars Rover, coding workshop, and Spaceand Submarine Journey-themed 9D cinema and experience areas. In addition, within the scope of ASELSAN 49th Anniversary activities, children had the opportunity to get to know technology and science with a theater play specially prepared for ASELSAN, and they also conducted fun experiments with the science show. In addition, the event held as part of the 48th anniversary received the Communitas Awards Excellence in Corporate Social Responsibility Award in 2023.

Since 2024, Tekno Macera has reached a total of more than 26.000 followers on social media, shared educational content has been viewed by approximately 523 thousand people and liked by more than 7 thousand people.

YouTube training videos were viewed by approximately 870 thousand people. Total viewing time reached approximately 35 thousand five hundred hours.

CHAPTER V - BOARD OF DIRECTORS

5.1. Structure and Formation of Board of Directors

In our Company, 3 members of 9 members of Board of Directors are independent members. The duties of Nomination Committee are executed by Corporate Governance Committee. The report regarding the evaluation of the list of Independent Members of Board of Directors prepared by Corporate Governance Committee on 22.05.2024 were presented to Board of Directors. Within the scope of CMB's Communiqué on Corporate Governance numbered II.17-1, CMB has not stated any adverse opinion on the nominee list and the evaluation report. The CVs and independence statements of the 4 nominees were announced to public on our website on 05.06.2024. As a result of the voting at the Assembly Meeting on 14.06.2024, 3 nominees were elected as Independent Members of Board of Directors. There is 1 female member among the Independent Members of the Board of Directors. There were no cases to eliminate the independency of the Independent Members of the Board of Directors in 2023.

The CVs of the Members of the Board of Directors are included in the annual report and the information with respect to their duty terms is provided in the table below.

Name Surname	Duty	Election Date
Ercümend ARVAS	Chairman	September 2023
Alpaslan KAVAKLIOĞLU	Vice Chairman	April 2019
İsmail ARI	Independent Member	September 2023
Bekir BAYRAKDAR	Member	September 2023
Yavuz ÇELİK	Member (Managing Member)	June 2020
Göksel SEVİNDİK	Independent Member	June 2014
Mustafa Murat ŞEKER	Member (Managing Member)	June 2021
Ebru TÜMER	Independent Member	September 2023
Ahmet YOZGATLIGİL	Member	September 2023
Ahmet AKYOL	CEO	June 2023

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In article 13 of the Articles of Association titled "Duties and Authorization of the Board of Directors", the duties and authorization of the Board of Directors have been defined. Besides, the Board of Directors Working Directive also describes the Duties and Authorization of the Board of Directors. With the article 14 of the Articles of Association titled "Assignment of the Authorization to the CEO", the assignment of the authorization of the Board of Directors to the CEO has been set out. The duties and authorization of the executives are described in the "Duties and Responsibilities Documents" formed within the Company.

The duties of the Members of the Board of Directors and of the CEO carried out outside the Company, information regarding the term of office and the statements of the board of members with respect to their independencies were given below.

- There is not an executive member in the Board of Directors.
- The statements of independence of the Independent Members of the Board of Directors have been provided at the annex of the Compliance Report.
- All of our independent board members are strictly independent board members such that
 - none is employed by ASELSAN;
 - none has served in our Board of Directors for more than ten years;
 - none is a shareholder of ASELSAN with more than 5% of holdings;
 - none has cross-board membership neither in the parent company of ASELSAN nor in any affiliates or subsidiaries of ASELSAN;
 - none has recent, immediate family ties to ASELSAN;
 - none accepts any compensation other than compensation for board service.
- The Members of the Board of Directors fulfill their duties without any interest or benefit and pursuant; to the liabilities and authorizations undertaken by the Board of Directors and to the regulations of the Turkish Code of Commerce and CMB.
- Members of the Board of Directors, in accordance with the Working Directive of Board of Directors, are liable not to enter into any commercial treatments directly or indirectly with the Company that coincides with the Company objectives, on their behalf or on behalf of others without the consent of the General Assembly.

5.2. Principles of Activity of Board of Directors

Board of Directors carries out its duties and responsibilities determined with reference to TCC, Capital Market Law and Articles of Association. In this context, the basis of duties and operations are indicated in details in ASELSAN Board of Directors Working Directives.

The agenda of the Board of Directors meetings is formed with the proposals of the Members of the Board of Directors and the committees and the CEO, it is afterwards evaluated by the Board of Directors Chairman and finalized. The subjects emerged as urgent and which are considered worthwhile to discuss may be added to the agenda during the Board of Directors meeting.

As per article 10 of the Articles of Association, the Board of Directors assemble when required and at least once a month. The number of Board of Directors Meetings in 2024 was 12. The participation rate of the Board of Directors Meetings is 88%.

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The place, date, time and agenda of the next meeting is decided at the Board of Directors Meetings. Documents pertaining to the meeting agenda are sent to the members of Board of Directors at least 3 work days before the meeting by the Presidency.

The Members of the Board of Directors attend the meetings and fulfill their duties as per their authorization and responsibilities. The members who do not attend the meetings submit their excuses.

Board Office is established under Board of Directors in order to coordinate necessary issues in the name of the Board, particularly the relationships with the Presidency and TAFF, to execute planning and support the Board of Directors' operations.

All members have one right to vote, including the Chairman. If the numbers of votes are equal, the vote of the chairman does not change the result. Abstaining is not possible, either rejection or acceptance is voted. The vote of the abstaining member is considered as a rejecting vote. The member casting a reject vote states the ground for this in the meeting minutes and undersigns it. According to the article 11 of the Articles of Association titled "Quorum of Meeting and Decision Making"; "The provisions of the TCC, Capital Market Law, regulations of the Capital Markets Board in connection with corporate governance and other relevant legislation are considered with respect to the meetings and decisionmaking quorums of the Board of Directors as well as with respect to any Board of Directors members assuming duties and positions outside the Company. Any action and resolutions taken by the Board of Directors without complying with the Corporate Governance Principles, which are made mandatory as to be complied by the Capital Markets Board, are invalid and considered as in contrary to the Articles of Association". In the operation year 2024, there were no related party transactions or any other significant issue, which had to be submitted to the approval of the general assembly since they were not approved by the Independent Members of the Board of Directors.

The signed decisions are made available to the follow up of the Members of the Board of Directors, senior management and authorized employees in the electronic platform.

Executive Liability Insurance Policy was signed for Board of Directors members on 05.08.2024 with a validity period of 1 year.

5.3.1"Number of Committees Formed in the Board of Directors with Their Structures and Independency

As per the title "Committees Formed in the Board of Directors" in the Communiqué Regarding Determination and Implementation of Corporate Governance Principles by the Capital Markets Board, our Company's Board of Directors, in the meeting dated 10.04.2012, formed an Audit Committee, Corporate Governance Committee and Early Detection and Management of Risk Committee and announced this to the public. There are no Nomination and Compensation Committees within the Board of Directors and the duties of these are carried out by the Corporate Governance Committee.

The directives of Audit Committee, Corporate Governance Committee and Early Detection and Management of Risk Committee are made available at the website of our Company. The Independent Members of the Board of Directors have duties in more than one committee. This is because it is mandatory that all members of the Audit Committee and the Chairman of the other committees should be Independent Members of the Board of Directors.

Boards of Directors have made the annual evaluation of the committees composed under its structure and the evaluation report is available in Annual Report.

The Committees formed by the Board of Directors has not received any consultancy services in 2024.

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AUDIT COMMITTEE

Committee Members (January – June 2024)

Ebru TÜMER	: Chairman / Independent Member of Board of Directors
İsmail ARI	: Member / Independent Member of Board of Directors
Salih KUL	: Member / Independent Member of Board of Directors

Committee Members (June – December 2024)

Ebru TÜMER	: Chairman / Independent Member of Board of Directors
İsmail ARI	: Member / Independent Member of Board of Directors
Göksel SEVİNDİK	: Member / Independent Member of Board of Directors

The main duties of the Audit Committee that were set out in the "ASELSAN Audit Committee Work Directives" regulating the working principles of Audit Committee are as follows;

- To enable the disclosure of the financial data of ASELSAN, to pursue the operation and efficiency of the accounting system, independent audit, internal audit and internal control system of the company,
- To assemble at least every 3 months, to share the meeting minutes with the Board of Directors

Meetings were held by Audit Committee on dates 26.03.2024, 28.05.2024, 10.09.2024 and 15.10.2024 regarding the financial statements with the participation of the related independent audit company in 2024. Committee members fully attended these meetings.

In order to increase the efficiency of internal audit, attention was paid to strengthen the cooperation with Internal Audit Presidency and to the supervision of internal audit activities, direct and continuous communication was established between Audit Committee and Internal Audit Presidency. A dimension of this communication; Audit Committee-Internal Audit Presidency coordination meetings in 2024, were held 10 times on dates 23.01.2024, 20.02.2024, 27.02.2024, 22.03.2024, 22.04.2024, 25.06.2024, 25.07.2024, 10.09.2024, 8.10.2024 and 10.12.2024.

The Committee was active in two main topics in 2024.

i. Independent Audit Activities and Works Regarding the Audited Financial Statements:

"Communiqué on Financial Reporting in Capital Markets" Serial: II, 14.1 regulated the preparation of financial reports and their basis, principles of presentation to the relevant parties. December 2023, March 2024, June 2024 and September 2024 financials and Board of Directors reports were prepared in accordance with the communiqué numbered II, 14.1, and submitted to Board of Directors by Audit Committee and presented to the public via PDP.

The procurement process for independent audit services for the year 2024 as per the CMB'S communiqué numbered II-14:1, was handled by the Industrialization and Procurement Directorate and the procurement proposal resolution of the Board of Directors regarding procurement of services from "Y Bağımsız Denetim A.Ş." was submitted for approval on the General Assembly Meeting dated 14.06.2024 and was accepted.

ii. Internal Audit Presidency:

Within the scope of the internal audit activities of the Company, the relations between the Internal Audit Presidency and the Board of Directors have been carried out through Audit Committee. A direct and continuous contact between Audit Committee and Internal Audit Presidency is present.

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CORPORATE GOVERNANCE COMMITTEE

Committee Members (September 2023 – December 2024)

İsmail ARI	: Chairman / Independent Member of the Board of Directors
Ahmet YOZGATLIGİL	: Member / Member of the Board of Directors
Mustafa Murat ŞEKER	: Member / Member of the Board of Directors
Pınar ÇELEBİ	: Member / Investor Relations Manager

Committee Members (December 2024 –)

İsmail ARI	: Chairman / Independent Member of the Board of Directors
Ahmet YOZGATLIGİL	: Member / Member of the Board of Directors
Mustafa Murat ŞEKER	: Member / Member of the Board of Directors
Cansin MISIRLI	: Member / Investor Relations and Financial Analysis Manager
Gülru Selçuk FİLİZ	: Member / Senior Team Leader

The main duties of the Corporate Governance Committee were set out in the "ASELSAN Corporate Governance Committee Work Directives" as follows:

- To carry out studies for the implementation of Corporate Governance Principles in the Company,
- To observe whether the Corporate Governance Principles have been implemented or not and if not implemented to determine the grounds for this and the conflicts of interest arising due to not complying with these principles and to make proposals for improving the status,
- To monitor the activities of the Investor Relations Department.
- The meeting minutes are submitted to the Board of Directors.

The Corporate Governance Committee assembled within the activity year 2024 on dates, 27.02.2024, 27.05.2024 and 19.12.2024. Committee members fully attended these meetings. The committee was active in 3 respective tasks in 2024:

i. Operations of Investor Relations Department:

Investor Relations and Financial Analysis Department have attended all the meetings in 2024 and performed secretariat procedures of the committee with regard to "ASELSAN Corporate Governance Committee Working Directive". Information was provided to the committee about the activities of the Investor Relations Department in the Committee meetings.

In 2024, the subjects discussed and tasks carried by the Corporate Governance Committee within the context of the meetings are given below:

- Corporate Governance Committee Evaluation Report,
- Preparation of ASELSAN Corporate Governance Principles Compliance Report and the submission of the report to Board of Directors,
- Independent Board Members selection process,
- Corporate Governance Rating Processes and Score,
- Preparation of Corporate Governance Committee Evaluation Report and the submission of the report to Board of Directors,
- Presentation on the Board of Directors' Diversity and Inclusion Policy,
- Periodic on the activities of the Investor Relations Department for January - December 2024.

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ii. Corporate Governance Rating:

The evaluation of corporate governance rating performed by SAHA Corporate Governance and Credit Rating Services were concluded, ASELSAN'S corporate governance rating grade, which was 9.41 out of 10 on 08.12.2023, reached its historical peak by rising to 9.49 as of 10.12.2024.

Our Company's share has been listed in the corporate governance index since the date 14.12.2012, which it first entered the index. Rating reports can be accessed on the company website.

iii. Election of Independent Board Members

As given by Corporate Governance Principles, the responsibility of evaluating and reporting the nominations and their independency status is given to the Nomination Committee, in companies where this committee is not formed because of the structure of the Board of Directors, the responsibility is given to Corporate Governance Committee. Within this context, the evaluation of nominations was carried on by the Committee and the resulting nominee list was presented at the Board of Directors meetings on dates 14.06.2024 before the 49th Ordinary General Assembly.

CMB has not stated any opposing opinions regarding the nominees' list and evaluation report which was submitted by the Board of Directors. The final list was submitted to shareholders' voting on 49th General Assembly Meeting on 14.06.2024 and as a result, İsmail ARI, Göksel SEVİNDİK and Ebru TÜMER were elected as independent members to serve until the next Ordinary General Assembly Meeting.

EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE

ASELSAN Board of Directors established the "Early Detection and Management of Risk Committee" with the resolution dated 10.04.2012 and numbered 720/1. The Committee executes as per the directive numbered ASY-01-066.

Committee Members (January – June 2024)

Salih KUL : Chairman / Independent Member of the Board of Directors
Bekir BAYRAKDAR : Member / Member of the Board of Directors

Committee Members (June - December 2024)

Göksel SEVİNDİK : Chairman / Independent Member of the Board of Directors
Bekir BAYRAKDAR : Member / Member of the Board of Directors

Committee continues to identify the risks which prevent ASELSAN from reaching its goals; manage the risks in accordance with the company's risk-taking profile; report the risk activities; build risk aware decision mechanisms and internal control. Risks identified through risk management processes are prioritized depending on their probability and impact. It is ensured that important risks are monitored and reported. In this context, in 2024 the Committee held 7 meetings on 25.01.2024, 29.01.2024, 27.05.2024, 26.07.2024, 09.10.2024, 14.10.2024, 04.12.2024. Committee members fully attended these meetings.

Committee's activities are summarized below:

- "2023 Evaluation Report" was prepared and submitted to Board of Directors in 2024.
- In 2024, a total of 7 Corporate Risk Evaluation Reports were prepared and submitted to the Board of Directors. In the reports;

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- Important risks of ASELSAN are evaluated and monitored. The risk classification, explanation, rating, strategy, owner/responsible, current control operations and relevant indicators and mitigating actions are included in the report.
- Warning levels for risk indicators are determined and the risks which deviate from these levels are also reported.
- Risk management chapters in the annual report and the other reports set by the legal authorities were prepared.

The secretariat formalities of the Committee were performed by Strategic Management Department of Strategy and Process Management Directorate.

5.4. Risk Management and Internal Control Mechanism

In ASELSAN, internal audit activities contribute to the achievement of the Company's targets, by improving the effectiveness of corporate governance, risk management and internal control processes. The most important role of the internal audit activities, which is an important component of the internal control system, is the provision of assurance and consultancy services to the Audit Committee and the Board of Directors on the internal control system and enterprise risk management. The 3-year audit plan and work programs are prepared on a risk-based basis and the results of the audit are reported to the Audit Committee and regular meetings are held with the Committee. By the Internal Audit Department; compliance with legal regulations and company regulations, the application of ethical principles and the adequacy of controls to eliminate risks are evaluated.

5.5. Strategic Objectives of the Company

The Board of Directors is the top-level body to make strategic decisions and to execute and represent. As per the Articles of Association of the Company, the Board of Directors is responsible to determine the Strategic Plans and control its implementations.

Strategic Management Process is a part of Corporate Governance and is managed by the CEO in the name of Board of Directors, following the approval of the ASELSAN Strategic Plan which is prepared with the coordination of Strategy and Process Management Directorate. Reaching ASELSAN's long term goals and sustaining success can be achieved through environment friendly strategies.

ASELSAN's vision is to be a reliable, competitively preferred, environment-friendly and human conscious technology firm, which preserves its sustainable growth in the global market via the values created for stakeholders, as well as serving its establishment purposes. Within this concept, annually updated 5-year Strategic Plan and 3-year Budgets are prepared. With this methodology, short- and medium-term targets are specified by considering long term goals. The operations to be carried out for these targets are executed by Vice Presidencies and performance evaluations are made based on Balanced Scorecard method, which is widely used in the world.

5.6. Financial Rights

Compensation procedures for Board of Directors Members and Managers with Executive Responsibility, which are set in written form in accordance with the Corporate Governance Principles, are published on our Company's website.

Monthly remunerations provided to our Members of the Board of Directors are determined by the General Assembly and no other benefits are granted apart from the monthly remuneration. Pursuant to the resolution taken at the 49th Ordinary General Assembly held on 14.06.2024, the Members of the Board of Directors are paid TL 16.000,- per month. As for the determination of the financial rights of the board members, no reward system is applied to reflect the Company performance and which is based on the performance of the Members of the Board of Directors.

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Statement of Independence

TO THE BOARD OF DIRECTORS OF ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.

ANKARA

Date: 21.05.2024

With respect to the corporate governance principle numbered 4.3.6 of the Capital Markets Board's Communiqué on Corporate Governance numbered II-17.1, in order for me to be selected as an Independent Board Member of ASELSAN Elektronik Sanayi ve Ticaret A.Ş. (Company), I hereby agree, represent and undertake that I;

- a) do not have a relationship in terms of employment at an administrative level to take upon significant duty and responsibilities within the last five years, do not own more than 5% of the capital or voting rights or privileged shares either jointly or solely or do not have established a significant commercial relation between the corporation, companies on which the corporation hold control of management or significant effect and shareholders who hold control of management of the corporation or have significant effect in the corporation and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree,
- b) have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,
- c) have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member,
- d) will not be serving as a full time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation,
- e) am residing in Turkey in accordance with the Income Tax Law (I.T.L) dated 31.12.1960 and numbered 193,
- f) am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interests between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) am able to allocate time for the corporation's business in order to follow up the activities of the corporation and duly fulfill the allocated duties,
- h) have not conducted membership of board of directors more than a term of six years in the last ten years,
- i) am not the independent member of the board of directors in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five corporations in total which are admitted to the trading on the exchange,
- j) t) have not been registered and announced as a board member representing a legal entity.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,
Dr. İsmail Ari

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

Statement of Independence

TO THE BOARD OF DIRECTORS OF ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.

ANKARA

Date: 21.05.2024

With respect to the corporate governance principle numbered 4.3.6 of the Capital Markets Board's Communiqué on Corporate Governance numbered II-17.1, in order for me to be selected as an Independent Board Member of ASELSAN Elektronik Sanayi ve Ticaret A.Ş. (Company), I hereby agree, represent and undertake that I;

- a) do not have a relationship in terms of employment at an administrative level to take upon significant duty and responsibilities within the last five years, do not own more than 5% of the capital or voting rights or privileged shares either jointly or solely or do not have established a significant commercial relation between the corporation, companies on which the corporation hold control of management or significant effect and shareholders who hold control of management of the corporation or have significant effect in the corporation and legal entities on which these shareholders hold control of management and myself, my spouse and my relatives by blood or marriage up to second degree,
- b) have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,
- c) have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member,
- d) will not be serving as a full time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation,
- e) am residing in Turkey in accordance with the Income Tax Law (I.T.L) dated 31.12.1960 and numbered 193,
- f) am capable to contribute positively to the operations of the corporation, to maintain my objectivity in conflicts of interests between the corporation and the shareholders, have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,
- g) am able to allocate time for the corporation's business in order to follow up the activities of the corporation and duly fulfill the allocated duties,
- h) have not conducted membership of board of directors more than a term of six years in the last ten years,
- i) am not the independent member of the board of directors in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five corporations in total which are admitted to the trading on the exchange,
- j) t) have not been registered and announced as a board member representing a legal entity.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,
Prof. Dr. Ebru TÜMER

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

Statement of Independence

TO THE BOARD OF DIRECTORS OF ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.

ANKARA

Date: 21.05.2024

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- b) have not been a shareholder (5% and more), an employee at an administrative level to take upon significant duty and responsibilities or member of board of directors within the last five years in companies that the corporation purchases or sells goods or service at a significant level within the framework of the contracts executed, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the corporation, at the time period when the corporation purchases or sells services or goods,
- c) have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent board member,
- d) will not be serving as a full time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation,
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- g) am able to allocate time for the corporation's business in order to follow up the activities of the corporation and duly fulfill the allocated duties,
- h) have not conducted membership of board of directors more than a term of six years in the last ten years,
- i) am not the independent member of the board of directors in more than three of the corporations as such; the corporation or the controlling shareholders of the corporation who hold the control of management corporations and in more than five corporations in total which are admitted to the trading on the exchange,
- j) t) have not been registered and announced as a board member representing a legal entity.

I hereby submit this to the knowledge of the Board of Directors, shareholders and all relevant parties.

Sincerely yours,
Göksel SEVİNDİK



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2-Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X	-	-	-	-	
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1-Management did not enter into any transaction that would complicate the conduct of special audit.	X	-	-	-	-	
1.3. GENERAL ASSEMBLY						
1.3.2-The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X	-	-	-	-	
1.3.7-Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.	-	-	-	-	X	
1.3.8-Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X	-	-	-	-	
1.3.10-The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X	-	-	-	-	
1.3.11-The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	-	X	-	-	-	The General Assembly meeting is held in accordance with the General Assembly Internal Regulations. Other company executives, employees, guests, and audio-visual technicians may attend the company's General Assembly.
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X	-	-	-	-	
1.4.2-The company does not have shares that carry privileged voting rights.	X	-	-	-	-	
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	-	-	-	-	X	
1.5. MINORITY RIGHTS						
1.5.1-The company pays maximum diligence to the exercise of minority rights.	X	-	-	-	-	
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.	-	-	X	-	-	Utmost attention is paid for the execution of minority rights in our Company and the provisions of Turkish Code of Commerce and the relevant legislation regarding minority rights are applied as is.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6. DIVIDEND RIGHT						
1.6.1-The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X	-	-	-	-	
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X	-	-	-	-	
1.6.3-The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	-	-	-	-	X	
1.6.4-The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X	-	-	-	-	
1.7. TRANSFER OF SHARES						
1.7.1-There are no restrictions preventing shares from being transferred.	-	-	X	-	-	The transfer of the nominated Group A shares representing majority part of the capital and which are not traded in BIST has been restricted with the provision of article 6 of the Articles of Association stating "As the company operates in security and defense sector, Group A shares shall not be sold or transferred without the consent of the Board of Directors; in the event that these shares are transferred or sold to third parties partially or completely without the consent of the Board of Directors, the Board of Directors is entitled to abstain from recording this sale in the records".
2.1. CORPORATE WEBSITE						
2.1.1-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X	-	-	-	-	
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X	-	-	-	-	
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X	-	-	-	-	
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X	-	-	-	-	
2.2.2-The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X	-	-	-	-	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1-The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X	-	-	-	-	
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	X	-	-	-	-	
3.1.4-A whistleblowing programme is in place for reporting legal and ethical issues.	X	-	-	-	-	
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X	-	-	-	-	

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	-	X	-	-	-	Although the mechanisms that enable the participation of stakeholders in the management of the company are built, they are not included in the Articles of Association.
3.2.2-Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X	-	-	-	-	
3.3. HUMAN RESOURCES POLICY						
3.3.1-The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X	-	-	-	-	
3.3.2-Recruitment criteria are documented.	X	-	-	-	-	
3.3.3-The company has a policy on human resources development, and organises trainings for employees.	X	-	-	-	-	
3.3.4-Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X	-	-	-	-	
3.3.5-Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	-	-	X	-	-	There is no employee representative practice and union organization in our company.
3.3.6-Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X	-	-	-	-	
3.3.7-Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X	-	-	-	-	
3.3.8-The company ensures freedom of association and supports the right for collective bargaining.	-	X	-	-	-	Establishment of associations by employees about social responsibility, social activities, etc. is encouraged and there is no regulation regarding the recognition of the right to collective bargaining agreements.
3.3.9-A safe working environment for employees is maintained.	X	-	-	-	-	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X	-	-	-	-	
3.4.2-Customers are notified of any delays in handling their requests.	X	-	-	-	-	
3.4.3-The company complied with the quality standards with respect to its products and services.	X	-	-	-	-	
3.4.4-The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X	-	-	-	-	

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY		-	-	-	-	
3.5.1-The Board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X	-	-	-	-	
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X	-	-	-	-	
4.1. ROLE OF THE BOARD OF DIRECTORS		-	-	-	-	
4.1.1-The Board of Directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X	-	-	-	-	
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X	-	-	-	-	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS		-	-	-	-	
4.2.1-The Board of Directors documented its meetings and reported its activities to the shareholders.	X	-	-	-	-	
4.2.2-Duties and authorities of the members of the Board of Directors are disclosed in the annual report.	X	-	-	-	-	
4.2.3-The Board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X	-	-	-	-	
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X	-	-	-	-	
4.2.5-The roles of the Chairman and Chief Executive Officer are separated and defined.	X	-	-	-	-	
4.2.7-The Board of Directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X	-	-	-	-	
4.2.8-The company has a Directors and Officers liability insurance covering more than 25% of the capital.	X	-	-	-	-	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS		-	-	-	-	
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X	-	-	-	-	In line with the decision made at the Board of Directors meeting on February 27, 2024, the goal is to increase the percentage of female members on the Board to 25% within 5 years. Currently, there is one female member on the Board.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X	-	-	-	-	

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE COMPLIANCE REPORT	Compliance					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X	-	-	-	-	
4.4.2-The Board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X	-	-	-	-	
4.4.3-The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X	-	-	-	-	
4.4.4-Each member of the board has one vote.	X	-	-	-	-	
4.4.5-The Board has a charter/written internal rules defining the meeting procedures of the board.	X	-	-	-	-	
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X	-	-	-	-	
4.4.7-There are limits to external commitments of board members. Shareholders are informed of Board members' external commitments at the General Shareholders' Meeting.	-	X	-	-	-	There are no limitations for the members of the Board of Directors regarding them to carry duties outside the company, except the duties that are subject to prohibition of competition.
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.	-	-	X	-	-	The independent members take part in more than one committee because the number of independent members is 3.
4.5.6-Committees have invited persons to the meetings as deemed necessary to obtain their views.	X	-	-	-	-	
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.	X	-	-	-	-	The Committees formed by the Board of Directors have not received any consultancy services in 2024.
4.5.8-Minutes of all committee meetings are kept and reported to board members.	X	-	-	-	-	
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X	-	-	-	-	
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X	-	-	-	-	
4.6.5-The individual remuneration of Board members and executives is disclosed in the annual report.	-	-	X	-	-	The remuneration of the members of the board of directors and senior managers are disclosed as a sum in line with general practices.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Throughout the year, a total of 192 investor meetings were held, including participation in investor conferences, roadshows, and face-to-face meetings.
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	-
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The number of special audit requests that were accepted at the General Shareholders' Meeting	-
--	---

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1299870
--	---

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	https://www.kap.org.tr/en/Bildirim/1299870
--	---

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	-
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The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1295148
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The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/en/Bildirim/1295148
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The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations > Corporate Governance > Policies
---	--

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/1299870
---	---

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	-
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Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	The representatives of the Independent Audit Company attended the general assembly meeting.
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1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
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In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
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The percentage of ownership of the largest shareholder	74,20%
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1.5. Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
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If yes, specify the relevant provision of the articles of association	-
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1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations > Corporate Governance > Policies
--	--

Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	-
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PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-
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CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

General Assembly Meetings

General Meeting Date	14.06.2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	74,97%
Percentage of shares directly present at the GSM	0,77%
Percentage of shares represented by proxy	74,20%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Investor Relations > Corporate Governance > General Assembly
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Investor Relations > Corporate Governance > General Assembly > General Assembly Documents
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	Article 12
The number of declarations by insiders received by the board of directors	178
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/en/Bildirim/1299870

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Investor Relations > Corporate Governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	-
List of languages for which the website is available	Turkish, English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the Board of directors and executives conducted out of the company and declarations on independence of board members	The information on the duties of the members of the board of directors and executives conducted out of the company is under Article 3/a of the Report of Board of Directors. Declarations on independence of board members are end of the Annual Report > Corporate Governance Principles Compliance Report.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	The information is in the Annual Report > Corporate Governance Principles Compliance Report > Number of Committees Formed in the Board of Directors with Their Structures and Independency title.
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	The information is in the Annual Report > Corporate Governance Principles Compliance Report > Principles of Activity of the Board of Directors title.
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	The information is under Article 7 of the Report of Board of Director.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	The information is under Article 9 of the Annual Report of Board of Directors.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	The information is under Article 3/b of the Report of Board of Directors.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	The information is in the Annual Report > Corporate Governance Principles Compliance Report > Ethical Rules and Social Responsibility title.
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations > Corporate Governance > Policies
The number of definitive convictions the company was subject to in relation to breach of employee rights	The information is under Article 9 of the Annual Report of Board of Directors.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	CEO
The contact detail of the company alert mechanism.	CEO Ahmet AKYOL Phone Number: (0312) 592 10 00 Address: ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Mehmet Akif Ersoy Mahallesi İstiklal Marşı Caddesi No: 16 06200 Yenimahalle ANKARA, TÜRKİYE
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	It was regulated by internal directives and it is not open to the public.
Corporate bodies where employees are actually represented	None.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	There is the role of the board on developing and ensuring that the company has a succession plan for the key management positions.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Career > Being Part of Our Team
Whether the company provides an employee stock ownership program	There isn't an employee stock ownership program.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	About Us > Our Human Rights Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	The information is under Article 9 of the Annual Report of Board of Directors.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations > Corporate Governance > Ethical Principles
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Investor Relations > Corporate Governance > Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	Investor Relations > Corporate Governance > Policies
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	25.02.2025
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	It was resolved at the meeting of the Board of Directors of our Company, held on 14.06.2024 that; Prof. Dr. Ercümend ARVAS'ın shall be appointed as the Chairman of the Board of Directors, Alpaslan KAVAKLIOĞLU shall be appointed as the Vice Chairman and Yavuz ÇELİK and Mustafa Murat ŞEKER shall be appointed as the Managing Members. The details regarding the context of the authorities are included in the articles of association.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	12
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	The information is under Article 3/a of the Annual Report of Board of Directors.
Name of the Chairman	Prof. Dr. Ercümend ARVAS
Name of the CEO	Ahmet AKYOL
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	None.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/1321100
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Sustainability > Our Policies > Board of Directors Diversity and Inclusion Policy
The number and ratio of female directors within the Board of Directors	1/9

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Ercümend ARVAS	Non-executive	Not independent	22/09/2023	-	Not considered	No	Yes
Alpaslan KAVAKLIOĞLU	Non-executive	Not independent	26/04/2019	-	Not considered	No	Yes
İsmail ARI	Non-executive	Independent	22/09/2023	https://www.kap.org.tr/en/Bildirim/1295148	Considered	No	Yes
Bekir BAYRAKDAR	Non-executive	Not independent	22/09/2023	-	Not considered	No	Yes
Yavuz ÇELİK	Non-executive	Not independent	19/06/2020	-	Not considered	No	Yes
Göksel SEVİNDİK	Non-executive	Independent	14/06/2024	https://www.kap.org.tr/en/Bildirim/1295148	Considered	No	Yes
Mustafa Murat ŞEKER	Non-executive	Not independent	29/06/2021	-	Not considered	No	Yes
Ebru TÜMER	Non-executive	Independent	22/09/2023	https://www.kap.org.tr/en/Bildirim/1295148	Considered	No	Yes
Ahmet YOZGATLIĞİL	Non-executive	Not independent	22/09/2023	-	Not considered	No	Yes

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	12
Director average attendance rate at board meetings	88%
Whether the board uses an electronic portal to support its work or not	Yes
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	At least 3 days prior
The name of the section on the corporate website that demonstrates information about the board charter	It was regulated by internal directives and it is not open to the public.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There are no limitations for the members of the Board of Directors regarding them to carry duties outside the company, except the duties that are subject to prohibition of competition.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented.	The information is in the Annual Report > Corporate Governance Principles Compliance Report > Number of Committees Formed in the Board of Directors with Their Structures and Independency title.
Link(s) to the PDP announcement(s) with the board committee charters	The working principles of the committees are disclosed on both PDP and presented at the end of the Annual Report.

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	-	Ebru TÜMER	Yes	Board member
Audit Committee	-	İsmail ARI	No	Board member
Audit Committee	-	Göksel SEVİNDİK	No	Board member
Corporate Governance Committee	-	İsmail ARI	Yes	Board member
Corporate Governance Committee	-	Ahmet YOZGATLIGİL	No	Board member
Corporate Governance Committee	-	Mustafa Murat ŞEKER	No	Board member
Corporate Governance Committee	-	Cansın MISIRLI	No	Not board member
Corporate Governance Committee	-	Gülru Selçuk FİLİZ	No	Not board member
Committee of Early Detection of Risk	-	Göksel SEVİNDİK	Yes	Board member
Committee of Early Detection of Risk	-	Bekir BAYRAKDAR	No	Board member

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	The information is in the Annual Report › Corporate Governance Principles Compliance Report › Number of Committees Formed in the Board of Directors with Their Structures and Independency title.
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	The information is in the Annual Report › Corporate Governance Principles Compliance Report › Number of Committees Formed in the Board of Directors with Their Structures and Independency title.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duties of the nomination committee is carried by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	The information is in the Annual Report › Corporate Governance Principles Compliance Report › Number of Committees Formed in the Board of Directors with Their Structures and Independency title.
Specify where the activities of the compensation committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duties of the compensation committee is carried by the Corporate Governance Committee.
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	The information is given under Article 6 of the Report of Board of Directors.
Specify the section of website where compensation policy for executive and non-executive directors are presented.	Investor Relations › Corporate Governance › Policies title.
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	The information is given under Article 3/a of the Report of Board of Directors.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2024

CORPORATE GOVERNANCE INFORMATION FILLINGS

Composition of Board Committees-II

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	10	12
Corporate Governance Committee	-	80%	20%	3	3
Committee of Early Detection of Risk	-	100%	50%	7	7

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

A. General Principles

A1. Strategy, Policy and Goals

Maintaining its place since the inception of the Sustainability Index by Borsa Istanbul (BIST) in 2014, ASELSAN takes the utmost care so as to fully comply with the principles in the Framework for Compliance with Sustainability Principles, which was announced within the scope of the amendment made on October 2, 2020 in the Capital Markets Board's Corporate Governance Communiqué numbered II-17.1. Continuing its activities in this field with the aim of continuous improvement, ASELSAN's compliance with the sustainability principles is presented below.

ASELSAN believes that growth will be achieved not only in economic and institutional but also in social and environmental fields with the awareness of our impact and responsibilities, and makes maximum efforts to carry out its activities within this framework. With the awareness of its responsibility for sustainable life, it accepts environmental, social and corporate governance issues as our priority and discloses its efforts for the benefit of our country, society and future generations.

In this context, the basis of the work is "to carefully monitor the sustainability programs developed in the national and international arena and to create the sustainability added value at the highest level", which is also included in the company policies.

ASELSAN continues to support the goals of our country with its achievements, practices, systems and solutions on climate change. In this context, in June 2021, our company has taken a net zero emission decision for 2050.

Within the scope of the relevant Strategic Activities of the ASELSAN Strategic Plan, the targets of reducing energy intensity are provided by the units responsible for the management of the existing energy infrastructure in the campuses. In this direction, efficiency studies are carried out, especially on energy-consuming resources, and the data obtained are evaluated through analyzers and software systems.

ASELSAN revised its business strategy and sustainability understanding in 2021 and continued improvements in the 2024 report, considering the needs of all its stakeholders, in the face of developing and changing needs, with the strength we derive from our vision that emphasizes "trustworthy, sensitive to the environment and people", and our commitment to "take into account the expectations of the relevant parties" in our policies. Our short, medium and long-term goals and our business strategies, risks and opportunities are being worked on together with all ASELSAN's family members, customers, investors, suppliers, universities, industry and civil society organizations, public institutions, society, future generations and entrepreneurs will center on the sustainability understanding, the details of which will be shared in the 2024 Sustainability Report as a separate report and/or Climate Change and Water Report (CDP). It is considered that the issue of sustainability is a path that needs to be strongly advanced not only at ASELSAN, but also with our stakeholders such as our customers, investors, suppliers and society. With the devoted support and valuable opinions of all relevant parties, it is anticipated that many studies will be undertaken that will add value to ASELSAN's sustainability journey.

The list of policies prepared by ASELSAN on sustainability and announced to the public on its website is given below:

- Information Security Policy
- Human Rights Policy
- Human Resources Management Policy
- Integrated Management System Policy
- Energy Management Policy
- Water Policy
- Export Control Compliance Policy
- Human Resources Management Policy
- Conflict Minerals Policy
- Occupational Health & Safety Policy

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

- Sustainable Climate Change Policy
- Food Safety, Hygiene and Sanitation Policy
- Quality Policies
- Supply Policies
- Business Ethics and Code of Conduct for Suppliers
- Dividend Policy
- Disclosure Policy
- Anti-Bribery and Anti-Corruption Policy
- Tax Policy
- Compensation Policy
- Stakeholders Policy
- Donation and Aid Policy
- Board Diversity and Inclusion Policy

A2. Implementation/Monitoring

ASELSAN Sustainability Committee is responsible for determining the policies, targets and implementation plans of ASELSAN sustainability activities, carrying them out in line with the strategy, monitoring, auditing and reporting to the Board of Directors to increase the level of sustainability. DHD EYSM Sustainability Management Department have been determined under the leadership of the Corporate Management Vice President and Sustainability Ambassadors & Sustainability Working Groups consisting of 61 people representing different functions within the company for the coordination of ASELSAN's efforts on sustainability. Sustainability Ambassadors play a leading role in raising awareness within the company regarding important and priority sustainability issues that fall under their duties and responsibilities, and contribute to the management of the issues addressed with a more holistic approach and reporting of sustainability performance.

ASELSAN has complied with the regulations of Borsa Istanbul at the highest level in 2024 and continued to be included in the Sustainable Index.

A3. Reporting

ASELSAN attaches importance to the continuity of its communication with all its stakeholders, and accordingly, it shares important information for stakeholders in a direct and concise manner through its sustainability reports, annual reports, corporate website and investor relations website.

Every year, ASELSAN announces its Sustainability Report to the public both on its website and on the Public Disclosure Platform. Although the report covers the developments that took place in the relevant activity period, it expresses a period of 1 year.

In 2024, there are no lawsuits filed and/or concluded against ASELSAN on environmental, social and corporate governance issues.

A4. Verification

ASELSAN will receive assurance services from an independent institution for the titles related to some human resources subjects determined in the 2024 Sustainability Report.

Greenhouse gas emission management is carried out in line with ASELSAN ISO 14064 and ISO 14001 standards. In order to reduce the effects of the global climate change committed in the Sustainable Climate Change Policy and to monitor and transparently report the greenhouse gas emissions, the emission sources in the ASELSAN campuses are determined and the greenhouse gas emissions are calculated, reported and verified by an independent firm every year.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

B. Environmental Principles

Being aware of the need to protect the environment it interacts with in order to leave a more livable world to future generations, ASELSAN pays attention to the most effective management of environmental impacts, responsible use of resources, development of environmentally friendly business processes and environmental impact assessments in its activities and operations.

In line with the sensitivity of ASELSAN to environmental management, employees are provided with online environmental trainings on a regular basis every year. In 2023, a total of 1.989 hours online training on environmental protection were given. The details of 2023 will be shared in the 2024 Sustainability Report. At the same time, drills are carried out in order to understand what needs to be done in case of chemical leakage and spillage in line with the ISO 14001 Environmental Management System Standard and legal regulations, and to ensure that the personnel are prepared in advance for such environmental accident situations. ASELSAN, which wants to include not only its employees but also the entire value chain in its development journey, has produced an informative short- film on occupational safety, environment and climate change issues for the delegations. Every delegation that comes to ASELSAN campuses is shown this film, and ASELSAN's perspective on these issues is tried to be reflected. In addition, ASELSAN's perspective is shared by making presentations on sustainable environmental practices to the delegations coming outside to ASELSAN facilities.

ASELSAN, which considers the targeted economic, environmental and social performance with the sustainability approach it adopts in its activities, also in the global supply chain formed by thousands of registered suppliers, builds its cooperation with its suppliers within the framework of compliance with the laws, human rights and defined corporate ethical rules. ASELSAN sets the Environmental Management and Occupational Health and Safety Management standards in advance regarding the measurement and evaluation of its suppliers and acts in accordance with these standards in their selections.

The main issues that ASELSAN questions in order to measure and evaluate the suppliers; it has been determined within the scope of compliance with ASELSAN targets and policies, Environmental Management, Occupational Health and Safety Management standards and labor laws, in line with the Company's supply chain policies and international standards, accompanied by technological infrastructure, qualified personnel, comprehensive quality system and strong financial structure.

ASELSAN carries out its activities related to environmental management in accordance with all environmental laws and regulations and in line with international standards. Obtaining, updating and renewing the permits, licenses and documents required for environmental issues for facilities and activities are carried out by the Corporate Governance Vice Presidency (KYGMY) Support Services Directorate (DHD) Integrated Management Systems Department. The Environmental Officer also prepares a monthly evaluation report and reports the environmental status of the facility to the facility manager. At the end of each year, an Environmental Performance Report containing the previous year's work is prepared and presented to the senior management.

As a result of the Company's sensitivity towards environmental compliance, there were no violations or penalties in 2024 within the scope of the Environmental Law and related regulations.

According to the information included in the 2023 Sustainability Report, in the sustainability governance model that aims to lead the value chain by continuously improving, sustainability activities are embraced by the Board of Directors, the CEO and secured by the senior management. The Sustainability Committee, which includes our senior managers from different functions, is responsible for creating the sustainability vision and strategy, determining the priority issues regarding sustainability, determining the policies, targets and implementation plans, executing, monitoring and auditing in line with the strategy and reporting to the Board of Directors to increase the level of sustainability. In order to integrate sustainability into all business processes and to ensure the efficiency of the studies to be carried out for the

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

sustainability targets supported by the senior management, ESG (Environment-Social-Governance) key performance indicators are included in the scorecards of the relevant ASELSAN employees. The company monitors and measures the incentives offered for the management of environmental issues with the balanced score cards used within the company under the leadership of the CEO and the Corporate Management Vice President.

ASELSAN aims to be a responsible manufacturer by considering environmental problems on a global scale and includes this issue in its strategic goals. It strategically prefers to use carbon-friendly technologies in its production. It also benefits from smart digital solutions, electric vehicles and solar energy. In addition, studies have been completed to meet the requirements for rail transportation, electric vehicles and wind energy, which are designed and served in the civil field and new products are continued to be developed.

ASELSAN sees its suppliers as one of the most important links of the value chain, which directly contributes to the quality of the products/services it offers and thus to the success of its operations and plays a decisive role in its competitiveness. While realizing the economic growth and technological development targets with every stakeholder in the supply chain, ensuring the spread of environmental awareness where all resources are used respectfully and in moderation; it is aimed to raise awareness on social issues such as employment, equality, security, education and health and to protect ethical values. ASELSAN's supply chain, which carries out its project-based activities through signed contracts, plays a role in the execution of all activities from the signature stage of the projects to the process after their delivery to the customer.

ASELSAN has positioned all individuals, institutions and companies that directly or indirectly affect and are affected by its activities on the stakeholder map. Providing great support to stakeholder participation in the realization of business continuity and operational excellence targets, the Company has included customers, employees, investors, suppliers/subcontractors, universities, sector organizations and non-governmental organizations, public institutions, society, future generations and entrepreneurs in its stakeholder map.

ASELSAN accelerates its corporate development by collaborating with all sectoral and non-governmental organizations operating in the defense industry sector. ASELSAN, which is a member of the leading local and international organizations of the defense industry sector, provides representation in domestic and foreign sectoral organizations through its executives and employees, as well as its Senior Management. However, the company is not a member of any non-governmental organization related to environmental issues.

Greenhouse gas emission management at ASELSAN is carried out in line with ISO 14064 and ISO 14001 standards. In order to monitor and transparently report greenhouse gas emissions in order to reduce the effects of global climate change as committed in the Sustainable Climate Change Policy, the emission sources in ASELSAN campuses are determined and greenhouse gas emissions are calculated, reported and verified by an independent company every year. In this context, internal and external audits were carried out within the framework of the ISO 14064 standard for 2024 data.

ASELSAN is committed to "determining climate change risks and managing them in the light of legislation, monitoring and reporting greenhouse gas emissions in order to reduce the effects of global climate change, carefully monitoring the national and international sustainability programs developed for the environment, and creating the added value for sustainability at the highest level". is doing.

ASELSAN's climate change targets are organized in line with the strategies determined by the Senior Management within the scope of the Sustainability Committee studies and in order to achieve the targets, the Greenhouse Gas Management Plan, the 2050 Net Zero Emission Roadmap and the Sustainability Working Group work plans are prepared and implemented. Periodic review of the applications within the scope of the Management Plan and coordination of improvement studies are carried out by the KYGMY DHD EYSM Sustainability Management Unit, Sustainability Working Groups and Sustainability Ambassadors under the leadership of the Sustainability Committee.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

As of 2020, necessary studies are being carried out on water management, which has a great significance. The company adopts a water management approach that considers the responsible, effective and efficient use of water in its activities. Water consumption in all ASELSAN campuses is also included in the inventory system and monitored. Within the scope of the significance given to water management, the ASELSAN Water Policy was created in 2021 to cover water efficiency and shared with stakeholders. With the Water Policy, which includes the commitment to "carefully monitor sustainability programs developed nationally and internationally regarding water, follow sustainability goals and create sustainability added value at the highest level", ASELSAN is included in the CDP (Carbon Disclosure Project) Water Reporting as of 2021. Within the scope of the continuous development value, the ISO 46001 Water Efficiency Management System was established in ASELSAN in 2024 to increase water efficiency. Within the scope of ISO 14001, ISO 46001, ISO 14064 and ASELSAN net zero emission target, annual, short, medium and long-term targets are set; they are monitored by the Sustainability Committee; transparently shared with stakeholders through the Sustainability Report and CDP (Carbon Disclosure Project). Infrastructures that will provide water saving are established in all our campuses in accordance with the Energy Efficient Design Principle. In new buildings, foundation drainage, rain water, treatment discharge etc. outputs are evaluated as water sources and are mainly used for landscape irrigation. In fire and hydrant lines operating under continuous pressure and in full section and in closed circuit heating-cooling pipelines, automation systems that will give an alarm in case of leakage are used. Thus, possible water leaks are eliminated in the shortest time and indirect water savings are provided. In water-using device investments, consumption values are reviewed and economical ones are preferred. Photocell faucets are used in all sinks. Adiabatic humidification systems are used in the environments used as botanical gardens in the building interiors to reduce water consumption. Wastewater generated in the facility infrastructure such as cooling tower blowdowns and reverse osmosis waste is broken down and recycled. Awareness and sustainability communication activities are also carried out.

Energy Consumption by Fuel Type (GJ)	2019	2020	2021	2022	2023
Electricity (Non-Renewable)	294.228,00	317.408,40	306.370,80	299.289,60	358.919,79
Electricity (On-Site Renewable Energy)	0	0	0	0	144
Natural Gas	146.313,97	176.515,43	156.118,50	183.022,31	213.884,07
LPG	28,98	20,7	0,552	0,552	0
Fuel Oil	703,32	0	0	421,26	0
Gasoline	703,32	0	0	421,26	0
Diesel	24.266,55	28.555,92	28.962,64	29.530,27	29.530,27
Total	465.540,82	522.500,45	491.452,49	512.263,99	605.827,52

Operational Energy Efficiency: Energy Indicators	2020	2021	2022	2023
Electricity (Non-Renewable) (MWh) (A)	88.176,05	85.109,81	83.142,65	102.366,08
Electricity (Renewable) (MWh) (B)	0	0	0	40,003
Total Electricity Consumption (MWh) (A+B)	88.176,05	85.109,81	83.142,65	102.406,09
Intensity	5,475	4,226	1,244	1,392

In line with the greenhouse gas emission management plan, which is updated annually for CDP Climate Change reporting and included in the annual Sustainability Report of ASELSAN, it aims to achieve net zero emissions in 2050 with a 55% reduction in Scope 1 and 2 emissions by 2030, a 60% reduction by 2035 and a 70% reduction by 2045. The 2024 realization and the targets for 2025 will be included in the 2024 Sustainability Report.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

Greenhouse Gas Emissions (tCO _{2e})	2019	2020	2021	2022	2023
Direct Emissions (Scope 1)	14.148,26	14.689,13	15.481,32	22.593,70	20.089,56
Indirect Emissions (Scope 2)	37.785,79	42.319,99	37.926,60	41389,27	45.494,51
Direct and Indirect Emissions (Scope 1-2)	51.934,05	57.009,12	53.407,93	63.982,97	65.584,07
Other Emissions (Scope 3)	15.661,22	14.169,90	33.786,47	40.958,50	58.742,12
Total Emissions (Scope 1-2-3)	67.595,27	71.179,02	87.194,39	104.941,47	124.326,19
Scope 1-2 Emission Intensity (tCO _{2e} /TRY million)	3,9911	3,54	2,652	0,957	0,8912
Intensity Reduction Compared to Previous Year (%)		11.30%	25.08%	63.91%	6.88%

Scope 3 Emissions (tCO _{2e})	2021	2022	2023
Purchased Goods and Services	10.427,61	15.478,93	26.443,51
Upstream Transportation and Distribution	1.263,49	1.003,52	1.281,70
Waste	116,9	121,45	105,01
Business Travel	1.623,31	3.575,08	6.108,78
Employee Shuttles	971,14	1.098,59	1.367,79
Emissions from Purchased Energy Supply	7.212,43	7.994,73	8.742,70
Downstream Transportation and Distribution	34,04	27,87	78,93
Water Supply	64,51	79,4	90,65
Material Use	12.073,04	11.578,93	14.523,05
Total Scope 3 Emissions	33.786,47	40.958,50	58.742,12
Total Scope 3 Emissions Intensity (tCO _{2e} /TRY million)	1,68	0,61	0,8
Total Emissions (Scope 1-2-3)	87.194,39	104.941,47	124.326,19
Total Emissions Intensity (Total Emissions/ TRY million)	4,33	1,57	1,69

ASELSAN has received strong support from the Senior Management in the implementation process of ISO 50001:2018 Energy Management System (EnYS), which is a management approach that considers conscious and efficient energy use in its activities in line with the responsible and effective management of the resources it uses. Energy management activities are carried out based on processes/production, purchasing processes and in parallel with other integrated management systems. Within the scope of the ASELSAN Strategic Plan and related Strategic Activities, energy intensity reduction targets are provided by energy managers responsible for the management of the existing energy infrastructure in the campuses. In this direction, efficiency studies are carried out especially on important energy consuming resources and the obtained data is evaluated through analyzers and software systems. 6.034.351 kWh/year of gain was achieved with the improvements made in 2023 after the energy efficient transformation activities in the campuses. In order to ensure the continuity of the improvements, the activities are continuously analyzed and current technological developments are followed. In addition, projects that will provide a profit of 4,052,898 kWh/year in the 2-year projection have been approved and planned.

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

Energy Savings	2020	2021	2022	2023
Total Energy Savings (GJ)	2.826,34	1.973,88	11.633,34	10.248,99

Operational Energy Efficiency: Energy Indicators	2020	2021	2022	2023
Electricity (Non-Renewable) (MWh) (A)	88.176,05	85.109,81	83.142,65	102.366,08
Electricity (Renewable) (MWh) (B)	0	0	0	40.003
Total Electricity Consumption (MWh) (A+B)	88.176,05	85.109,81	83.142,65	102.406,09
Intensity	5.475	4.226	1.244	1.392

C. Social Principles

C1. Human Rights and Employee Rights

ASELSAN constantly updates its Human Resources Management Policy in order to protect its strong employer brand and strengthen the employee experience. While managing its qualified human resources, ASELSAN focuses on ensuring full compliance with all laws and regulations regulating business life, providing modern employment and working conditions, supporting personal development and increasing business performance. ASELSAN's human resources management policy consists of principles that aim to create a fair, respectful and transparent working environment and are based on compliance with the Universal Declaration of Human Rights, International Labor Organization (ILO) Conventions to which the Republic of Türkiye is a party, and Turkish Labor and Social Security legislation.

ASELSAN's Human Resources Management Policy is made available to all stakeholders on the Company's corporate website. According to this policy, ASELSAN aims to treat people fairly and without prejudice, to promote diversity in the workplace and throughout society, and to protect human dignity.

With the understanding of "decent work" that ASELSAN has adopted, it is to offer equal opportunities to all its employees, regardless of religion, language, race, gender, ethnicity, age, disability and political opinion. It is one of the principles that ASELSAN attaches great importance to, approaching its employees, who are at the beginning of the value chain, without any discrimination during their entire working period, starting from the recruitment process. In this direction, ASELSAN adopts an equal pay policy for equal work and does not discriminate on the basis of gender. The wages of the employees are determined in a way that is proportional to the work family they work and their length of service. All employees with the same wages and career scores in their work family receive the same wage, regardless of gender.

At ASELSAN, the remuneration policy is applied to all employees with the same approach and equal denominator, regardless of contract type, gender and disability. Within the growing ASELSAN team, the number of disabled personnel deemed appropriate by law to be included in the staff is carefully monitored.

In ASELSAN, which carries out all its activities on the basis of full compliance with the laws, the equal opportunity approach that prevents and prevents discrimination before the law is always applied, and this issue is integrated into the strategic relations with suppliers and customers. ASELSAN takes all the decisions regarding its employees; regardless of race, religion, language, sect or any belief, gender, mental or physical disability, age, cultural or social class differences. ASELSAN expects its approach in this matter from all its stakeholders, especially its strategic business partnerships and suppliers. ASELSAN did not experience any discrimination in terms of religion, language, race, gender, ethnicity, age, disability or political opinion in 2024.

ASELSAN, which carries out all its activities in full compliance with the law, always implements an equal opportunity approach that prevents and prevents discrimination in the eyes of the law, and child labor is not employed. ASELSAN Human Resources Directorate bases its activities in its area of responsibility on diversity and equal opportunity practices,

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK REPORT

and developments in this regard are reported to the Corporate Management Vice Presidency. All ESG (Environment-Governance-Social) issues of sustainability are also monitored by the Sustainability Committee and reported to senior management.

At ASELSAN, measures are taken along the value chain to observe minority rights/equal opportunities.

Within the scope of the "ASELSAN WITHOUT OBSTACLES" project, which was initiated together with the Value Ambassadors selected from among ASELSAN employees, the project team carries out activities with the motto "It's in Our Hands to Build an Inclusive World" to increase awareness within the company and to reinforce the sense of togetherness for disabled employees. As of 2023, awareness has been raised by assigning separate trainings for both managers and employees. The educational video themed "Unconscious Bias", specially prepared to increase employees' awareness on diversity, equality and inclusion (DEI), has been shared with all ASELSAN employees. The "Managing and Inclusion of Differences" training videos, specially prepared for ASELSAN, have been assigned as mandatory training for all managers and all managers have received equality, diversity and inclusion training in this context in 2023. In addition, "Interview with Disabled Candidates and Communication Training in the Recruitment Process" has been provided to employees who take part in the recruitment process. In 2023, some exemptions and rights, such as the right to finish work early, have been defined for employees in the disabled cadre. Thanks to this method, disabled employees have been enabled to move more comfortably during busy hours. In cases where the governorship of the campus where the disabled employees work grants leave to pregnant and disabled public officials due to adverse weather conditions, ASELSAN employees in similar situations will be considered as administrative leave as of 2023, in a way that no time is left in their working hours. In addition, the excuse leave hours of employees in the disabled cadre were increased and it was aimed for them to spend more time with themselves and their families. In 2023, physical deficiencies in the campuses were determined and ASELSAN campuses were made suitable for Barrier-Free ASELSAN with the principle of inclusiveness. Within the framework of our diversity, equality and inclusiveness (DEI) principle, special quotas are allocated in ASELSAN nursery and kindergartens for the children of our disabled female and male employees.

Necessary notice and complaint mechanisms exist in order to ensure that employees are not discriminated due to their individual differences. The establishment and operation of these mechanisms is a matter followed by the Senior Management, and is managed by the Ethical Principles Board, which includes managers from different business units and employee representatives under the Corporate Governance Vice Presidency. If any employee is exposed to discrimination for any reason, it has the right to apply directly to the ASELSAN Ethical Principles Board, with sensitivity to personal confidentiality. Details of this process are discussed within the scope of ASELSAN's Human Rights Policy on the corporate website.

Ensuring a balance between the work life and private life of its employees, who are its most valuable resource, increasing their health, welfare and working motivation is among the main priorities of ASELSAN.

Active studies are carried out at ASELSAN in order to ensure employee loyalty and to measure it continuously. Employees' satisfaction with respect to both their loyalty values and Human Resources practices is measured with the annual Employee Satisfaction Survey. After the survey, demographic data and satisfaction data on the basis of departments are analyzed, presented to the Senior Management along with action suggestions, and improvement studies are carried out. Measurements of employee satisfaction are also monitored by the Company's Senior Management and are among the goals of the managers. In order to create an effective feedback mechanism, meetings are held where employees and managers come together. By evaluating the feedback received from the employees, actions that are predicted to contribute to sustainable success are implemented.

The Occupational Health and Safety Management System has been managed at ASELSAN since 2009, within the scope of ISO 45001:2018 Occupational Health and Safety Management System Standard, in compliance with the requirements of the Occupational Health and Safety Law No. 6331. As a result of the work carried out since July 2018 and the external audit carried out by the international certification body in June 2019, the transition to the "ISO 45001:2018 Occupational Health and Safety Management System" published by the international standardization organization has been made. With this study, ASELSAN has maintained its leadership in Occupational Health and

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Safety studies by becoming one of the first companies in Türkiye to adopt the "ISO 45001:2018 Occupational Health and Safety Management System".

Focusing on human capital in all of its operations and activities, ASELSAN provides a safe working environment for its employees by considering their health and safety in this direction. Suitable and reliable working conditions provided by the Company. It is designed within the framework of occupational health and safety culture along with legal obligations. Occupational health and safety studies are carried out with high importance within the framework of the Integrated Management System (IMS) Policy determined by the Senior Management. The aim of the occupational health and safety studies carried out within the scope of the Integrated Management System Policy is to minimize the risks by eliminating the dangers that may arise due to various reasons in the workplace environment, thus ensuring the safety of the employees and the work environment as well as the workplace. In order to ensure that transportation services are carried out safely, healthily and effectively at ASELSAN, the ISO 39001:2012 Road Traffic Safety Management System was established in 2021. With this system, the traffic movement of personnel service vehicles and passenger company vehicles serving ASELSAN employees on the roads is managed. Road traffic safety risk analysis has been performed on all service routes, and actions have been taken at risky stops and routes, providing our employees with safer travel opportunities. Employees have been encouraged to use public transportation, and the traffic load and carbon emission amount to be created by passenger vehicles have also been reduced.

In the activities carried out by ASELSAN, the principle of full compliance with the Personal Data Protection Law No. 6698, secondary legislation and the fundamental opinions and policy decisions of the Personal Data Protection Board is observed. In this context, ASELSAN fulfills the necessary disclosure obligation with the Illumination Text and its annexes on the Protection of Personal Data. The procedures and principles applied to the protection of personal data at ASELSAN are regulated through the "ASELSAN Personal Data Protection and Processing Policy and ASELSAN Personal Data Retention and Disposal Policy" and announced on ASELSAN's website with Turkish and English texts.

ASELSAN Information Security and Business Continuity Policies are made available to all stakeholders on the Company's corporate website.

ASELSAN Ethical Principles, Values and Codes of Conduct are regularly reviewed and updated in order to create working environments in accordance with ethical principles, which are based on honesty, integrity and business discipline, to prevent unethical behaviors, to raise awareness of ethical values and to integrate ethical principles with practices. Ethical principles enable the creation and preservation of a working environment where ASELSAN employees treat each other with courtesy, sincerity and tolerance, and where everyone shares their views with an open mind. Employees act responsibly with the mutual trust provided, not only taking care of their own interests as individuals, but also the long-term interests of the society they are a part of, the company they work for and their stakeholders.

Particular attention is paid to selecting employees from candidates who tend to act in line with ASELSAN's core values and ethical principles. Each employee is included in the orientation program where they receive a comprehensive training process on ASELSAN Ethical Principles, Values and Code of Conduct Training and ASELSAN Ethical Principles Directive. Ethical Principles, Values and Code of Conduct Training is assigned to all employees as a mandatory training, the ethical principles, values and code of conduct document is given to them as a booklet and employees undertake to act in accordance with ethical principles within the ASELSAN Work Commitment. In the process following the orientation period, an environment is provided that encourages ASELSAN employees to internalize ethical principles and always apply these principles in their daily business lives. Applications from within ASELSAN can be made through the Ethical Principles Help Desk, while applications from outside ASELSAN can be made by sending them to etik@aselsan.com or to the postal address of ASELSAN Macunköy Campus.

ASELSAN Ethics Principles Board regularly announces the applications received by the Board and the Board evaluations regarding these to all ASELSAN employees in order to ensure awareness of ethical principles and values. The report on the work of the Ethics Principles Board, applications, evaluations and measures taken is presented at the Board of Directors meeting in January each year.

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The ASELSAN Ethical Principles Board, established within the scope of ASELSAN's corporate structure and management system, consists of eight members. The ASELSAN Ethical Principles Board is chaired by a member elected by the General Manager with a director or higher title, and the members of the board include representatives from the Internal Audit Department, Legal Consultancy, Corporate Management Assistant General Manager, Human Resources Department, Supply Chain Management Assistant General Manager, and two ASELSAN employees who meet the criteria determined by voting by ASELSAN employees. All ASELSAN employees can receive information from the board and report to the board any behaviors they consider to be contrary to ethical principles. Behaviors contrary to ethical principles are immediately evaluated by the Board, and relevant measures are implemented with the knowledge and contribution of the senior management.

ASELSAN Social Innovation Leaders (ASIL) Solidarity Association was established as a result of the cooperation and intensive efforts of ASIL Association and Social Responsibility Working Groups. Following the evaluation made by Ankara Governorship Provincial Civil Society Relations Directorate, the establishment of the association was approved on November 21, 2019. Since its establishment within ASELSAN, ASIL Association has undertaken dozens of projects from meeting the needs of earthquake victims to humanitarian aid, from support to our furry friends to social aid, together with volunteer ASELSAN employees who have taken part in ASELSAN corporate social responsibility projects. With the decision numbered 6917 of the Presidency, it has achieved the status of an association working for the public benefit in 2023.

Inspired by the value added by ASELSAN employees to future technologies, corporate social responsibility strategies are determined. With the corporate volunteering approach, employees are encouraged to take part in social responsibility activities and, beyond taking part, to lead projects as corporate citizens. Not only with ASELSAN employees, but also with our team members who take part in internship programs etc. or the families of ASELSAN employees, we work to establish a large corporate volunteer ecosystem and add "Hope to the Future, Value to Life". The company implements projects that will educate young generations to produce solutions for the future by addressing the main source of problems, increase sensitivity to climate change, and raise awareness on equality and inclusiveness issues together with all ASELSAN volunteers. ASIL Association's main fields of activity are education, health, family and humanitarian aid in natural disasters, as well as organizing campaigns periodically and reaching those in need through these campaigns. Since its establishment, it has supported scientific projects, schools in need, and children waiting for coat and boot aid, as well as taking responsibility for disasters and epidemics faced by the country and delivering urgent needs to the necessary places in a short time. Details regarding social value studies are included in the 2023 Sustainability Report.

Within the scope of the cooperation between the General Directorate of Vocational and Technical Education of the Ministry of National Education of the Republic of Turkey and ASELSAN in order to contribute to the training of the qualified workforce needed by the defense industry, the first Vocational and Technical Anatolian High School in its field was established in Ankara in 2019. ASELSAN MTAL is a unique school in its own right with what it offers to its students both during and after education. Offering development and career-oriented education opportunities, MTAL has a distinguished 5-year education content in two branches, namely electronic and mechanical systems. The curriculum and needs of both branches were specially created by ASELSAN employees and MEB experts. With the mentoring program carried out by ASELSAN employees within the scope of social responsibility, ASELSAN employees have the opportunity to transfer their knowledge and experience to the younger generations. With the mentoring meetings held, experienced ASELSAN employees have the opportunity to transfer their knowledge and experience to the younger generations.

Alimhane Project was launched at Ankara Science High School and aims to maximize the potential of young minds. This project aims to instill in students the value of working in collaboration and the power of achieving together. Alimhane, which was launched in 2022, adopts an innovative educational approach called the 3H Model. This model consists of three basic stages: "Imagine", "Get Ready" and "Take Action". In the first stage, students can freely express their own ideas and dreams; in the second stage, they turn these ideas into projects by elaborating them with volunteer ASELSAN employee mentors who are experts in their fields and take part in corporate social responsibility projects; in

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the last stage, students can turn their ideas into concrete products thanks to modern laboratory facilities. Details of the activities carried out for the future of young people are included in the 2023 Sustainability Report.

Within the scope of health activities; the needs of families in need for medicine, surgery, treatment, prosthesis and health equipment are met. Families in need are evaluated by the teams, needs are clarified by one-on-one meetings with the hospital and doctors, and aid activities are carried out in order of priority.

Within the scope of family activities; food parcels containing basic foods for families in need, food cards to meet market needs during holidays, zakat distribution within the scope of Eid al-Fitr, holiday clothes for children, boots and coats for use in the winter months and basic household goods to continue life at home are provided. Distributions are delivered directly to families by professional teams.

Volunteer teams consisting of ASELSAN personnel work to carry out all these activities.

While ASELSAN carries out projects to increase social opportunities for the welfare of the society and scientific activities for the development of the society, it aims to provide benefit to the society by supporting the institutions. In this context, the Donation and Aid Policy has been created and shared on the ASELSAN website. Cash donations and aid can be made to institutions, organizations, foundations and associations that carry out scientific research and development activities, institutions and similar organizations established for social purposes, the construction of structures such as schools and health facilities that are of public benefit, and other works that the Company may deem useful. Each year, annual donation plans and the upper limit of donation amounts are determined in the General Assembly meetings, and donations are made by the decision of the Board of Directors. ASELSAN has not and will not engage in activities supporting political parties, politicians or political candidates. The Company has not donated to any political party or group in 2024, has not contributed to or participated in any political activity.

C2. Stakeholders, International Standards and Initiatives

ASELSAN has positioned all individuals, institutions and companies that directly or indirectly affect and are affected by its activities on its stakeholder map. Providing great support to stakeholder participation in the realization of business continuity and operational excellence targets, the Company has included customers, employees, investors, suppliers/subcontractors, universities, sector organizations and non-governmental organizations, public institutions, society, future generations and entrepreneurs in its stakeholder map.

The definitions, operation and performance of the ASELSAN Quality Management System have been verified and documented by internal and external audits in 2024. ASELSAN's quality policy for each sector presidency and statements regarding customer satisfaction within these policies are submitted for the information of all stakeholders on the Company's corporate website.

ASELSAN prioritizes its activities in the field of sustainability by taking into account the suggestions and expectations of different stakeholder groups, especially employees. It explains these activities through a communication based on mutual interaction with all its stakeholders, from its employees to investors, within the framework of transparency and accountability principles through the Sustainability Report, which it has brought to the attention of its stakeholders.

ASELSAN maintains its sustainability activities by observing national and international reporting standards. ASELSAN is the first company to participate in the CDP Climate Change study among defense industry companies in Türkiye and is among the important defense industry leaders in the world in climate change management with the scores it has received. ASELSAN 2022 Sustainability Report will be prepared in accordance with the GRI Standards and will be made available to all stakeholders on the Company's corporate website.

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D. Corporate Governance Principles

ASELSAN observes the sensitivities of the sector where it operates; never compromises on the principles of fairness, transparency, accountability, and responsibility, which are the cornerstones of corporate governance; adds momentum into its consistent growth, and safeguards the interests of stakeholders. In an attempt to bring its lead on domestic platforms to the international arena, the Company works without respite towards full compliance with corporate governance principles and legal regulations. ASELSAN bases its processes on a professional corporate governance approach and releases a Corporate Governance Principles Compliance Report every year since 2004.

SAHA Corporate Governance and Credit Rating Services Inc. (SAHA), authorized by the CMB to measure the level of compliance with ASELSAN's corporate governance principles, has been continuing its corporate governance rating since 2012. In this context, the corporate rating score created for ASELSAN for the first time on 13.12.2012 was 8.77 out of 10. In the evaluation made in 2024, our score reached its historical peak with 9.49 on 10.12.2024. ASELSAN Corporate Governance Principles Compliance Reports are shared on the corporate website and within the scope of annual activity reports. ASELSAN's subheading scores out of 100 are as follows.

Subcategory	Rating	Weight
Shareholders	89,82	25%
Public Disclosure and Transparency	98,72	25%
Stakeholders	99,17	15%
Board of Directors	94,06	35%
Governance Principles Compliance Rating	94,91	100%

ASELSAN's management structure is a single-stage system with a Board of Directors elected by the General Assembly. ASELSAN's Board of Directors consists of 9 members, 3 of whom are independent. The Board of Directors has a decision-making and supervisory role in defining and managing economic, environmental and social impacts, risks and opportunities. The Board of Directors ensures that the work is carried out in an efficient and effective manner, as well as in compliance with the legislation, articles of association, directives and established policies.

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SUSTAINABILITY COMPLIANCE REPORT	Compliance				Explanation	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
	Yes	No	Partial	N/A		
A. General Principles						
A1. Strategy, Policy and Goals						
A1.1.The preferred environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Board of Directors.	X	-	-	-	Page 59, 60, 70, 71, 244-253	https://www.aselsan.com/en/sustainability/reports
A1.1.The ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Labour Rights Policy) have been set out by the Board of Directors and disclosed to public.	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports https://www.aselsan.com/en/sustainability/our-policies
A1.2. The short-term and long-term ESG goals have been disclosed to public.	X	-	-	-	Page 72-83,89,93	https://www.aselsan.com/en/sustainability/reports
A.2. Execution/Supervision						
A2.1. The committees and/or boards responsible for the supervision of ESG policies and the seniors / directors to execute the ESG issues have been disclosed to public including their duties.	X	-	-	-	Page 55,56,57	https://www.aselsan.com/en/sustainability/reports
2.1. The activities carried out within the scope of the policies by the responsible committee and/or department have been reported to the Board of Directors at least once a year.	X	-	-	-	Page 55,56,57	https://www.aselsan.com/en/sustainability/reports
A2.2. The action plan in accordance with the ESG goals have been formed and disclosed to public.	X	-	-	-	Page 72-83, 89, 93	https://www.aselsan.com/en/sustainability/reports
A2.3. The key performance indicators regarding the ESG and the achievement rates per years have been disclosed to public.	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports
A2.4. The improvement activities for sustainability performance regarding business processes or product and services have been disclosed to public	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports

* <https://www.aselsan.com/en/sustainability/reports> refers to the report for 2023.

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SUSTAINABILITY COMPLIANCE REPORT	Compliance				Explanation	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
	Yes	No	Partial	N/A		
A3. Reporting						
A3.1. The annual report covers the sustainability performance, KPIs and actions understandable, right and qualified.	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports
A3.2. The information on the activities implemented in line with the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to public.	X	-	-	-	Page 55, 64, 72-83, 85, 121, 159	https://www.aselsan.com/en/sustainability/reports
A3.3. The lawsuits in progress against the Company regarding the ESG issues that effect the material business lines and the legal sanctions in regard of the sustainability policies have been disclosed to public.	X	-	-	-	Page 38,39	https://www.aselsan.com/en/sustainability/reports
A4. Verification						
A4.1. The KPI measurements have been verified by an independent third party and disclosed to public	X	-	-	-	Page 9,10,11	https://www.aselsan.com/en/sustainability/reports
B. Environmental Principles						
B1.The company has disclosed its policies and practices on environmental management, action plans, environmental management systems (known as ISO 14001 standard) and programmes.	X	-	-	-	Page 71-83, 88-119	https://www.aselsan.com/en/sustainability/reports
B2. The scope, period, date and the constraints of conditions of the environmental reporting regarding environmental management have been disclosed to public.	X	-	-	-	Page 88-119	https://www.aselsan.com/en/sustainability/reports
B4. The environmental KPIs counted for remuneration criteria for stakeholders (e.g. board members, executives and employees) within frame of the performance incentives have been disclosed to public.	X	-	-	-	Page 61-62	https://www.aselsan.com/en/sustainability/reports
B5. The integration of the environmental difficulties, which are preferably determined, with the business goals and strategy have been disclosed to public.	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports

* <https://www.aselsan.com/en/sustainability/reports> refers to the report for 2023.

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	Yes	No	Partial	N/A		
B. Environmental Principles						
B7. The integration of environmental management issues covering the customers and suppliers throughout the value chain of the company including the operational process with the business model and strategy have been disclosed to public.	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports
B8. The cooperation with the non-governmental organizations and the environmental institutions and taking (or not) a part of the policy-making processes with those institutions have been disclosed to public.	X	-	-	-	Page 98	https://www.aselsan.com/en/sustainability/reports
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X	-	-	-	Page 254-258	https://www.aselsan.com/en/sustainability/reports
B10. The standard, protocol, methodology and the base year details for collection and calculation of the data have been disclosed to public.	X	-	-	-	Page 89,90	https://www.aselsan.com/en/sustainability/reports
B11. The comparable increase or decrease rates with the previous years have been disclosed to public in the current period's report.	X	-	-	-	Page 254-258	https://www.aselsan.com/en/sustainability/reports
B12. The short-term and long-term targets are determined to decrease the environmental impacts; the called targets and the progress status in comparison to the previous years' targets have been disclosed to public.	X	-	-	-	Page 72-83,89,93	https://www.aselsan.com/en/sustainability/reports
B13. The strategy for fight against climate crises is set out and the action plan has been disclosed to public.	X	-	-	-	Page 72-83, 89,93, 244-253	https://www.aselsan.com/en/sustainability/reports
B14. The programmes or procedures to prevent or to decrease to the minimum level of the negative environmental effects of the products and/or services have been disclosed to public.	-	-	X	-	Page 101, 107, 108	https://www.aselsan.com/en/sustainability/reports
B14. The actions taken to make the third parties' (e.g. supplier, subcontractor, dealer, etc.) decrease their greenhouse gas emission figures have been disclosed to public.	-	X	-	-	Sy 98, 226-241	https://www.aselsan.com/en/sustainability/reports

* <https://www.aselsan.com/en/sustainability/reports> refers to the report for 2023.

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SUSTAINABILITY COMPLIANCE REPORT	Compliance				Explanation	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
	Yes	No	Partial	N/A		
B. Environmental Principles						
B16. Energy consumption (natural gas, diesel, gas, LPG, coal, electricity, heating, cooling, etc.) figures as Scope-1 and Scope-2 have been disclosed to public	X	-	-	-	Page 241-246	https://www.aselsan.com/en/sustainability/reports
B17. The information about the produced electricity, heat, steam and cooling for the reporting period have been disclosed to public.	X	-	-	-	Page 254,255	https://www.aselsan.com/en/sustainability/reports
B18. The actions taken to increase renewable energy consumption, transit to zero or low carbon electricity have been disclosed to public.	X	-	-	-	Page 92, 254,255	https://www.aselsan.com/en/sustainability/reports
B19. The renewable energy production and consumption figures have been disclosed to public.	X	-	-	-	Page 116, 72-83, 89,93	https://www.aselsan.com/en/sustainability/reports
B20. Energy productivity projects have been carried out and the decrease rates on energy consumption and emission based on those projects have been disclosed to public.	X	-	-	-	Page 92, 255	https://www.aselsan.com/en/sustainability/reports
B21. Water consumption, underground or above- ground drawn water, recycled or discharged water figures, sources and procedures have been disclosed to public.	X	-	-	-	Page 92,93	https://www.aselsan.com/en/sustainability/reports
B22. It has been disclosed to public if the operations or activities included to any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax) or not	X	-	-	-	Page 99-102, 256	https://www.aselsan.com/en/sustainability/reports
B23.The information on accumulated or purchased carbon credit in the reporting period has been disclosed to public.	-	X	-	-	-	-
B24. The details have been disclosed to public if there is a carbon pricing mechanism at the company.	-	X	-	-	-	-
B25. The platforms, which the environmental figures of the company are announced, have been disclosed to public.	-	X	-	-	-	-
B25. Ortaklığın çevresel bilgilerini açıkladığı platformlar kamuya açıklanmıştır	-	X	-	-	-	-

* <https://www.aselsan.com/en/sustainability/reports> refers to the report for 2023.

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SUSTAINABILITY COMPLIANCE REPORT	Compliance				Explanation	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
	Yes	No	Partial	N/A		
C. Social Principles						
C1. Human Rights and Labour Rights						
C1.1 The Human Rights and Labour Rights Policy has been set out covering the United Nations Universal Declaration of Human Rights and the International Labour Organization principles, the responsible directors for execution of the policy are assigned and disclosed to public.	X	-	-	-	Page 162	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_Human_Rights_Policy.pdf
C1.2 The labour rights policy covers the fair workforce, improving work conditions, women's employment and inclusion (no discrimination on gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, trade union activities, political view, disability, social and cultural differences, etc.) considering the supply and value chain impacts.	X	-	-	-	Page 229	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_Human_Rights_Policy.pdf
C1.3 The measures taken throughout the value chain to watch over the susceptible segments to certain economic, environmental, social factors (e.g. low income group, women, etc.) or minority rights/opportunity equality.	X	-	-	-	Page 227-230	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_Human_Rights_Policy.pdf
C1.4 The preventive and improver practices on discrimination, inequality, human rights violation, forced labour, and child labour have been disclosed to public.	X	-	-	-	Page 162, 163, 227-230	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_Human_Rights_Policy.pdf
C1.5. Investments made to employees (training, development policies), compensation, fringe benefits, unionization rights, work/life balance solutions and talent management issues are included in the employee rights policy.	X	-	-	-	Page 192-197	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_Human_Rights_Policy.pdf
C1.5. Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X	-	-	-	Page 162-165	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_Human_Rights_Policy.pdf
C1.5. Activities carried out during the reported period to ensure employee satisfaction have been disclosed to the public.	X	-	-	-	Page 166-205	https://www.aselsan.com/en/sustainability/reports
C1.6 Occupational Health and Safety Policy has been set out and disclosed to public.	X	-	-	-	Page 173-179	https://www.aselsan.com/en/sustainability/reports
C1.6 The measures taken to prevent the work accidents, health protection and accident statistics have been disclosed to public.	X	-	-	-	Page 173-179, 266, 267	https://www.aselsan.com/en/sustainability/reports https://wwwcdn.aselsan.com/api/file/ASELSAN_OHS.pdf

* <https://www.aselsan.com/en/sustainability/reports> refers to the report for 2023.

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SUSTAINABILITY COMPLIANCE REPORT	Compliance				Explanation	REPORT / LINK REGARDING THE PUBLICLY DISCLOSED INFORMATION
	Yes	No	Partial	N/A		
C1.7 Protection of the personal data and information security policy has been disclosed to public.	X	-	-	-	Page 220	https://www.aselsan.com/en/sustainability/reports https://www.aselsan.com/tr/kvk
C1.8 Code of Ethics has been set out and disclosed to public.	X	-	-	-	Page 36, 37	https://www.aselsan.com/en/sustainability/reports https://www.aselsan.com/en/about/aselsan-ethical-principles
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X	-	-	-	Page 122-157	https://www.aselsan.com/en/sustainability/reports
C1.10 The informative meetings and training programmes on ESG practices organised for the employees	X	-	-	-	Page 66, 67, 96	https://www.aselsan.com/en/sustainability/reports
C2. Stakeholders, International Standards and Initiatives						
C2.1 Customer satisfaction policy covering the management and solution of the customer complaints has been set out and disclosed to public.	X	-	-	-	Page 223-225	https://www.aselsan.com/en/sustainability/reports
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X	-	-	-	Page 66-70	https://www.aselsan.com/en/sustainability/reports
C2.3 The international reporting standards adopted have been disclosed to public.	X	-	-	-	Page 5	https://www.aselsan.com/en/sustainability/reports
C2.4 The adopted principles, being a signatory or a member of an international institution, committee on sustainability have been disclosed to public.	-	-	X	-	Page 54	https://www.aselsan.com/en/sustainability/reports
C2.5 Developments were made and studies were carried out to be included in the sustainability indices of Borsa Istanbul and/or international index providers.	X	-	-	-	-	Our company carried out its studies during the year to be included in Borsa Istanbul indices and international indices. https://www.kap.org.tr/en/Endeksler
D. Corporate Governance Principles						
D1. It has been consulted with the stakeholders regarding the determination of the sustainability measures and strategy.	-	-	X	-	-	Our company sought the opinions of stakeholders in determining the measures and strategies in the field of sustainability.
D2. CSR projects, awareness activities and training programmes have been realized to increase the awareness of on sustainability	X	-	-	-	Throughout the Report	https://www.aselsan.com/en/sustainability/reports

* <https://www.aselsan.com/en/sustainability/reports> refers to the report for 2023.

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT



To the Board of Directors

Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi

Opinion

We have audited the annual report of Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1 January 2024 – 31 December 2024.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

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 responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other 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 audit opinion.

Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 25, 2025 on the full set consolidated financial statements of the Group for the period of 1 January – 31 December 2024.

The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting in Capital Markets ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

The Responsibility of the Board of Directors on the Annual Report (continued)

- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- c) The annual report also includes the matters below:
- Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Yılmaz Güney.

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

Yılmaz Güney, YMM
Partner
İstanbul, 25 February 2025

STATEMENT OF RESPONSIBILITY

BORSA İSTANBUL A. Ş.
34467-Emirgan-İSTANBUL
ASELSAN ELEKTRONİK
SANAYİ VE TİCARET A. Ş.

Date : 25.02.2025
No : AS011-2025-0001

BOARD OF DIRECTORS MEETING ON APPROVAL OF FINANCIAL TABLES AND ANNUAL REPORTS

DATE OF RESOLUTION: 25/02/2025
RESOLUTION NUMBER: 1259

STATEMENT OF RESPONSIBILITY AS PER SECTION TWO, ARTICLE 9 OF THE CAPITAL MARKETS BOARD
COMMUNIQUE SERIAL NUMBERED II, NUMBERED 14.1

We hereby declare that;

- We have examined the consolidated balance sheet dated 31 December 2023 and comparative consolidated balance sheet dated 31 December 2024, consolidated income statement issued for the period 1 January 2023 - 31 December 2023 and comparative consolidated income statement issued for the period 1 January 2024 - 31 December 2024, consolidated additional financial tables, all audited independently, notes dated 31 December 2024 and annual report of the Board of Directors issued for the period ending on 31 December 2024,
- As per the information we obtained in line with our duties and responsibilities at the company, the financial tables and annual report of the Board of Directors do not include any comments which materially misrepresent the facts and any missing data which might be misleading as of the announcement date,
- As per the information we obtained in line with our duties and responsibilities at the Company, the consolidated financial statements prepared in accordance with the CMB Communiqué Serial II, No:14.1, accurately represents the assets, liabilities, financial position and profit or loss information of the Company and the companies in the scope of consolidation; the annual report accurately represents the development and performance of the business, the financial position of the Company and the companies in the scope of consolidation and the significant risks and uncertainties which may company faces.



Prof. Dr. Ebru TÜMER
Audit Committee
Chairman



Dr. İsmail ARI
Audit Committee
Member



Göksel SEVİNDİK
Audit Committee
Member



Ahmet AKYOL
Vice President

ASELSAN CORPORATE GOVERNANCE

Our Shareholders

ASELSAN, which is a company of the Turkish Armed Forces Foundation (TAFF), is a joint stock company with 74.20% of its shares belonging to TAFF and 25.80% of the shares listed on Borsa İstanbul (BİST).

Our Shareholders	Share Amount (TRY)	Share (%)
TAFF	3.383.302.497,84	74,20
Free Float (BİST)	1.176.697.502,16	25,80
Total	4.560.000.000,00	100,00

Corporate Governance

ASELSAN HAS TAKEN ITS SUCCESS IN CORPORATE GOVERNANCE PROCESSES TO THE PEAK IN 2024.

Taking into consideration the sensitivity of the sector in which it operates, ASELSAN keeps the principles of fairness, transparency, responsibility and accountability, which are the basic principles of corporate governance, accelerating its stable growth and protecting the interests of stakeholders at the core of its activities. In order to carry its leadership in the national platform to the international arena, the company continues its works without slowing down to ensure full compliance with corporate governance and legal regulations.

As a result of the changing and developing global conditions, our company, which adopts the understanding of "corporate sustainability" in order to fulfill its economic, social and environmental responsibilities, fulfills its responsibilities towards the society by maintaining both being sustainable and ethical values with its work in the field of corporate governance.

ASELSAN, which has adopted the concept of corporate governance as a core principle, has been publishing a Compliance Report on the Principles of Corporate Governance every year since 2004. The rights of shareholders, Annual General Meetings, dividend policy, disclosure policy, board diversity and inclusion policy, human resources and ethical principles, relations with stakeholders, corporate social responsibility, the structure, formation, activity essentials and committees of members of board, risk management and internal audit including minority rights which are under the headings of shareholders, informing the public and transparency, interest groups and members of the board within the scope of the Corporate Governance Principles regulated by Capital Markets Board (CMB) are detailed within the report. The Report on the Compliance of Corporate Governance Principles and its activity reports are published on the Company's website (www.aseisan.com) and in the annual reports.

ASELSAN's Corporate Governance Grade Score was revised to 9.49 and reached its historical peak.

Since 2012, ASELSAN has been receiving Corporate Governance Rating services to measure its level of compliance with corporate governance principles. In this context, the Corporate Governance Rating for ASELSAN, which was first established on December 13, 2012, was 8.77 out of 10. Following an assessment by SAHA Corporate Governance and Credit Rating Services Inc. (SAHA), authorized by CMB, our rating reached a historical peak of 9.49 on December 10, 2024.

ASELSAN CORPORATE GOVERNANCE

Corporate governance ratings in 2023 and 2024 and their sub topics are presented below.

2023 Rating Distribution		2024 Rating Distribution	
Shareholders	: 89,59 / 100	Shareholders	: 89,82 / 100
Public Disclosure and Transparency	: 98,72 / 100	Public Disclosure and Transparency	: 98,72 / 100
Stakeholders	: 99,17 / 100	Stakeholders	: 99,17 / 100
Board of Directors	: 91,88 / 100	Board of Directors	: 94,06 / 100
Average 9,41		Average 9,49	

ASELSAN's Corporate Governance Rating Reports published by SAHA are available on www.aselsan.com.

ASELSAN has been included in BIST Corporate Governance Index since the Company obtained its first corporate governance rating.

ASELSAN's Management Structure

ASELSAN Board of Directors

There is a board of directors consisting of nine members elected by the general assembly in accordance with the Turkish Commercial Code (TCC) and the articles of association.

Three members of the Board, are independent member.

In addition, Three committees formed in accordance with the corporate governance regulations of the CMB, operate to enable the Board to fully execute its duties and responsibilities in ASELSAN.

Audit Committee

The committee consists of three independent members of the board. The main responsibilities of the committee are to inform the public regarding financial issues and monitor ASELSAN's accountancy systems, independent internal and external auditing and internal control systems' effectiveness and efficiency. The Internal Auditing Office reports directly to the Audit Committee and Members of the Board. The Audit Committee convenes at least four times a year.

Corporate Governance Committee

The committee consists of a total of five members: three members of the board of directors and two employees from the Investor Relations and Financial Analysis Department. The head of the committee is an independent member of the board. The investor relations manager also is a member of the committee in accordance with the regulations of the CMB. The committee proposes suggestions to members of the board for the compliance with corporate governance principles and the realization of improvement activities. It also observes the activities conducted by the Investor Relations and Financial Analysis Department.

ASELSAN CORPORATE GOVERNANCE

Early Detection and Management of Risk Committee

The committee was established to determine the risks arising from the Company's strategic, operational, financial and external factors and to manage the risks identified in line with the Company's corporate risk profile. There are two members of the board in the committee. The chairman of the committee is an independent member of the Board of Directors. The Committee meets at least six times a year and reports to the Board of Directors.

The principles regarding the formation of committees and the manner in which they work, meet and report are determined by the Board of Directors. Detailed information regarding the corporate management structure of ASELSAN, Members of the Board and the committees may be obtained from the www.aselsan.com website.

Committees at ASELSAN

Three committees have been formed in accordance with the CMB's Principles of Corporate Governance by ASELSAN's Board of Directors.

Audit Committee	Corporate Governance Committee**	Early Detection and Management of Risk Committee
Ebru TÜMER* (Committee Chairman)	İsmail ARI* (Committee Chairman)	Göksel SEVİNDİK* (Committee Chairman)
İsmail ARI* (Committee Member)	Ahmet YOZGATLIGİL (Committee Member)	Bekir BAYRAKDAR (Committee Member)
Göksel SEVİNDİK* (Committee Member)	Mustafa Murat ŞEKER (Committee Member)	
	Cansın MISIRLI (Committee Member)	
	Gülru SELÇUK FİLİZ (Committee Member)	

* Independent Board Member

** The Nomination Committee and Compensation Committee were not formed due to the structure of the Board of Directors. The duties and responsibilities of these committees are undertaken by the Corporate Governance Committee.

AUDIT COMMITTEE WORK DIRECTIVES

1. PURPOSE

The purpose of These Directives is to determine duties, authorities, responsibilities and work principles of the Audit Committee.

2. SCOPE

These Directives cover the works and activities to be performed by the Audit Committee as per the related regulations.

3. DEFINITIONS

3.1 Independent Auditing Firm (IAF): Firms meeting the requirements of the Capital Markets Board Communiqué and granted with the authority of independent audit on the capital market as per Article 22, 4/c of the Act.

3.2 Auditor: Auditor titles of any seniority and rank assigned to make audits by the Independent Auditing Firms.

3.3 Audit Committee: Committee appointed among the company's Board of Directors as per Capital Markets Board Communiqué Serial numbered X, numbered 22.

3.4 Audit Committee Secretariat: ASELSAN personnel arranging operations and meetings of Audit Committee, archiving correspondences and coordinating communication between the members.

3.5 Financial Tables: Balance sheets and incomes statements issued as interim and annual documents, including the footnotes, and tables enclosed to such documents.

3.6 Financial Reports: Reports including financial tables, Board of Directors activity reports and states of responsibility.

3.7 Internal Auditor: Personnel assigned for internal auditing activities.

3.8 Internal Audit Department (IAD): ASELSAN Department in charge of internal audit activities.

3.9 Executives: Persons having titles such as under Financial Management Vice Presidency, Vice President, Director and Managers that are authorized to represent and bind the company.

3.10 Stakeholders: In achieving the objectives of the Company or with an interest in the activities of employees, creditors, customers, suppliers, various non-governmental organizations as well as individuals, institutions or interest groups.

4. RELATED REFERENCE DOCUMENTS

4.1 Capital Markets Board Communiqué on Independent Audit on Capital Market dated 12.06.2006, Serial numbered X and numbered 22.

4.2 Capital Markets Board Communiqué on Determination and Practice of Corporate Governance Principles dated 03.01.2014, Serial numbered II and numbered 17.

4.3 ASELSAN Board of Directors Work Directives numbered ASY-01-060.

4.4 Turkish Commercial Code (TCC).

5. DUTIES AND RESPONSIBILITIES

5.1. BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES REGARDING THE AUDIT COMMITTEE

5.1.1 Appointing Audit Committee members,

5.1.2. Authorizing Committee Members,

5.1.3. Making separate Board of Directors Resolution for approving interim and annual financial tables and reports evaluated by the Committee and submitted to the Board of Directors,

5.1.4. Taking necessary actions for facilitating operations of Audit Committee members.

5.2. DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

5.2.1. GENERAL DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

5.2.1.1 The Audit Committee shall ensure; company's accounting system, public disclosure of financial information, independent audit of the Company's internal control and makes supervision of the operation and effectiveness of the internal control system. Selection of independent audit company, prepared independent audit contracts and the initiation of the audit process and the independent auditors' work in each stage is carried out under the supervision of Audit Committee.

5.2.1.2 The Audit Committee notify, their duties and responsibilities identified in the field and their evaluations and recommendations on the subject immediately to the Board of Directors.

AUDIT COMMITTEE WORK DIRECTIVES

5.2.1.3 The Audit Committee's duties include reviewing, settling the complaints forwarded to the Company about ASELSAN's accounting, internal audit system and independent audit; determining the methods and criteria to be practiced on assessing company personnel's statements on company's accounting and independent audit as per the confidentiality principles are determined by Audit Committee.

5.2.1.4 The Audit Committee might seek assistance of independent consultants on matters required for its operations provided that the costs shall be covered by ASELSAN. But in this case the person who received services / organizations with information about these people / organizations of any relationship with the company on the issue of whether information is given in the annual report.

5.2.1.5 The duties and responsibilities of the Audit Committee shall not relive Board of Directors from its responsibilities imposed by the Turkish Commercial Code.

5.2.2. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE REGARDING INDEPENDENT AUDIT OF ASELSAN

5.2.2.1 The Audit Committee shall determine the services to be provided by the Independent Auditing Firm and services and submit to the Board of Directors approval.

5.2.2.2. It shall ensure signing a contract with IAF.

5.2.2.3. It shall monitor compliance with contract provisions during IAF operations.

5.2.2.4. It shall always be in contact with the independent auditor for monitoring any incidents having an impact on the independency or objectivity of the independent auditor and shall ensure elimination of such incidents, if any, and efficient performance of the auditor.

5.2.2.5. It shall evaluate the outcomes of audits performed by IAF and financial tables at the joint meetings to be scheduled.

5.2.2.6. It shall evaluate the important findings received from IAF about ASELSAN accounting policy and practices and the auditor's suggestions.

5.2.2.7. It shall obtain the correspondences made between IAF and ASELSAN Management from the Firm.

5.2.2.8. It shall ensure that Independent Audit activities are included on the Board of Directors agenda minimum every 3 months for the purpose of determining efficiency of IAF operations.

5.2.2.9. IAF shall immediately inform the Audit Committee in written about important issues related to ASELSAN's accounting policy and practices, alternative implementation and public disclosure options from Public Oversight Accounting and Auditing Standards Authority as per the firm's accounting standards and accounting principles previously declared to the Company management and possible outcomes, practice suggestions as well as important correspondences made with the Company management.

5.2.3. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE REGARDING THE FINANCIAL REPORTS

5.2.3.1 The Audit Committee shall consult the company's authorized executives and IAF about interim and annual financial reports to be disclosed to the public in terms of compliance to the Company's accounting principles and to the actual figures and shall inform the Board of Directors in written with its own evaluation.

5.2.3.2. It shall sign the interim and annual financial tables, activity reports controlled and undersigned by the ASELSAN's authorized executives as well as the statement of responsibility enclosed as Annex-A quarterly and ensure public disclosure of these.

5.2.3.3. Financial Reports approved by the Audit Committee and Board of Directors shall be disclosed to the public on the Public Disclosure Platform and Company's website.

5.2.4. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE REGARDING TO INTERNAL CONTROLS

5.2.4.1 It shall monitor efficiency and adequacy of the internal control system adopted by the company and its subsidiaries and ensures its acknowledgement by the personnel and support of the management.

5.2.4.2. It shall evaluate auditor and internal auditor suggestions related to internal control and whether or not the necessary ones are applied.

5.2.4.3. It shall monitor the process of forming a mechanism for reviewing and settling complaints received from Stakeholders related to company transactions, which violate the regulation and are unethical, and its operations as per the confidentiality principle.

AUDIT COMMITTEE WORK DIRECTIVES

5.2.5. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE REGARDING TO THE INTERNAL AUDITS

- 5.2.5.1.** It shall review efficiency of IAD directives, structure and activities and ensure settlement of particulars limiting the internal audit operations.
- 5.2.5.2.** It shall monitor the coordination and communication between the IAD and Company's other departments, subsidiaries and independent audits for ensuring smooth processes.
- 5.2.5.3.** It shall evaluate the audit plans and internal audit reports issued by IAD.

5.3. DUTIES AND RESPONSIBILITIES OF AUDIT COMMITTEE SECRETARIAT

- 5.3.1.** It shall provide communication between the members, prepare committee meetings, keep meeting minutes and duly archive correspondences.
- 5.3.2.** It shall plan, realize and follow up formalities before, during and after the Committee meetings in order to ensure outmost efficiency.
- 5.3.3.** It shall ensure timely communication all of kinds of information to the committee members.
- 5.3.4.** It shall always keep the records available to the members.

6. STRUCTURE OF THE AUDIT COMMITTEE

- 6.1.** The Audit Committee shall be as a member of Board of Directors and have minimum 2 (two) members. If the committee has two members the both members shall be Board of Directors Non-executive independent members If there are more than two members, then the same rule shall be applicable for majority of the members. Members of the Audit Committee should have experience at least five (5) years at audit / accounting and finance subject.
- 6.2.** As per the Capital Markets Board regulations, the Audit Committee shall be formed and authorized on the first Board of Directors Meeting held after the Annual Ordinary ASELSAN General Assembly Meeting.
- 6.3.** At least two Audit Committee members shall be required for the committee meetings and at least two members are required for decisions.
- 6.4.** The Audit Committee shall convene minimum every 3 months and four times a year and outcome of the meeting connecting with the minute submitted to the Board of Directors. The audit committee's activities and about the outcome of the meeting must be disclosed in the annual report. During the period how many times the audit committee makes written notification to the Board shall indicated in the annual report.
- 6.5.** The Committee's secretariat duties related to the financial tables shall be performed by the Chief Office of Capital Markets Board Financial Control and Reporting attached to the Accounting Department and the secretariat duties related to internal control and internal audit activities shall be performed by IAD.

7. ENFORCEMENT

These Directives have been approved by the Board of Directors as per the resolution dated 22.09.2003 and numbered 443/16 and came into force as of 25.09.2003

8. EXECUTION

The Audit Committee shall be responsible for executing the provisions listed on these Directives.

9. CIRCULATION PLAN

The document shall be circulated as per ASELSAN PLAN A. It shall be published to all users via intranet and internet.

10. ANNEX- STATEMENT OF RESPONSIBILITY

ANNEX A-STATEMENT OF RESPONSIBILITY

BOARD OF DIRECTORS' EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE WORK DIRECTIVES

1. PURPOSE

The purpose of these directives is to determine the duties, authorities, responsibilities and work principles of the Early Detection and Management of Risk Committee, which is established under Article 378 of the Turkish Commercial Code numbered 6102 and Board of Directors Resolution dated 10.04.2012, as per the Turkish Commercial Code and Corporate Governance Principles announced by the Capital Markets Board.

2. SCOPE

These directives cover works and actions to be performed as per the Turkish Commercial Code and Corporate Governance Principles by the Early Detection and Management of Risk Committee and/or Company personnel not a member of the Committee but assigned by the Committee.

3. DEFINITIONS

3.1. Independent Auditing Firm (IAF): Firms meeting the requirements of the Capital Markets Board Communiqué and granted with the authority of independent audit on the capital market as per Article 22/d of the Act.

3.2. Auditor: Auditor titles of any seniority and rank assigned to make audits by the Independent Auditing Firms

3.3. Early Detection and Management of Risk Committee (Committee): A committee to be appointed by the Board of Directors among the Board of Directors members or third parties specialized in certain areas for the purpose of fulfilling the liabilities listed on the Turkish Commercial Code for systematic early detection and management of company risks and executing, coordinating related risks.

3.4. Early Detection and Management of Risk Committee Secretariat (Secretariat): ASELSAN personnel arranging operations and meetings of Early Detection and Management of Risk Committee, archiving correspondences and coordinating communication between the members.

3.5. Capital Markets Board: Public legal entity established as per Article 17 of the Capital Market Law.

3.6. Company: ASELSAN Elektronik Sanayi ve Ticaret A.S.

4. RELATED REFERENCE DOCUMENTS

4.1. Turkish Commercial Code.

4.2. Capital Markets Board Regulations.

4.3. Corporate Governance Principles published by the Capital Markets Board

4.4. Regulations, provisions and principles on ASELSAN Articles of Association

5. DUTIES AND RESPONSIBILITIES

5.1. DUTIES AND RESPONSIBILITIES OF ASELSAN EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE

5.1.1. The main function of the Early Detection and Management of Risk Committee is early detection of risks threatening existence, development and sustainability of ASELSAN as well as taking action for the risks determined and trying to manage the risks determined.

5.1.2. The Committee shall determine, identify the potential risks having an impact on ASELSAN beforehand and ensure duly management of the risks according to the risk-taking approach of the company.

5.1.3. It shall evaluate the situation by means of a report to be submitted to the Board of Directors every two months as well as pointing out the threats, if any, and suggesting solutions.

5.1.4. It shall review the changes suggested to the risk management systems by the Enterprise Risk and Process Management Department under Finance Directorate as often as the agenda permits but minimum once a year.

5.1.5. The Committee shall advise the Board of Directors on internal audit systems including risk management and information systems and processes minimizing the risks and related impacts to be suffered by the shareholders and company stakeholders.

5.1.6. The Committee shall prepare an annual assessment report, including meeting frequency of Committee members and activities performed, which shall be included in the Annual Company Activity Report and basis to the Board of Directors assessment related to the work principles and Committee's efficiency.

5.1.7. The resolutions taken at the meetings shall be documented and undersigned by the Committee Members and archived by the Secretariat.

BOARD OF DIRECTORS' EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE WORK DIRECTIVES

5.2. DUTIES AND RESPONSIBILITIES OF THE EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE SECRETARIAT

5.2.1. It shall provide communication between the members, prepare committee meetings, keep meeting minutes and duly archive correspondences.

5.2.2. It shall plan, realize and follow up formalities before, during and after the Committee meetings in order to ensure outmost efficiency.

5.2.3. It shall ensure timely communication all of kinds of information to the committee members.

5.2.4. It shall always keep the records available to the members.

6. STRUCTURE AND AUTHORITIES OF THE EARLY DETECTION AND MANAGEMENT OF RISK COMMITTEE

6.1 COMMITTEE'S STRUCTURE

6.1.1. The Committee shall be formed and authorized at the first Board of Directors meeting held after the Annual Ordinary General Assembly Meeting of the company, as per the Capital Markets Board regulations.

6.1.2. The Committee shall have minimum two members. If the committee has two members then both members shall be Board of Directors members not having executive function and if there are more than two members, then majority of the members shall not have executive functions. Third parties specialized in certain areas can also be appointed as Committee members. The Committee chairman shall be appointed among Independent Members of Board of Directors.

6.1.3. The Chief Executive Officer / General Manager shall not take office in the committee.

6.1.4. The secretariat formalities of the Committee including the preparation of the report submitted to the Board of Directors shall be performed by Enterprise Risk and Process Management Department under Finance Directorate.

6.1.5. One more than half of the total members shall be required for committee meetings and majority is required for decisions.

6.1.6. The Committee shall convene once every two months, unless otherwise is required, and, if required, it shall convene at the Company's registered office following a call to be made by the Secretariat on behalf of the Committee Chairman. The Committee Chairman might offer to reschedule the meeting date, hour and place provided that the Committee Members are informed beforehand.

6.2 AUTHORITIES OF THE COMMITTEE

6.2.1. If required, the Committee shall start special inspections and appoint people specialized in their areas as consultant for the purpose of ensuring assistance in such inspections.

6.2.2. If required, the Committee shall hold meetings with representatives of Company's related parties and specialists, including Company personnel or subsidiaries; and under the provision of the Board of Directors and coordinated with the General Manager, it shall seek external and professional consultancy service.

6.2.3. The Committee shall act according to its authorities and responsibilities and make recommendations to the Board of Directors however the Board of Directors shall always have the final decision making responsibility and the Committee shall not relieve the Board of Directors from its duties and responsibilities arising from the Turkish Commercial Code.

7. ENFORCEMENT

These directives have been approved by the Board of Directors as per the resolution dated 29.11.2012 and numbered 750/4.3.e and came into force as of 29.11.2012.

8. EXECUTION

ASELSAN Early Detection and Management of Risk Committee shall be responsible for executing the provisions listed on these directives.

9. CIRCULATION PLAN

The document shall be circulated as per ASELSAN PLAN A. It shall be published to all users via intranet and internet.

BOARD OF DIRECTORS' CORPORATE GOVERNANCE COMMITTEE WORK DIRECTIVES

1. PURPOSE

The purpose of these directives is to determine the duties, authorities, responsibilities and work principles of the Corporate Governance Committee established as per the Corporate Governance Principles announced by the Capital Markets Boards (CMB).

2. SCOPE

These directives cover works and actions to be performed as per the Corporate Governance Principles by the Corporate Governance Committee and/or Company personnel not a member of the Committee but assigned by the Committee.

3. DEFINITIONS

3.1 Corporate Governance: Index of relations between the Board of Directors, shareholders and other stakeholders of a company.

3.2. Corporate Governance Committee (Committee): A committee to be appointed by the Board of Directors among the Board of Directors members or third parties specialized in certain areas for the purpose of executing and coordinating Corporate Governance Principles related formalities of the Company, provided that majority of the members are from the Board of Directors and the executive of Investor Relations Department shall be appointed as a member of the Committee.

3.3. Corporate Governance Committee Secretariat (Secretariat): ASELSAN personnel arranging operations and meetings of Corporate Governance Committee, archiving correspondences and coordinating communication between the members.

3.4. Capital Markets Board: Public legal entity established the Capital Market Law numbered 6362.

3.5. Company: ASELSAN Elektronik Sanayi ve Ticaret A.Ş.

4. RELATED REFERENCE DOCUMENTS

4.1. Capital Markets Board Regulations.

4.2. Corporate Governance Principles published by the Capital Markets Board.

4.3. Prepared as per the regulations, provisions and principles on ASELSAN Articles of Association.

5. DUTIES AND RESPONSIBILITIES

5.1. DUTIES AND RESPONSIBILITIES OF ASELSAN CORPORATE GOVERNANCE COMMITTEE

5.1.1. The Corporate Governance Committee shall mainly work on implementing corporate governance principles at the Company.

5.1.2. The Committee shall determine whether or not the Corporate Governance Principles are implemented and if not implemented, the Committee shall determine the reasons as well as conflicts of interest caused by failing to fully comply with these principles.

5.1.3. It shall monitor the operations of Investor Relations Department.

5.1.4. It shall play a leading part in maintaining effective communication between the Board of Directors, Company and shareholders, eliminating and settling any possible disputes as well as advising the Board of Directors accordingly.

5.1.5. The Committee shall advise the Board of Directors on due effectiveness of infrastructures related to management applications aiming at improving company performance as well as acknowledgement by the personnel and support of the management.

5.1.6. The Committee shall issue the Company's Corporate Governance Compliance Report.

5.1.7. The Committee shall revise the Company's Activity Report to be disclosed to the public and checks whether or not the information included in the Report conform to the information possessed by the Committee.

5.1.8. The Committee shall prepare an annual assessment report, including meeting frequency of Committee members and activities performed, which shall be included in the Annual Company Activity Report and basis to the Board of Directors assessment related to the work principles and Committee's efficiency.

5.1.9. The Committee shall make suggestions ensuring compliance to the law and regulations, company's Information Policy in terms of public disclosures to be made.

BOARD OF DIRECTORS' CORPORATE GOVERNANCE COMMITTEE WORK DIRECTIVES

5.1.10. The Committee shall present its operations and suggestions to the Board of Directors in the form of a report.

5.1.11. The resolutions taken at the meetings shall be documented and undersigned by the Committee Members and archived by the Secretariat.

5.1.12. If Nomination Committee and Remuneration Committee cannot be established separately due to the structure of the Board of Directors, the Committee shall perform the duties assigned to these committees as per the Corporate Governance Principles published by the Capital Markets Board.

5.1.13. Within the scope of the responsibilities of Nomination Committee; the Committee carries the duties on creating a transparent system for the evaluation of the nominees for Board of Directors and the nominees for the executives with administrative responsibility, their training and setting out policies and strategies regarding these matters. In this context, the Committee also regularly makes assessments on the structure and efficiency of Board of Directors and presents suggestions for improvement related to these issues.

5.1.14. Within the scope of the responsibilities of Remuneration Committee; the Committee determines and monitors the principles, criteria and the practices for the remuneration of the members of Board of Directors and executives with administrative responsibility, considering the long term objectives of the Company. In this context, the Committee also presents suggestions about the remuneration of the members of Board of Directors and executives with administrative responsibility, taking the level of achievement regarding the remuneration criteria met into account.

5.2. DUTIES AND RESPONSIBILITIES OF THE CORPORATE GOVERNANCE COMMITTEE SECRETARIAT

5.2.1. It shall provide communication between the members, prepare Committee meetings, keep meeting minutes and duly archive correspondences.

5.2.2. It shall plan, realize and follow up formalities before, during and after the Committee meetings in order to ensure utmost efficiency.

5.2.3. It shall ensure timely communication all of kinds of information to the Committee members.

5.2.4. It shall always keep the records available to the members.

5.2.5. It shall periodically submit reports on investor questions and content.

6. STRUCTURE AND AUTHORITIES OF THE CORPORATE GOVERNANCE COMMITTEE

6.1. COMMITTEE'S STRUCTURE

6.1.1. The Committee shall be formed and authorized at the first Board of Directors meeting held after the Annual Ordinary General Assembly Meeting of the company, as per the Capital Markets Board regulations.

6.1.2. The Committee shall be formed by at least 3 (three) members; two of whom shall be members of Board of Directors and one shall be the Investor Relations Department Executive. The majority of the members of Board of Directors in the Committee shall not have executive functions. Investor Relations Department Executive must have the "Capital Markets Activities Advanced Level" and "Corporate Governance Rating Expertise" certificates and must be working full time in the Company.

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6.1.3. Third parties specialized in certain areas who are not members of Board of Directors can also be appointed as Committee members. The Committee Chairman shall be appointed among Independent Members of Board of Directors.

6.1.4. The Chief Executive Officer / General Manager shall not take office in the Committee.

6.1.5. The secretariat formalities of the Committee shall be performed by Investor Relations Department.

6.1.6. One more than half of the total members shall be required for Committee meetings and majority is required for decisions.

6.1.7. The Committee shall convene every 3 (three) months as a principle and, if required, it shall convene at the Company's registered office following a call to be made by the Secretariat on behalf of the Committee Chairman. The Committee chairman might reschedule the meeting date, hour and place provided that the Committee Members are informed beforehand.

6.2. AUTHORITIES OF THE COMMITTEE

6.2.1. If required, the Committee shall start special inspections and appoint people specialized in their areas as consultant for the purpose of ensuring assistance in such inspections.

6.2.2. If required, the Committee shall hold meetings with representatives of Company's related parties and specialists, including Company personnel or subsidiaries; and it shall seek external and professional consultancy service.

6.2.3. The Committee shall act according to its authorities and responsibilities and make recommendations to the Board of Directors however the Board of Directors shall always have the final decision making responsibility.

7. ENFORCEMENT

These directives have been approved by the Board of Directors as per the resolution dated 23.02.2006 and numbered 529/2.d and came into force as of 30.05.2006.

8. EXECUTION

ASELSAN Corporate Governance Committee shall be responsible for executing the provisions listed on these directives.

9. CIRCULATION PLAN

The document shall be circulated as per ASELSAN PLAN A. It shall be published to all users via intranet and internet.



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