

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

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
AS OF AND FOR THE NINE-MONTH  
PERIOD ENDED 30 SEPTEMBER 2022

19 October 2022

This report contains condensed consolidated interim financial information and related disclosures and footnotes comprising 42 pages.

**CONTENT  
PAGE**

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>1-3</b>
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....</b>	<b>4-5</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>6</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>7</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>8-42</b>

**NOTE**

1. ORGANIZATION AND OPERATIONS OF THE GROUP .....	8
2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS .....	9
3. CASH AND CASH EQUIVALENTS.....	17
4. RELATED PARTY DISCLOSURES .....	17
5. TRADE RECEIVABLES AND PAYABLES .....	21
6. INVENTORIES.....	22
7. PREPAID EXPENSES AND DEFERRED INCOME .....	23
8. PROPERTY, PLANT AND EQUIPMENT .....	24
9. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	25
10. TAX .....	26
11. COMMITMENTS AND CONTINGENCIES.....	27
12. EMPLOYEE BENEFITS .....	30
13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS.....	32
14. REVENUE AND COST OF SALES.....	33
15. OTHER OPERATING INCOME AND EXPENSES.....	34
16. FINANCIAL INCOME.....	34
17. FINANCIAL EXPENSES .....	34
18. EARNINGS PER SHARE .....	35
19. FINANCIAL LIABILITIES.....	35
20. FOREIGN EXCHANGE POSITION.....	37
21. EVENTS AFTER THE REPORTING PERIOD.....	42

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

**CONSOLIDATED STATEMENT OF INTERIM FINANCIAL POSITION AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

	Note References	Current Period Not Limited Reviewed 30 September 2022	Prior Period Audited 31 December 2021
<b>ASSETS</b>			
<b>Current Assets</b>		<b>30.051.243</b>	<b>23.175.142</b>
Cash and Cash Equivalents	3	1.351.755	2.492.096
Trade Receivables	5	12.458.878	9.803.350
<i>From Related Parties</i>	4	5.765.373	4.255.114
<i>From Third Parties</i>		6.693.505	5.548.236
Other Receivables		593.732	722.508
<i>From Related Parties</i>	4	7.647	24.836
<i>From Third Parties</i>		586.085	697.672
Inventories	6	11.432.151	7.638.954
Prepaid Expenses	7	3.280.447	2.027.017
<i>From Related Parties</i>	4	1.018.847	939.613
<i>From Third Parties</i>		2.261.600	1.087.404
Other Current Assets		934.280	491.217
<b>Non-Current Assets</b>		<b>28.411.504</b>	<b>23.238.156</b>
Financial Investments		2.160.304	2.148.927
Trade Receivables	5	14.771.092	12.650.467
<i>From Related Parties</i>	4	11.378.968	9.329.141
<i>From Third Parties</i>		3.392.124	3.321.326
Other Receivables		6.414	2.104
<i>From Third Parties</i>		6.414	2.104
Equity Accounted Investments		272.074	219.833
Property, Plant and Equipment	8	4.720.173	3.432.149
Intangible Assets	8	3.369.648	2.267.610
Prepaid Expenses	7	721.081	817.736
<i>From Related Parties</i>	4	105.675	137.239
<i>From Third Parties</i>		615.406	680.497
Deferred Tax Assets	10	687.176	253.422
Other Non-Current Assets		1.703.542	1.445.908
<b>TOTAL ASSETS</b>		<b>58.462.747</b>	<b>46.413.298</b>

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

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

**CONSOLIDATED STATEMENT OF INTERIM FINANCIAL POSITION AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

	Note References	Current Period Not Limited Reviewed 30 September 2022	Prior Period Audited 31 December 2021
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>22.426.512</b>	<b>16.749.927</b>
Short-term Financial Liabilities	19	4.988.376	1.956.100
Short-term Portion of Long-term Financial Liabilities	19	3.046.163	3.114.088
Trade Payables	5	5.555.102	6.039.472
<i>To Related Parties</i>	4	1.285.432	1.919.239
<i>To Third Parties</i>		4.269.670	4.120.233
Employee Benefit Obligations	12	563.247	306.525
Other Payables		520.364	342.336
<i>To Related Parties</i>	4	460.000	301.608
<i>To Third Parties</i>		60.364	40.728
Government Grants and Incentives		24.535	27.291
Deferred Income	7	4.004.562	1.850.165
<i>To Related Parties</i>	4	1.855.590	413.389
<i>To Third Parties</i>		2.148.972	1.436.776
Corporate Tax Liability		1.730	2.401
Short-term Provisions		3.678.012	3.080.222
<i>For Employee Benefits</i>	12	180.119	170.902
<i>Other</i>	9	3.497.893	2.909.320
Other Current Liabilities		44.421	31.327
<b>Non-Current Liabilities</b>		<b>4.967.580</b>	<b>3.828.161</b>
Long-term Financial Liabilities	19	960.488	332.762
Trade Payables	5	17.773	25.467
<i>To Third Parties</i>		17.773	25.467
Other Payables		16.502	13.255
<i>To Third Parties</i>		16.502	13.255
Deferred Income	7	2.164.729	1.929.027
<i>To Related Parties</i>	4	1.457.356	1.035.264
<i>To Third Parties</i>		707.373	893.763
Long-term Provisions		1.788.431	1.513.317
<i>Long-term Provisions for Employee Benefits</i>	12	476.875	333.508
<i>Other</i>	9	1.311.556	1.179.809
Other Non-Current Liabilities		19.657	14.333

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**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES****CONSOLIDATED STATEMENT OF INTERIM FINANCIAL POSITION AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

	<b>Note References</b>	<b>Current Period Not Limited Reviewed 30 September 2022</b>	<b>Prior Period Audited 31 December 2021</b>
<b>EQUITY</b>		<b>31.068.655</b>	<b>25.835.210</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>30.853.848</b>	<b>25.563.442</b>
Share Capital	13	2.280.000	2.280.000
Inflation Adjustments on Share Capital Differences	13	98.621	98.621
Share Premiums		2.796.723	2.796.723
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		62.645	186.416
<i>Gain on Revaluation of Property, Plant and Equipment</i>		309.535	309.535
<i>Gain/ Loss on Remeasurement of Defined Benefit Plans</i>		(246.890)	(123.119)
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		2.259.997	2.177.786
<i>Gain (Loss) on Financial Assets That Fair Value Difference</i> <i>Reflect in Other Comprehensive income</i>		2.034.249	2.034.249
<i>Foreign Currency Translation</i>		225.748	143.537
Restricted Reserves	13	612.078	542.341
Retained Earnings		16.951.818	10.350.992
Net Profit for the Year		5.791.966	7.130.563
<b>Non-Controlling Interests</b>		<b>214.807</b>	<b>271.768</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>58.462.747</b>	<b>46.413.298</b>

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

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

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

	Notes References	Current Period Not Limited Reviewed 1 January- 30 September 2022	Current Period Not Limited Reviewed 1 July- 30 September 2022	Prior Period Not Limited Reviewed 1 January- 30 September 2021	Prior Period Not Limited Reviewed 1 July- 30 September 2021
<b>PROFIT OR LOSS</b>					
Revenue	14	17.728.397	6.887.190	10.292.348	3.317.671
Cost of Sales (-)	14	(12.286.169)	(4.864.211)	(6.891.607)	(2.492.553)
<b>GROSS PROFIT</b>		<b>5.442.228</b>	<b>2.022.979</b>	<b>3.400.741</b>	<b>825.118</b>
General Administrative Expenses (-)		(784.379)	(350.493)	(408.980)	(147.369)
Marketing Expenses (-)		(499.021)	(212.240)	(515.033)	(98.906)
Research and Development Expenses (-)		(466.917)	(205.298)	(308.633)	(117.019)
Other Operating Income	15	8.895.656	2.491.510	3.982.852	1.017.291
Other Operating Expenses (-)	15	(5.764.945)	(1.692.306)	(2.839.523)	(1.085.519)
<b>OPERATING PROFIT</b>		<b>6.822.622</b>	<b>2.054.152</b>	<b>3.311.424</b>	<b>393.596</b>
Income from investing activities		6.325	755	10.059	7.909
Shares of profit/(losses) of Equity Accounted Investees		(18.688)	(13.179)	(20.955)	(13.766)
<b>OPERATING PROFIT BEFORE FINANCIAL EXPENSE</b>		<b>6.810.259</b>	<b>2.041.728</b>	<b>3.300.528</b>	<b>387.739</b>
Financial Income	16	590.248	37.694	719.261	284.369
Financial Expense (-)	17	(2.066.354)	(482.928)	(930.837)	(191.676)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>5.334.153</b>	<b>1.596.494</b>	<b>3.088.952</b>	<b>480.432</b>
<b>Tax Income from Continuing Operations</b>	10	<b>401.081</b>	<b>341.929</b>	<b>46.540</b>	<b>121.016</b>
- Current Corporate Tax Expense(-)		(1.730)	(599)	(769)	(565)
- Deferred Tax Income		402.811	342.528	47.309	121.581
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>5.735.234</b>	<b>1.938.423</b>	<b>3.135.492</b>	<b>601.448</b>
<b>Profit for the Period Attributable to</b>					
Non-Controlling Interest		(56.732)	(17.936)	(5.482)	(1.047)
Owners of the Company	18	5.791.966	1.956.359	3.140.974	602.495
		<b>5.735.234</b>	<b>1.938.423</b>	<b>3.135.492</b>	<b>601.448</b>
<b>Earnings for per 100 Shares (in full kuruş)</b>	18	<b>254,03</b>	<b>85,8</b>	<b>137,76</b>	<b>26,42</b>

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

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

Note References	Current Period Not Limited Reviewed 1 January- 30 September 2022	Current Period Not Limited Reviewed 1 July- 30 September 2022	Prior Period Not Limited Reviewed 1 January- 30 September 2021	Prior Period Not Limited Reviewed 1 July- 30 September 2021
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>				
<b>Items that will not to be reclassified subsequently in Profit or Loss</b>	<b>(123.771)</b>	<b>(4.976)</b>	<b>(19.452)</b>	<b>(18.369)</b>
Loss on Remeasurement of Defined Benefit Plans	(154.714)	(6.220)	(24.315)	(22.961)
Deferred Tax Income / (Expense)	30.943	1.244	4.863	4.592
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>82.211</b>	<b>31.400</b>	<b>15.838</b>	<b>(5.679)</b>
Foreign Currency Exchange Differences	82.211	31.400	15.838	(5.679)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(41.560)</b>	<b>26.424</b>	<b>(3.614)</b>	<b>(24.048)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>5.693.674</b>	<b>1.964.847</b>	<b>3.131.878</b>	<b>577.400</b>
<b>Total Comprehensive Income Attributable to Non-Controlling Interest Owners of the Company</b>	<b>(56.732)</b>	<b>(17.936)</b>	<b>(5.482)</b>	<b>(1.047)</b>
	5.750.406	1.982.783	3.137.360	578.447
	<b>5.693.674</b>	<b>1.964.847</b>	<b>3.131.878</b>	<b>577.400</b>

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

# ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

	Other Comprehensive Income / Expense that will not be Reclassified Subsequently to Profit or Loss					Other Comprehensive Income / Expense that may not be Reclassified Subsequently to Profit or Loss				Retained Earnings			Total
	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	Revaluation Reserves	Remeasurement of Defined Benefit Plans	Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income	Foreign Currency	Restricted Reserves	Retained Earnings	Net Profit/(Loss) for the Year	Equity Attributable to Parent Company	Non- Controlling Interests	
<b>Balance as of 1 January 2021</b>	<b>2.280.000</b>	<b>98.621</b>	<b>2.796.723</b>	<b>309.535</b>	<b>(61.432)</b>	<b>1.118.100</b>	<b>46.881</b>	<b>312.371</b>	<b>6.531.856</b>	<b>4.449.106</b>	<b>17.881.761</b>	<b>216.342</b>	<b>18.098.103</b>
Transfers	--	--	--	--	--	--	--	229.970	3.819.136	(4.049.106)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	(19.452)	--	15.838	--	--	3.140.974	<b>3.137.360</b>	(5.482)	<b>3.131.878</b>
Consolidation Effect of New Establishment	--	--	--	--	--	--	--	--	--	--	--	58.800	<b>58.800</b>
Dividends	--	--	--	--	--	--	--	--	--	(400.000)	<b>(400.000)</b>	--	<b>(400.000)</b>
<b>Balance as of 30 September 2021 (Closing Balance)</b>	<b>2.280.000</b>	<b>98.621</b>	<b>2.796.723</b>	<b>309.535</b>	<b>(80.884)</b>	<b>1.118.100</b>	<b>62.719</b>	<b>542.341</b>	<b>10.350.992</b>	<b>3.140.974</b>	<b>20.619.121</b>	<b>269.660</b>	<b>20.888.781</b>
<b>Balance as of 1 January 2022</b>	<b>2.280.000</b>	<b>98.621</b>	<b>2.796.723</b>	<b>309.535</b>	<b>(123.119)</b>	<b>2.034.249</b>	<b>143.537</b>	<b>542.341</b>	<b>10.350.992</b>	<b>7.130.563</b>	<b>25.563.442</b>	<b>271.768</b>	<b>25.835.210</b>
Transfers	--	--	--	--	--	--	--	69.737	6.600.826	(6.670.563)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	(123.771)	--	82.211	--	--	5.791.966	5.750.406	(56.732)	<b>5.693.674</b>
Consolidation Effect of New Establishment	--	--	--	--	--	--	--	--	--	--	--	--	--
Dividends	--	--	--	--	--	--	--	--	--	(460.000)	(460.000)	(229)	<b>(460.229)</b>
<b>Balance as of 30 September 2022 (Closing Balance)</b>	<b>2.280.000</b>	<b>98.621</b>	<b>2.796.723</b>	<b>309.535</b>	<b>(246.890)</b>	<b>2.034.249</b>	<b>225.748</b>	<b>612.078</b>	<b>16.951.818</b>	<b>5.791.966</b>	<b>30.853.848</b>	<b>214.807</b>	<b>31.068.655</b>

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



**ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

	Note References	Current Period Not Limited Reviewed 1 January- 30 September 2022	Prior Period Not Limited Reviewed 1 January- 30 September 2021
<b>A.Cash Flows from Operating Activities</b>		<b>558.672</b>	<b>(654.021)</b>
Profit for the Period		5.735.234	3.135.492
<b>Adjustments to Reconcile Profit for the Period</b>		<b>3.643.435</b>	<b>1.613.088</b>
- Adjustments for Depreciation and Amortization Expense	8	414.921	305.115
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(22.936)	30.937
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	5	558	2.504
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	6	(23.494)	28.433
-Adjustments for Provisions		1.299.711	648.514
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	12	87.096	53.783
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		581.122	105.630
<i>Adjustments for (Reversal of) Warranty Provisions</i>		649.482	337.101
<i>Adjustments for (Reversal of) Other Provisions</i>		(17.989)	152.000
-Adjustments for Interest (Income) Expenses		(6.273)	(214.650)
<i>Adjustments for Interest Income</i>		(320.099)	(391.560)
<i>Adjustments for Interest Expense</i>		313.826	176.910
- Adjustments for Retained Profit of Equity Accounted Investees		18.688	20.955
- Adjustments for Tax (Income)/Expenses		(401.081)	(46.540)
-Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		1.278.299	490.661
-Other Adjustments to Reconcile Profit (Loss)		1.062.106	378.096
<b>Changes in Working Capital</b>		<b>(8.236.074)</b>	<b>(5.059.686)</b>
- Decrease (Increase) in Trade Receivables		(2.532.769)	1.426.736
- Decrease (Increase) in Other Receivables Related with Operations		124.466	180.827
- Decrease (Increase) in Inventories	6	(3.726.304)	(1.777.219)
- Decrease (Increase) in Prepaid Expenses	7	(1.055.282)	(371.993)
- Increase (Decrease) in Trade Payables	5	(176.849)	(940.923)
- Increase (Decrease) in Employee Benefit Obligations		256.722	58.955
-Adjustments for Stage of Completion of Construction or Service Contracts in Progress		(3.007.047)	(1.521.556)
- Increase (Decrease) in Other Operating Payables		(278.725)	(82.428)
- Increase (Decrease) in Government Grants and Subsidies		(2.756)	(8.483)
- Increase (Decrease) in Deferred Income		2.839.378	(1.482.834)
- Other Increase (Decrease) in Working Capital		(676.908)	(540.768)
<b>Cash Flows From Operations</b>		<b>1.142.595</b>	<b>(311.106)</b>
Payments Related with Provisions for Employee Benefits	12	(89.225)	(64.284)
Payments Related with Other Provisions		(492.297)	(273.997)
Income Taxes Refund (Paid)		(2.401)	(4.634)
<b>B.Cash Flows From Investing Activities</b>		<b>(4.229.864)</b>	<b>(1.898.660)</b>
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		5.532	1.875
Purchase of Property, Plant and Equipment	8	(1.526.558)	(771.856)
Purchase of Intangible Assets	8	(2.528.487)	(1.151.194)
Dividends Received		4.958	7.172
Other Cash Inflows (Outflows)		(185.309)	15.343
<b>C.Cash Flows From Financing Activities</b>		<b>2.308.820</b>	<b>(397.297)</b>
Proceeds from Borrowings		7.239.648	5.329.077
Repayments of Borrowings		(4.930.828)	(5.726.374)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)</b>		<b>(1.362.372)</b>	<b>(2.949.978)</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>222.521</b>	<b>181.513</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>(1.139.851)</b>	<b>(2.768.465)</b>
<b>E.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>2.491.606</b>	<b>4.078.756</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	<b>3</b>	<b>1.351.755</b>	<b>1.310.291</b>

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

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

#### 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 the Financial Management Vice Presidency, Corporate Management Vice Presidency, Technology and Strategy Management Vice Presidency, Business Development, Marketing Vice Presidency, Supply Chain Management Vice Presidency and R&D Management Vice Presidency making a total of six Vice Presidencies; in addition to these, there are also Legal Affairs and Private Secreteriat.

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 Ankara and Teknopark İstanbul. General Management 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 Turkey ("CMB") and its shares have been quoted in Borsa İstanbul Anonim Şirketi ("BİST") since 1990. As of 30 September 2022, 25,80 percent of the Company's shares are publicly traded (31 December 2021: 25,80 percent) (Note 13).

The Company's trade registry address is Mehmet Akif Ersoy Mahallesi İstiklal Marşı Caddesi No:16 06200 Yenimahalle/Ankara. The average number of personnel employed by the Group as of 30 September 2022 is 10.609 (31 December 2021: 9.905).

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

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 Konya Silah Sistemleri Anonim Şirketi ("ASELSAN Konya"), ASELSAN Malaysia Sdn. Bhd. ("ASELSAN Malaysia"), BITES Savunma Havacılık ve Uzay Teknolojileri Yazılım A.Ş. ("BITES"), Aselsan Global Dış Ticaret ve Pazarlama A.Ş. ("ASELSAN GLOBAL"), ASELSAN UKRAINE LLC. ("ASELSAN Ukrayna") and ULAK Haberleşme A.Ş. ("ULAK"). They are collectively referred as the "Group" in the accompanying notes.

The Company has four branch offices; Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi EP Co. ("ASELSAN South Africa"), ASELSAN Makedonya Corridor-10 Highway Toll Collection System Project ("ASELSAN Macedonia") and ASELSAN Kıbrıs İleri Teknolojiler Araştırma Merkezi ("ASELSAN Kıbrıs") and ASELSAN Elektronik Sanayi ve Ticaret A.Ş. QSTP-B ("ASELSAN Katar") located in South Africa, Macedonia, Turkish Republic of Northern Cyprus ("KKTC") and Qatar, 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 and User Guide in the Official Gazette No:30794 on 7 June 2019 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 1164 on 19 October 2022. 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

CMB, with its resolution dated 17 March 2005 numbered 11/367 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards, effective 1 January 2005, will not be subject to the application of inflationary accounting. Consequently, in the accompanying financial statements ("TAS/TAS 29") "Financial Reporting in Hyperinflationary Economies" has not been applied since 1 January 2005.

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

### 2.1 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
			30 September 2022	31 December 2021	
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
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	51	51	Defense, Aerospace, Space Technologies, Software
ASELSAN Ukraine	Ukraine	UAH	100	100	Marketing and sales of the group products
ULAK	Türkiye	TL	51	51	Communication systems

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

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

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

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

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

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

**Basis of Consolidation (continued)**

**Subsidiaries (continued):**

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

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

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

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

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

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

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

### 2.1 The Basis of Presentation (continued)

#### Basis of Consolidation (continued)

#### Joint Ventures

The details of the Group's interests in joint ventures as of 30 September 2022 and 31 December 2021 are as follows:

Joint Ventures	Principal Activity	Country of establishment and operation	Group's proportion of ownership and voting power held (%)	
			30 September 2022	31 December 2021
ASELSAN Hassas Optik Sanayi ve Ticaret Anonim Şirketi ("ASELSAN Optik")	Sensitive optic technologies	Türkiye	50	50
Mikro Nano Teknolojileri Sanayi ve Ticaret Anonim Şirketi ("ASELSAN Bilkent")	Production of micro and nano sized devices which contains semi-conductive and similar technological materials	Türkiye	50	50
International Golden Group ("IGG") ASELSAN Integrated Systems LLC ("IGG ASELSAN")	Production, integration, sales and technical maintenance service of high technology product	United Arab Emirates	49	49
Kazakhstan ASELSAN Engineering LLP ("ASELSAN Kazakhstan")	Production, sales and technical maintenance service of electronic and electro-optic devices and systems	Kazakhstan	49	49
ASELSAN Middle East PSC ("ASELSAN Jordan")	Production, sales and technical maintenance service of electronic and electro-optic devices and systems	Jordan	49	49
TÜYAR Mikroelektronik Sanayi ve Ticaret Anonim Şirketi ("TÜYAR")	Production of micro and nano-sized devices containing semiconductor	Türkiye	51	51
BARQ QSTP LLC. ("BARQ QSTP LLC.")	Command and control systems, thermal and night vision camera, crypto, remote-controlled weapon systems	Qatar	48	48
Teknohab Teknoloji Geliştirme Bölgesi Yönetici Anonim Şirketi ("TEKNOHAB")	To create investment opportunities in technology intensive areas, provide job opportunities to researchers and skilled people, help technology transfers and facilitate foreign capital to enter our country that will enable high technology	Türkiye	13	13
EHSİM Elektronik Harp Sistemleri Müh. Tic. A.Ş. ("EHSİM")	Electronic Warfare and Tactical Command Systems	Türkiye	50	50
TR Eğitim ve Teknoloji A.Ş.	Realizing Human Resources studies, Consultancy with respect to HR studies, accreditation services and trainings for every level, educational, cultural, art, sports, fair organizations and digital marketing operations.	Türkiye	35	35
DASAL Havacılık Teknolojileri A.Ş.	Aviation technologies	Türkiye	40	40

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**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 Optik and ASELSAN Bilkent established in 2014, TÜYAR established in 2017, TEKNOHAB established in 2018, TR Eğitim established in 2019 and DASAL Havacılık Teknolojileri A.Ş established in 2020 were included in the condensed consolidated financial statements by using the equity method. Since BARQ QSTP LLC and have not started to operate yet, there is no material consolidation effect on the Group's financial statements.

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

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

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

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

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

**2.4 New and Revised Turkish Accounting Standards**

The accounting policies adopted in preparation of the consolidated financial statements as at June 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 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 January 1, 2022 are as follows:**

**Amendments to TFRS 3 - Reference to the Conceptual Framework**

In July 2020, POA issued Reference to the Conceptual Framework, which made amendments to TFRS 3 Business Combinations. The amendments updated TFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. The amendment has no impact on the consolidated financial position and performance of the Group.

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**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 January 1, 2022 are as follows (continued):**

**Amendments to TAS 16 - Property, Plant and Equipment Proceeds before Intended Use**

In July 2020, POA issued Property, Plant and Equipment - Proceeds before Intended Use, which made amendments to TAS 16 Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

The amendments improve transparency and consistency by clarifying the accounting requirements specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. The amendment has no impact on the consolidated financial position and performance of the Group.

**Amendments to TAS 37 - Onerous Contracts - Cost of Fulfilling a Contract**

In July 2020, POA issued Onerous Contracts - Cost of Fulfilling a Contract, which made amendments to July 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. The amendment has no impact on the consolidated financial position and performance of the Group.

**Annual Improvements to IFRS 2018–2020**

IASB issued Annual Improvements to IFRSs - 2018–2020 Cycle for applicable standards in May 2020. The amendments are effective as of 1 January 2022. Earlier application is permitted. These improvements to IFRSs have no impact on the consolidated financial position and performance of the Group.

**TFRS 1 First-time Adoption of International Financial Reporting Standards**

This amendment simplifies the application of TFRS 1 for a subsidiary that becomes a first-time adopter of TFRS later than its parent – i.e. if a subsidiary adopts TFRS later than its parent and applies TFRS D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to TFRS. This amendment will ease transition to TFRS for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

**TFRS 9 Financial Instruments**

This amendment clarifies that in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.



(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**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 January 1, 2022 are as follows (continued):**

**TMS 41 Agriculture**

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in TAS 41 with those in TFRS 13 Fair Value Measurement. The amendments provide the flexibility to use either, as appropriate, in line with TFRS 13.

**b) Standards Issued But Not Yet Effective and Not Early Adopted as of 30 September 2022**

**TFRS 17 – Insurance Contracts**

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. Certain changes in the estimates of future cash flows and the risk adjustment are also recognised over the period that services are provided. Entities will have an option to present the effect of changes in discount rates either in profit and loss or in OCI. The standard includes specific guidance on measurement and presentation for insurance contracts with participation features. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. In accordance with amendments issued by POA in December 2021, entities have transition option for a "classification overlay" to avoid possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of TFRS 17. The application of TFRS 17 is not expected to have significant impact on the Group's consolidated financial statements.

**Amendments to TAS 1 - Classification of Liabilities as Current or Non-current**

On January 15, 2021, POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of TAS 1.

**Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of TAS 8.

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

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

**b) Standards Issued But Not Yet Effective and Not Early Adopted as of 30 September 2022 (continued)**

**Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of TAS 1.

**Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities Arising From a Single Transaction**

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments of TAS 12.

**Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the amendments.

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

#### 3. CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Cash	427	461
Bank		
- <i>Time deposit</i>	1.076.936	2.284.705
- <i>Demand deposit</i>	273.940	125.876
Lease Certificate (Sukuk)	--	78.970
Other	452	1.594
<b>Cash and cash equivalents on the cash flow statement</b>	<b>1.351.755</b>	<b>2.491.606</b>
Interest income accruals	--	490
	<b>1.351.755</b>	<b>2.492.096</b>

As of 30 September 2022, the Group has time deposits denominated in foreign currencies with maturities on October 2022 (31 December 2021: January 2022), with the interest rates between 2,5 percent and 3,65 percent (31 December 2021: 0,05 percent and 1,00 percent) amounting to TL 421.980 (31 December 2021: TL 74.795) in several banks.

As of 30 September 2022, the Group has time deposits denominated in TL terms with maturities between October 2022 (31 December 2021: January 2022) with the interest rates between 17,00 percent and 18,00 percent (31 December 2021: 15,75 percent and 26 percent) amounting to TL 654.956 (31 December 2021: TL 2.209.910) in several banks.

#### 4. RELATED PARTY DISCLOSURES

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

The trade receivables from related parties generally arise from sales activities with maturities of 1-2 years.

The trade payables to related parties generally arise from the purchase activities with maturities of 1-9 months.

Total amount of salaries and other short-term benefits paid for key management for the period ended 30 September 2022 is approximately TL 53.438 (30 September 2021: 27.090 TL).

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

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

	30 September 2022									
	Receivables					Payables				
	Short-term		Other Receivables	Long-term		Short-term		Other Payables <sup>1</sup>	Long-term	
Trading	Prepaid Expenses	Trading		Prepaid Expenses	Trading	Deferred Income	Trading		Deferred Income	
<b>Balances with related parties</b>										
<b>Main shareholder</b>										
TSKGV	65	--	--	--	--	--	--	341.298	--	--
<b>Main shareholder's subsidiaries and associates</b>										
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	31.652	149.636	--	13.981	1.271	132.702	2.253	--	--	337
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	--	37.197	--	--	23	33.367	1.993	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	--	37.546	--	--	4.349	36.066	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	1.092	13.018	--	--	2.736	57.351	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	3.019	6.440	--	204.334	--	8.673	14.739	--	--	123.887
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	1.122.391	--	--	1.027.662	--	1.511	110.365	--	--	52.677
<b>Financial Instruments</b>										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi	223	5.566	--	--	--	5.896	--	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	666.850	569.665	2.897	219.135	92.434	872.967	12.063	--	--	177.188
<b>Joint ventures and its related parties</b>										
ASELSAN Bilkent Nano	--	27.942	--	--	2.482	1.125	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	276	--	--	--	1.850	--	--	--	--
ASELSAN Optik	29.428	73.216	4.750	--	1.161	12.841	--	--	--	--
IGG	141.707	--	--	4.236	--	--	--	--	--	--
IGG ASELSAN	15.901	2.774	--	--	--	7.045	--	--	--	--
ASELSAN Kazakistan	194.798	--	--	--	--	451	10.162	--	--	--
ASELSAN Jordan	47.803	1.341	--	--	--	23.681	--	--	--	--
TÜBİTAK BİLGEM	--	28.365	--	--	--	20.667	--	--	--	--
TÜBİTAK-UME	--	137	--	--	--	44	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	13.327	22.678	--	219.822	1.219	--	2.773	--	--	12.847
TÜBİTAK SAGE Savunma Sanayii	674	41.478	--	9.707	--	66.554	--	--	--	--
TÜBİTAK UZAY TEKNOLOJİLERİ	--	--	--	--	--	--	--	--	--	--
Savunma Sanayi Başkanlığı ("SSB")	3.496.443	--	--	9.680.091	--	--	1.479.221	--	--	1.090.420
SSTEK	--	--	--	--	--	--	222.021	--	--	--
EHSİM	--	1.342	--	--	--	1.869	--	--	--	--
DASAL	--	230	--	--	--	772	--	--	--	--
<b>Shares offered to the public</b>	--	--	--	--	--	--	--	--118.702	--	--
	<b>5.765.373</b>	<b>1.018.847</b>	<b>7.647</b>	<b>11.378.968</b>	<b>105.675</b>	<b>1.285.432</b>	<b>1.855.590</b>	<b>460.000</b>	<b>--</b>	<b>1.457.356</b>

<sup>1</sup> All other short term payable is 2021 dividend payments..

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

Balances with related parties	31 December 2021									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables <sup>1</sup>	Trading	Deferred Income
<b>Main shareholder</b>										
TSKGV	58	--	--	--	--	--	--	296.608	--	--
<b>Main shareholder's subsidiaries and associates</b>										
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	47.280	117.072	--	15.302	5.365	109.589	--	--	--	--
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	2.041	22.495	--	--	17.045	63.374	3.088	--	--	561
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	--	31.057	--	--	3.953	33.093	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	--	10.500	--	--	1.669	84.588	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	448.434	3.116	--	494.820	--	12.226	21.676	--	--	117.547
Türk Havacılık ve Uzak Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	399.681	--	--	353.046	--	1.120	55.525	--	--	105.814
<b>Financial Instruments</b>										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi	223	105	--	--	--	4.646	--	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	925.117	589.590	--	172.320	92.435	1.294.374	23.664	--	--	208.407
<b>Joint ventures and its related parties</b>										
ASELSAN Bilkent Mikro Nano	--	22.758	--	--	1.103	39.117	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	416	--	--	--	5.788	--	--	--	--
ASELSAN Optik	20.639	68.661	2.250	--	12.198	38.353	--	--	--	--
IGG	114.107	--	--	4.236	--	--	--	--	--	--
IGG ASELSAN	6.326	--	--	--	1.561	705	--	--	--	--
ASELSAN Kazakistan	138.581	--	--	--	--	106	222	--	--	--
ASELSAN Jordan	108.736	4.497	--	--	--	85.478	--	--	--	--
TÜBİTAK BİLGEM	--	26.569	--	--	--	38.595	--	--	--	--
TÜBİTAK-UME	--	316	--	--	--	466	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	36.457	7.367	--	153.035	1.910	5.974	13.222	--	--	14.218
TÜBİTAK SAGE Savunma Sanayii	--	34.493	--	5.617	--	98.664	--	--	--	--
Savunma Sanayi Başkanlığı ("SSB")	1.990.421	--	--	8.130.765	--	--	295.992	--	--	588.717
SSTEK	17.013	--	22.586	--	--	177	--	5.000	--	--
EHSİM	--	601	--	--	--	1.424	--	--	--	--
DASAL	--	--	--	--	--	1.382	--	--	--	--
	<b>4.255.114</b>	<b>939.613</b>	<b>24.836</b>	<b>9.329.141</b>	<b>137.239</b>	<b>1.919.239</b>	<b>413.389</b>	<b>301.608</b>	--	<b>1.035.264</b>

<sup>1</sup> All other short term payable is 2020 dividend payments. The debt was paid in January 2022.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
<u>Transactions with related parties</u>	<u>Sales</u>	<u>Sales</u>	<u>Sales</u>	<u>Sales</u>
<b><u>Main Shareholder</u></b>				
TSKGV	1.052	292	909	603
<b><u>Main shareholder's shareholders/subsidiaries/associates</u></b>				
NETAŞ	64.423	25.357	35.911	12.041
İŞBİR	111.502	41.665	68.984	32.190
HTR	142.667	42.638	67.598	37.350
TUSAŞ	1.689	656	340	86
HAVELSAN	150.252	136.682	21.693	9.793
STM	5.310	2.301	14.909	2.785
<b><u>Financial Investments</u></b>				
ROKETSAN	9.139	4.155	49.892	27.791
ASPİLSAN	15.851	4.858	27.559	--
<b><u>Joint ventures and its related parties</u></b>				
İhsan Dođramacı Bilkent Üniversitesi	25.455	1.658	9.683	3.439
TÜBİTAK BİLGEM	81.044	22.926	34.661	21.215
TÜBİTAK-UME	992	186	206	206
TÜBİTAK Bilimsel Teknolojik Araştırma	1.775	--	3.641	1.156
EHSİM	8.977	8.977	--	--
TÜBİTAK-SAGE Savunma Sanayii	129.745	62.364	51.466	35.901
	<b>749.873</b>	<b>354.715</b>	<b>387.452</b>	<b>184.556</b>

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
<u>Transactions with related parties</u>	<u>Purchases</u>	<u>Purchases</u>	<u>Purchases</u>	<u>Purchases</u>
<b><u>Main Shareholder</u></b>				
TSKGV	438	153	360	111
<b><u>Main shareholder's shareholders/subsidiaries /associates</u></b>				
TUSAŞ	1.267.809	553.806	224.957	58.713
NETAŞ	860	--		
STM	689.987	219.099	221.226	195.746
HAVELSAN	24.101	13.698	35.396	9.568
HTR	21.212	23	11.843	1.321
<b><u>Financial Investments</u></b>				
ROKETSAN	392.637	167.117	217.231	51.587
<b><u>Joint ventures and its related parties</u></b>				
TÜBİTAK Bilimsel Teknolojik Araştırma	71.940	61.512	17.883	4.025
TÜBİTAK-SAGE Savunma Sanayii	4.768	3.518	--	--
TÜBİTAK Uzay Teknolojileri	7	--	108	22
Savunma Sanayi Başkanlığı	10.378.333	3.654.418	5.015.949	1.344.702
	<b>12.852.092</b>	<b>4.673.344</b>	<b>5.749.334</b>	<b>1.666.864</b>

Transactions with related parties are generally related to the purchases and sales of goods and services related to projects under TFRS 15.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term trade receivables</b>		
Trade receivables	6.665.856	5.521.251
Trade receivables from related parties (Note 4)	5.765.373	4.255.114
Notes receivable	24.079	26.985
Other receivable	3.570	--
Doubtful trade receivables	30.730	30.172
Allowance for doubtful trade receivables (-)	(30.730)	(30.172)
	<b>12.458.878</b>	<b>9.803.350</b>
	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Long-term trade receivables</b>		
Contract Assets	2.931.149	2.943.086
Trade receivables	460.975	378.240
Contract Assets -Related party (Note 4)	11.360.712	9.316.338
Trade receivables from related parties (Note 4)	18.256	12.803
	<b>14.771.092</b>	<b>12.650.467</b>

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

	<b>30 September 2022</b>	<b>30 September 2021</b>
Opening balance	30.172	22.442
Provision for the period	558	2.504
Provisions unrealised	--	--
<b>Closing balance</b>	<b>30.730</b>	<b>24.946</b>

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

**b) Trade payables**

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term trade payables</b>		
Trade payables	3.798.269	3.570.663
Due to related parties (Note 4)	1.285.432	1.919.239
Notes Payable	459.883	521.675
Other trade payables	11.518	27.895
	<b>5.555.102</b>	<b>6.039.472</b>
	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Long-term trade payables</b>		
Other trade payables	17.773	25.467
	<b>17.773</b>	<b>25.467</b>

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**6. INVENTORIES**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Raw materials	5.311.866	3.433.812
Work in progress	4.012.379	2.791.484
Goods in transit <sup>1</sup>	204.297	482.050
Finished goods	648.545	783.826
Other inventories	1.158.301	153.212
Trade goods	127.780	49.081
Allowance for impairment on inventories (-)	(31.017)	(54.511)
	<b>11.432.151</b>	<b>7.638.954</b>

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

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

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

	<b>2022</b>	<b>2021</b>
Opening balance	54.511	21.155
Provision for the period	23.789	--
Provision unrealised	(47.283)	28.433
<b>Closing balance</b>	<b>31.017</b>	<b>49.588</b>

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



**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**7. PREPAID EXPENSES AND DEFERRED INCOME**

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term prepaid expenses</b>		
Order advances given for inventory purchases	1.808.709	748.103
Short-term order advances given to related parties for inventory purchases (Note 4)	1.018.847	939.613
Work advances	9.607	1.101
Prepaid expenses	443.284	338.200
	<b>3.280.447</b>	<b>2.027.017</b>

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Long-term prepaid expenses</b>		
Long-term order advances given to related parties for inventory purchases (Note 4)	105.675	137.239
Order advances given for inventory purchases	247.792	440.988
Order advances given for fixed assets purchases	316.889	215.397
Prepaid expenses	50.725	24.112
	<b>721.081</b>	<b>817.736</b>

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term deferred income</b>		
Order advances received	344.423	198.093
Order advances received from related parties (Note 4)	1.855.590	413.389
Deferred income	1.804.549	1.238.683
	<b>4.004.562</b>	<b>1.850.165</b>

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Long-term deferred income</b>		
Order advances received	500.112	322.350
Order advances received from related parties (Note 4)	1.457.356	1.035.264
Deferred income	207.261	571.413
	<b>2.164.729</b>	<b>1.929.027</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**8. PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Property, Plant and Equipment</b>	<b>Intangible Assets</b>
Opening balance as of 1 January 2022	4.939.007	3.072.587
Additions	1.592.017	2.528.487
Disposals	(41.164)	(1.271.712)
Transfers	--	--
<b>Closing balance as of 30 September 2022</b>	<b>6.489.860</b>	<b>4.329.362</b>
<b>Accumulated Depreciation and Amortisation</b>		
Opening balance as of 1 January 2022	1.506.858	804.977
Change for the period <sup>1</sup>	299.745	158.575
Disposals	(36.916)	(3.838)
<b>Closing balance as of 30 September 2022</b>	<b>1.769.687</b>	<b>959.714</b>
<b>Net book value as of 30 September 2022</b>	<b>4.720.173</b>	<b>3.369.648</b>
<b>Net book value as of 31 December 2021</b>	<b>3.432.149</b>	<b>2.267.610</b>

<b>Cost</b>	<b>Property, Plant and Equipment</b>	<b>Intangible Assets</b>
Opening balance as of 1 January 2021	3.592.172	2.196.953
Additions	775.758	1.151.117
Disposals	(50.271)	(553.061)
Transfers	(77)	77
<b>Closing balance as of 30 September 2021</b>	<b>4.317.582</b>	<b>2.795.086</b>
<b>Accumulated Depreciation and Amortisation</b>		
Opening balance as of 1 January 2021	1.249.949	641.635
Change for the period	211.035	127.125
Disposals	(50.041)	(5.462)
<b>Closing balance as of 30 September 2021</b>	<b>1.410.943</b>	<b>763.298</b>
<b>Net book value as of 30 September 2021</b>	<b>2.906.639</b>	<b>2.031.788</b>
<b>Net book value as of 31 December 2020</b>	<b>2.342.223</b>	<b>1.555.318</b>

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

<sup>1</sup> The amount of amortization and depreciation related to inventories are TL 43.399 in the year 2022 (September 2021: TL 33.045)

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Other short-term provisions</b>		
Provision for warranties <sup>1</sup>	1.484.810	1.241.627
Provision for onerous contracts	505.443	571.876
Provision for delay penalties <sup>2</sup>	1.268.077	847.336
Sales commission	150.257	197.977
Provision for legal cases	31.489	22.418
Provision for cost expenses	49.544	12.264
Other	8.273	15.822
	<b>3.497.893</b>	<b>2.909.320</b>
	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Other long-term provisions</b>		
Provision for delay penalties	171.819	138.822
Provision of onerous contracts	1.139.737	1.040.987
	<b>1.311.556</b>	<b>1.179.809</b>

**b) Legal cases**

There has not been any final judicial decision against the Group due to the responsibility related with work accidents within 2022.

As of the dates 30 September 2022 and 31 December 2021, according to the declarations written by the legal counselors, the lawsuits and legal executions in favor of and against the Group are as follows:

	<b>Description</b>	<b>2022</b>	<b>2021</b>
a)	Ongoing lawsuits filed by the Group	28.427	35.871
b)	Execution proceedings carried out by the Group	376.980	319.264
c)	Ongoing lawsuits filed against the Group	31.489	22.418
d)	Executions against the Group	7.308	5.875
e)	Lawsuits finalized against the Group within the period	3.939	102.542
f)	Lawsuits finalized in favor of the Group within the period	16.636	12.745

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

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

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**10. TAX**

"Deferred Tax Assets" of the Group as of 30 September 2022 is TL 687.176. The amount is comprised of the items below.

	<b>30 September 2022</b>	<b>31 December 2021</b>
Carried Forward R&D Incentives Effect	1.289.363	760.905
Temporary Differences	(602.187)	(507.483)
<b>Deferred Tax Assets - Net</b>	<b>687.176</b>	<b>253.422</b>

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

Prospective profit/loss projection and forecasts and expected duration of research and development incentives are considered in calculating deferred tax asset.

In accordance with the law numbered 5746 pertaining to 1 January-30 September 2022 period the Group has calculated "Deferred Tax Asset" amounting to TL 1.289.363 from Research and Development expenses comprising "Outstanding Research and Development Deductions".

	<b>30 September 2022</b>	<b>30 September 2021</b>
Profit before tax from continuing operations	5.334.153	3.088.952
Tax (expense)/income recognized in profit or loss	401.081	46.540
Effective tax rate	8%	2%

Effective tax rate is calculated by dividing profit before tax from continuing operations to tax income recognized in profit or loss. Increase in profit before tax from continuing operations is mainly due to the sales made by the Company within the current period. The Company does not have corporate tax liability for the current period because of the tax advantage arising from the R&D expenditures the Company has made in the previous years, but some companies subject to consolidation have.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
Letters of guarantees received from the suppliers	5.090.904	4.167.423
Collaterals received from the customers	174.538	133.517
Letters of guarantees received from the customers	24.932	18.221
Collaterals received from the suppliers	440.402	284.535
Letters of guarantees received from the suppliers	28.863	35.907
	<b>5.759.639</b>	<b>4.639.603</b>

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

The collaterals/pledges/mortgages ("CPM") given by the Group as of 30 September 2022 and 31 December 2021 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 292.233.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**11. COMMITMENTS AND CONTINGENCIES (continued)**
**b) Guarantees given (continued)**

<b>30 September 2022</b>	<b>TL Equivalent</b>	<b>TL</b>	<b>USD</b>	<b>EURO</b>	<b>UAE Dirham</b>	<b>Polish Zloty</b>	<b>Indian Rupee</b>	<b>British Pound</b>	<b>Tunisian Dinar</b>
A. Total amount of CPM given on behalf of the legal entity									
-Collateral	12.411.840	1.019.901	334.497	286.529	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
D. Total amount of other CPM given									
i. Total Amount of CPM on behalf of the main partner									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C <sup>1</sup>									
-Collateral	42.778	--	2.310	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>12.454.618</b>	<b>1.019.901</b>	<b>336.807</b>	<b>286.529</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

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

<sup>1</sup> The ratio of the other CPM given by the Group to equity as of 30 September 2022 is 0,14 percent. TL 42.778 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

31 December 2021	TL Equivalent	TL	USD	EURO	UAE Dirham	Polish Zloty	Indian Rupee	British Pound	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity									
-Collateral	10.948.158	675.302	389.889	336.398	--	1.000	--	--	46
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
D. Total amount of other CPM given									
i. Total Amount of CPM on behalf of the main partner									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C <sup>1</sup>									
-Collateral	30.790	--	2.310	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover									
-Collateral	--	--	--	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--	--	--	--
<b>Total</b>	<b>10.978.948</b>	<b>675.302</b>	<b>392.199</b>	<b>336.398</b>	<b>--</b>	<b>1.000</b>	<b>--</b>	<b>--</b>	<b>46</b>

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

<sup>1</sup> The ratio of the other CPM given by the Group to equity as of 31 December 2021 is 0,12 percent. TL 30.790 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

#### 12. EMPLOYEE BENEFITS

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
Provision for vacation pay and overtime	<b>180.119</b>	<b>170.902</b>

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

	<b>2022</b>	<b>2021</b>
Opening balance	170.902	108.854
Provision for the period	73.640	40.066
Provision paid during the period	(52.392)	(28.225)
Provision realized during the period	(12.031)	(4.444)
<b>Closing balance</b>	<b>180.119</b>	<b>116.251</b>

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
Provision for severance pay	476.875	333.508
	<b>476.875</b>	<b>333.508</b>

As of 30 September the movement of severance pay is as follows:

	<b>2022</b>	<b>2021</b>
Opening balance	333.508	264.964
Actuarial Loss/Gain	154.714	24.315
Interest cost	7.532	5.597
Service cost	17.954	12.564
Payments	(36.833)	(36.059)
<b>Closing balance</b>	<b>476.875</b>	<b>271.381</b>

##### Provision for severance pay:

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



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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

#### 12. EMPLOYEE BENEFITS (continued)

##### Provision for severance pay (continued)

Certain provisions regarding services before retirement, has been annulled on 23 May 2002 during the revision of the related law. As of 30 September 2022 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 15.371,40<sup>1</sup> (31 December 2021: TL 8.284,511).

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

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>(%)</b>	<b>(%)</b>
Interest rate	21,00	21,00
Inflation rate	16,95	16,95
Discount ratio	3,46	3,46
Estimation of probability of retirement ratio	96	96

<sup>1</sup> Amounts are shown in original Turkish Lira values.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

#### Capital

<u>Shareholders</u>	<u>Share (%)</u>	<u>30 September 2022</u>	<u>Share (%)</u>	<u>31 December 2021</u>
TSKGV	74,20	1.691.652	74,20	1.691.652
Publicly held	25,80	588.348	25,80	588.348
Nominal capital	100	2.280.000	100	2.280.000
Share capital adjustment		98.621		98.621
<b>Inflation adjusted capital</b>		<b>2.378.621</b>		<b>2.378.621</b>

The Group's nominal capital is TL 2.280.000 comprising 2.280.000.000 shares each of which is TL 1. A total of 1.210.909.090 of the shares constitutes "Group A" and 1.069.090.910 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.

As of 30 September 2022, The Group's restricted reserves set aside from profit comprises legal reserves. The total of the Group's legal reserves are TL 612.078 (31 December 2021: TL 542.341).

#### 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. As of 30 September 2022 the extraordinary reserves balance presented in retained earnings is TL 12.569.446 (31 December 2021: TL 8.845.856). According to the statutory records, the Company's profit for the period is TL 3.577.172 (31 December 2021: TL 4.608.798) and its other funds available for profit distribution is TL 12.569.446 (31 December 2021: TL 8.535.408) and the details are as followings.

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.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

#### Retained Earnings (continued)

##### Profit distribution

On 25 May 2022, in accordance with the consolidated financial statements, the General Assembly of the Company has decided to allocate legal reserve amounting to TL 65.209 of the TL 4.608.798 which is based on the profit distribution, and to distribute TL 460.000 in cash to shareholders for dividend payment, and the remaining TL 4.083.589 to be within the Group. Thus, the cash gross dividend amount for TL 1 nominal value per share is Kuruş 20,18 net (31 December 2021: Kuruş 17,54 net).

Within 2022, dividend amounting to TL 460.000 in gross, 20,18 Kuruş per share of TL 1 (net profit amounting to TL 400.000, 17,54 Kuruş per share of TL 1) will be paid to shareholders. (31 December 2021: TL 400.000 in gross, 17,54 Kuruş per share of TL 1 (TL 340.000 in gross, 14,91 Kuruş per share of TL 1) was paid).

On 9 June 2022, General Assembly of ASELSANNET has decided to distribute TL 10.000 as dividend payments to shareholders and reserve TL 4.528 as retained earnings from net profit of the year 2021. TL 45.000 is decided to be added on the capital in order to allocate capital issue by bonus to shareholders and remaining TL 16.532 is to be allocated as extraordinary reserves (31 December 2021: 10.000).

### 14. REVENUE AND COST OF SALES

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
<b>a) Revenue</b>				
Domestic sales	14.523.327	5.279.722	9.220.443	2.741.559
Export sales	3.205.070	1.607.468	1.071.905	576.112
	<b>17.728.397</b>	<b>6.887.190</b>	<b>10.292.348</b>	<b>3.317.671</b>
<b>Revenue Recognized Regarding Performance Obligation</b>				
Over time	13.371.625	5.164.744	7.867.694	2.109.787
Point in time	4.356.772	1.722.446	2.424.654	1.207.884
	<b>17.728.397</b>	<b>6.887.190</b>	<b>10.292.348</b>	<b>3.317.671</b>
<b>b) Cost of Sales (-)</b>				
Cost of raw materials and supplies (-)	9.098.007	3.226.289	5.654.410	2.306.819
Cost of merchandise goods sold (-)	242.025	67.253	132.731	33.884
Cost of services sold (-)	2.657.582	1.524.278	943.369	81.030
Cost of other sales (-)	288.555	46.391	161.097	70.820
	<b>12.286.169</b>	<b>4.864.211</b>	<b>6.891.607</b>	<b>2.492.553</b>

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**15. OTHER OPERATING INCOME AND EXPENSES**

	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2021</b>
<b>a) Other Operating Income</b>				
Foreign currency exchange differences from operations	8.466.166	2.473.761	3.755.447	1.003.897
Amortized cost effect of trade payables	315.217	1.566	130.051	(723)
Other income	114.273	16.183	97.354	14.117
	<b>8.895.656</b>	<b>2.491.510</b>	<b>3.982.852</b>	<b>1.017.291</b>
<b>b) Other Operating Expense (-)</b>				
Foreign currency exchange differences from operations	5.387.231	1.733.032	2.656.569	1.219.426
Amortized cost effect of trade receivables	313.826	(34.735)	106.836	(153.971)
Other expense and losses	63.888	(5.991)	76.118	20.064
	<b>5.764.945</b>	<b>1.692.306</b>	<b>2.839.523</b>	<b>1.085.519</b>

**16. FINANCIAL INCOME**

	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2021</b>
Interest income	79.310	23.079	161.000	32.306
TFRS 15 Financial component interest income	--	--	252.411	37.379
Foreign currency exchange gain from bank loans	510.938	14.615	305.850	214.684
	<b>590.248</b>	<b>37.694</b>	<b>719.261</b>	<b>284.369</b>

**17. FINANCIAL EXPENSES**

	<b>1 January- 30 September 2022</b>	<b>1 July- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2021</b>
Interest cost of borrowings	346.252	162.650	49.769	12.178
TFRS 15 Interest cost of borrowings from financial component	--	--	70.074	--
Foreign currency exchange losses from bank loans	1.712.570	318.384	805.397	178.025
Interest cost related with employee benefits	7.532	1.894	5.597	1.473
	<b>2.066.354</b>	<b>482.928</b>	<b>930.837</b>	<b>191.676</b>

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

#### 18. EARNINGS PER SHARE

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

For the periods 30 September 2022 and 2021, earnings per share calculations are as follows:

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Common stock (thousand)	2.280.000	2.280.000	2.280.000	2.280.000
Net profit – TL	5.791.966	1.956.359	3.140.974	602.495
<b>Earnings per 100 shares (Kuruş)</b>	<b>254,03</b>	<b>85,8</b>	<b>137,76</b>	<b>26,42</b>
<b>Diluted Earnings per 100 shares (Kuruş)</b>	<b>254,03</b>	<b>85,8</b>	<b>137,76</b>	<b>26,42</b>

#### 19. FINANCIAL LIABILITIES

##### Financial Liabilities

		30 September 2022	31 December 2021
Short-term financial liabilities	Unsecured loan	4.693.355	1.841.901
Other short-term financial liabilities	Unsecured loan	295.021	114.199
Current portion of long-term financial liabilities	Unsecured loan	3.046.163	3.114.088
<b>Total short-term financial liabilities</b>		<b>8.034.539</b>	<b>5.070.188</b>
Other long-term financial liabilities	Unsecured loan	960.488	332.762
<b>Total long-term financial liabilities</b>		<b>960.488</b>	<b>332.762</b>
<b>Total financial liabilities</b>		<b>8.995.027</b>	<b>5.402.950</b>

As of 30 September 2022, 2.799.315 TL of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, the maturities of the loans are between December 2022 and June 2023, and the interest rates vary between 1 percent and 7,5 percent. As of September 30, 2022, there are 1.720.000 TL Rediscount TL Loans, and the maturity of the loans is between February 2023 and August 2023, and the interest rates are between 14,75 percent and 20,60 percent. Loans amounting to TL 174.040 were taken for subcontractor payments, with maturities of 31 December 2022, 06 February 2023 and 06 March 2023, and the rates are between 19,00 and 22,0 percent. As of September 30, 2022, the short-term portion of long-term financial debts consists of TL 2.583.568 EUR foreign currency loans and 462.595 TL USD foreign currency loans. The maturity of the loans is between January 2023 and July 2023 and the interest rates are 2,40 percent - percent. It varies between 7,90.

Loans amounting to TL 75.237 are taken for investment and vary according to the usage periods and the MPC decision at that time. Payment status is 1 year non-refundable, 2 payments per year and 5 years maturity. As of 30 September 2022, all remaining short-term financial debts consist of credit card debts with a maturity of 45 days to pay SGK payments.

323.817 TL, USD denominated; 358.464 TL EUR denominated long term financial loans are Rediscount Foreign Currency. All of the remaining long-term loans consist of general purpose.

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

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

#### 19. FINANCIAL LIABILITIES (continued)

##### **Financial Liabilities (continued)**

As of 31 December 2021, TL 1.825.096 of the short term financial borrowings are EUR rediscount credits, which have maturity dates due between February 2022 - July 2022 and interest rates between 0,70 – 2,85 percent. As of 31 December 2021, TL 16.805 of the short term financial borrowings are Investment Credits that has interest rate of 17,50 percent from Development Bank. As of 31 December 2021, other short term financial liabilities TL 114.199 consist of credit card debt for social security payments with 45 days maturity and interest rate of 0,70 percent from Ziraat Bank. Current portions of long-term financial liabilities are EUR credits which have amounted to TL 2.681.504 with interest rates between 0,75 - 2,10, which have maturity dates due between April 2022 – August 2022. Moreover, TL 432.584 is consisted of Dollar credit which has maturity date due between February 2022 - August 2022 with interest rate 2,16 percent for now that is indexed to LIBOR.

As of 31 December 2021, TL 302.278 of the long term financial borrowings are EUR credits, which have maturity date of December 2023 with interest rate 3,35 percent. Also, other long-term financial liabilities, TL 30.484, is consisted of investment credits with interest rate of 17,50 percent from Development Bank.

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

**20. FOREIGN EXCHANGE POSITION**

<b>30 September 2022</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other<sup>1</sup></b>
1. Trade receivables	8.580.644	359.513	6.657.715	106.008	1.922.929	--
2a. Monetary financial assets (including cash, bank)	450.209	5.138	95.153	19.051	345.583	9.473
2b. Non- monetary financial assets	1.674.572	45.592	844.299	67.797	1.229.798	267.706
3. Other	3.770	97	1.788	105	1.912	70
<b>4. Current assets (1+2+3)</b>	<b>10.709.195</b>	<b>410.340</b>	<b>7.598.955</b>	<b>192.961</b>	<b>3.500.222</b>	<b>277.249</b>
5. Trade receivables	11.506.190	373.702	6.920.475	252.803	4.585.715	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	965.500	1.245	23.054	73.910	1.340.699	6.390
7. Other	181.273	4.622	85.589	4.779	86.686	8.998
<b>8. Long-term assets (5+6+7)</b>	<b>12.652.963</b>	<b>379.569</b>	<b>7.029.118</b>	<b>331.492</b>	<b>6.013.100</b>	<b>15.388</b>
<b>9. Total assets (4+8)</b>	<b>23.362.158</b>	<b>789.909</b>	<b>14.628.073</b>	<b>524.453</b>	<b>9.513.322</b>	<b>292.637</b>
10. Trade payables	2.892.649	69.904	1.296.873	84.250	1.531.006	64.770
11. Financial liabilities	5.620.164	25.000	463.803	283.750	5.156.361	0
12a. Other monetary financial liabilities	9.469	405	7.506	108	1.963	0
12b. Other non-monetary financial liabilities	1.517.914	234.132	4.343.642	99.207	1.802.815	0
<b>13. Current liabilities (10+11+12)</b>	<b>10.040.196</b>	<b>329.441</b>	<b>6.111.824</b>	<b>467.315</b>	<b>8.492.145</b>	<b>64.770</b>
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	688.106	17.500	324.662	20.000	363.444	--
16a. Other monetary financial liabilities	4.028	155	2.874	64	1.154	--
16b. Other non-monetary financial liabilities	0	160.902	2.985.077	131.486	2.389.396	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>692.134</b>	<b>178.557</b>	<b>3.312.613</b>	<b>151.550</b>	<b>2.753.994</b>	<b>--</b>

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

<b>FOREIGN EXCHANGE POSITION</b>						
<b>30 September 2022</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other</b>
<b>18. Total liabilities (13+17)</b>	<b>10.732.330</b>	<b>507.998</b>	<b>9.424.437</b>	<b>618.865</b>	<b>11.246.139</b>	<b>64.770</b>
<b>19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)</b>	--	--	--	--	--	--
<b>19a. Hedged total financial assets</b>	--	--	--	--	--	--
<b>19b. Hedged total financial liabilities</b>	--	--	--	--	--	--
<b>20. Net foreign currency asset/liability (9- 18+19)</b>	<b>12.629.828</b>	<b>281.911</b>	<b>5.203.636</b>	<b>(94.412)</b>	<b>(1.732.817)</b>	<b>227.867</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)</b>	<b>11.322.627</b>	<b>625.389</b>	<b>11.577.625</b>	<b>(10.310)</b>	<b>(199.701)</b>	<b>(55.297)</b>
<b>22. Fair value of derivative financial instruments used in foreign currency hedge</b>	--	--	--	--	--	--
<b>23. Hedged foreign currency assets</b>	--	--	--	--	--	--
<b>24. Hedged foreign currency liabilities</b>	--	--	--	--	--	--
<b>25. Exports</b>	<b>3.205.070</b>	<b>141.091</b>	<b>2.002.669</b>	<b>70.837</b>	<b>1.202.401</b>	--
<b>26. Imports</b>	<b>6.216.297</b>	<b>215.733</b>	<b>4.002.293</b>	<b>103.072</b>	<b>1.873.037</b>	<b>340.967</b>

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

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



**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2021</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other<sup>1</sup></b>
1. Trade receivables	6.583.031	195.853	2.610.529	263.311	3.972.502	--
2a. Monetary financial assets (including cash, bank)	87.352	5.219	69.564	717	10.822	6.966
2b. Non- monetary financial assets	1.189.643	49.371	658.069	57.443	866.619	218.699
3. Other	42.813	3.140	41.849	61	913	51
<b>4. Current assets (1+2+3)</b>	<b>7.902.839</b>	<b>253.583</b>	<b>3.380.011</b>	<b>321.532</b>	<b>4.850.856</b>	<b>225.716</b>
5. Trade receivables	9.736.372	447.344	5.962.648	250.136	3.773.724	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	370.892	1.040	13.866	80.284	1.211.222	14.896
7. Other	78.840	2.451	32.664	2.753	41.540	4.636
<b>8. Long-term assets (5+6+7)</b>	<b>10.186.104</b>	<b>450.835</b>	<b>6.009.178</b>	<b>333.173</b>	<b>5.026.486</b>	<b>19.532</b>
<b>9. Total assets (4+8)</b>	<b>18.088.943</b>	<b>704.418</b>	<b>9.389.189</b>	<b>654.705</b>	<b>9.877.342</b>	<b>245.248</b>
10. Trade payables	2.635.083	79.501	1.061.580	100.479	1.518.631	54.872
11. Financial liabilities	4.903.700	33.333	445.100	295.000	4.458.600	--
12a. Other monetary financial liabilities	2.480	154	2.061	28	419	--
12b. Other non-monetary financial liabilities	132.236	118.601	1.583.681	118.521	1.791.308	--
<b>13. Current liabilities (10+11+12)</b>	<b>7.673.499</b>	<b>231.589</b>	<b>3.092.422</b>	<b>514.028</b>	<b>7.768.958</b>	<b>54.872</b>
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	302.278	--	--	20.000	302.278	--
16a. Other monetary financial liabilities	2.439	155	2.069	25	370	--
16b. Other non-monetary financial liabilities	2.350.122	153.537	2.050.177	161.787	2.445.227	--
<b>17. Non-current liabilities (14+15+16)</b>	<b>2.654.839</b>	<b>153.692</b>	<b>2.052.246</b>	<b>181.812</b>	<b>2.747.875</b>	--

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

**ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

<b>FOREIGN EXCHANGE POSITION</b>						
<b>31 December 2021</b>	<b>TL Equivalent (Functional currency)</b>	<b>USD</b>	<b>TL equivalent by using closing rates</b>	<b>EURO</b>	<b>TL equivalent by using closing rates</b>	<b>Other</b>
<b>18. Total liabilities (13+17)</b>	<b>10.328.338</b>	<b>385.281</b>	<b>5.144.668</b>	<b>695.840</b>	<b>10.516.833</b>	<b>54.872</b>
<b>19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)</b>	--	--	--	--	--	--
<b>19a. Hedged total financial assets</b>	--	--	--	--	--	--
<b>19b. Hedged total financial liabilities</b>	--	--	--	--	--	--
<b>20. Net foreign currency asset/liability (9- 18+19)</b>	<b>7.760.605</b>	<b>319.137</b>	<b>4.244.521</b>	<b>(41.135)</b>	<b>(639.491)</b>	<b>190.376</b>
<b>21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)</b>	<b>8.560.775</b>	<b>535.273</b>	<b>7.131.931</b>	<b>98.632</b>	<b>1.476.750</b>	<b>(47.906)</b>
<b>22. Fair value of derivative financial instruments used in foreign currency hedge</b>	--	--	--	--	--	--
<b>23. Hedged foreign currency assets</b>	--	--	--	--	--	--
<b>24. Hedged foreign currency liabilities</b>	--	--	--	--	--	--
<b>25. Exports</b>	<b>2.242.898</b>	<b>78.453</b>	<b>750.653</b>	<b>30.981</b>	<b>344.947</b>	<b>1.147.298</b>
<b>26. Imports</b>	<b>5.968.381</b>	<b>303.405</b>	<b>4.044.085</b>	<b>104.378</b>	<b>1.574.727</b>	<b>349.569</b>

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

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

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

**Foreign currency sensitivity**

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

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

<b>Foreign currency sensitivity table</b>				
<b>30 September 2022</b>				
	<b>Profit/Loss</b>		<b>Equity<sup>1</sup></b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD against TL by 10%:</b>				
1- USD denominated net assets/(liabilities)	1.157.763	(1.157.763)	1.157.763	(1.157.763)
2- Hedged amount against USD risk (-)	--	--	--	--
<b>3- Net effect of USD (1+2)</b>	<b>1.157.763</b>	<b>(1.157.763)</b>	<b>1.157.763</b>	<b>(1.157.763)</b>
<b>Change of EURO against TL by 10%:</b>				
4- EURO denominated net assets/(liabilities)	(19.970)	19.970	(19.970)	19.970
5- Hedged amount against EURO risk (-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	<b>(19.970)</b>	<b>19.970</b>	<b>(19.970)</b>	<b>19.970</b>
<b>Change of other currencies against TL by 10%:</b>				
7- Other currencies denominated net assets/(liabilities)	(5.530)	5.530	(5.530)	5.530
8- Hedged amount against other currencies risk (-)	--	--	--	--
<b>9- Net effect of other currencies (7+8)</b>	<b>(5.530)</b>	<b>5.530</b>	<b>(5.530)</b>	<b>5.530</b>

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022

(Amounts are expressed in thousands of Turkish Lira ("TL") and in thousands of "Foreign Currency" unless otherwise stated.)

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

**Foreign currency sensitivity (continued)**

<b>Foreign currency sensitivity table</b>				
<b>31 December 2021</b>				
	<b>Profit/Loss</b>		<b>Equity<sup>1</sup></b>	
	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>	<b>Depreciation of foreign currency</b>
<b>Change of USD against TL by 10%:</b>				
1- USD denominated net assets/(liabilities)	713.193	(713.193)	713.193	(713.193)
2- Hedged amount against USD risk (-)	--	--	--	--
<b>3- Net effect of USD (1+2)</b>	<b>713.193</b>	<b>(713.193)</b>	<b>713.193</b>	<b>(713.193)</b>
<b>Change of EURO against TL by 10%:</b>				
4- EURO denominated net assets/(liabilities)	147.675	(147.675)	147.675	(147.675)
5- Hedged amount against EURO risk (-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	<b>147.675</b>	<b>(147.675)</b>	<b>147.675</b>	<b>(147.675)</b>
<b>Change of other currencies against TL by 10%:</b>				
7- Other currencies denominated net assets/(liabilities)	(4.791)	4.791	(4.791)	4.791
8- Hedged amount against other currencies risk (-)	--	--	--	--
<b>9- Net effect of other currencies (7+8)</b>	<b>(4.791)</b>	<b>4.791</b>	<b>(4.791)</b>	<b>4.791</b>

**21. EVENTS AFTER THE REPORTING PERIOD**

After the reporting period, the Group has signed contracts amounting to USD 16 Million.

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