

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

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

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
AS OF AND FOR THE THREE-MONTH
PERIOD ENDED 31 MARCH 2025

29 April 2025

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

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ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Note References	Not Reviewed 31 March 2025	Audited 31 December 2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	12.832.115	18.311.472
Trade Receivables	5	27.681.227	31.208.841
<i>From Related Parties</i>	4	14.317.623	13.916.652
<i>From Third Parties</i>		13.363.604	17.292.189
Other Receivables		3.173.386	2.735.557
<i>From Third Parties</i>		3.173.386	2.735.557
Inventories	6	46.501.111	47.846.295
Prepaid Expenses	7	17.446.685	13.440.959
<i>From Related Parties</i>	4	2.514.291	2.104.707
<i>From Third Parties</i>		14.932.394	11.336.252
Other Current Assets		4.026.651	3.254.541
Non-Current Assets			
Financial Investments		8.902.180	8.903.442
Trade Receivables	5	62.929.302	60.511.468
<i>From Related Parties</i>	4	43.651.185	44.179.971
<i>From Third Parties</i>		19.278.117	16.331.497
Other Receivables		12.655	13.096
<i>From Third Parties</i>		12.655	13.096
Equity Accounted Investments		1.364.046	1.466.330
Property, Plant and Equipment	8	41.527.633	41.173.514
Intangible Assets	8	26.371.939	24.028.271
Prepaid Expenses	7	3.828.249	4.114.914
<i>From Related Parties</i>	4	1.282.346	1.460.466
<i>From Third Parties</i>		2.545.903	2.654.448
Deferred Tax Assets	10	12.504.809	8.968.029
Other Non-Current Assets		943.793	1.253.496
TOTAL ASSETS		270.045.781	267.230.225

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Note References	Not Reviewed 31 March 2025	Audited 31 December 2024
LIABILITIES			
Current Liabilities		74.403.620	76.781.482
Short-term Financial Liabilities	20	6.036.829	14.929.791
Short-term Portion of Long-term Financial Liabilities	20	26.736.849	10.203.729
Trade Payables	5	13.735.116	21.749.036
<i>To Related Parties</i>	4	1.480.399	2.706.034
<i>To Third Parties</i>		12.254.717	19.043.002
Employee Benefit Obligations		3.437.099	3.896.856
Other Payables		333.026	603.765
<i>To Related Parties</i>	4	--	374.607
<i>To Third Parties</i>		333.026	229.158
Government Grants and Incentives		66.034	72.679
Deferred Income	7	15.314.511	14.313.187
<i>To Related Parties</i>	4	5.516.184	6.678.940
<i>To Third Parties</i>		9.798.327	7.634.247
Short-term Provisions		8.726.032	10.973.963
<i>For Employee Benefits</i>	12	1.513.519	3.365.633
<i>Other</i>	9	7.212.513	7.608.330
Other Current Liabilities		18.124	38.476
Non-Current Liabilities		37.919.885	34.864.622
Long-term Financial Liabilities	20	171.730	10.705.550
Other Payables		16.957	21.243
<i>To Third Parties</i>		16.957	21.243
Deferred Income	7	27.523.331	13.018.803
<i>To Related Parties</i>	4	16.036.808	7.709.024
<i>To Third Parties</i>		11.486.523	5.309.779
Long-term Provisions		10.186.257	11.074.804
<i>Long-term Provisions for Employee Benefits</i>	12	1.082.518	1.157.157
<i>Other</i>	9	9.103.739	9.917.647
Other Non-Current Liabilities		21.610	44.222

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ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Note References	Not Reviewed 31 March 2025	Audited 31 December 2024
EQUITY		157.722.276	155.584.121
Equity Attributable to Equity Holders of the Parent		156.696.703	154.417.223
Share Capital	13	4.560.000	4.560.000
Inflation Adjustments on Share Capital Differences	13	27.093.175	27.093.175
Share Premiums		23.118.473	23.118.473
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		3.650.773	3.650.773
<i>Gain on Revaluation of Property, Plant and Equipment</i>		<i>5.056.916</i>	<i>5.056.916</i>
<i>Gain/ Loss on Remeasurement of Defined Benefit Plans</i>		<i>(1.406.143)</i>	<i>(1.406.143)</i>
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		(663.090)	(667.754)
<i>Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income</i>		<i>(539.196)</i>	<i>(539.196)</i>
<i>Cumulative Translation Adjustments</i>		<i>(123.894)</i>	<i>(128.558)</i>
Restricted Reserves	13	5.589.425	5.589.425
Retained Earnings		91.073.131	74.234.875
Net Profit for the Year		2.274.816	16.838.256
Non-Controlling Interests		1.025.573	1.166.898
TOTAL LIABILITIES AND EQUITY		270.045.781	267.230.225

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 THREE-MONTH PERIOD ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Note References	Not Audited	
		1 January- 31 March 2025	1 January- 31 March 2024
PROFIT OR LOSS			
Revenue	14	22.790.773	20.907.611
Cost of Sales (-)	14	(15.969.400)	(14.857.768)
GROSS PROFIT		6.821.373	6.049.843
General Administrative Expenses (-)		(1.417.024)	(1.429.172)
Marketing Expenses (-)		(590.256)	(467.339)
Research and Development Expenses (-)		(842.833)	(413.244)
Other Operating Income	15	10.228.863	7.992.979
Other Operating Expenses (-)	15	(6.793.644)	(5.542.739)
OPERATING PROFIT		7.406.479	6.190.328
Income From Investing Activities		34.292	20.755
Shares of Profit of Equity Accounted Investees		(100.796)	(37.514)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		7.339.975	6.173.569
Financial Income	16	844.753	371.869
Financial Expense (-)	17	(3.294.387)	(2.518.588)
Monetary Gain/(Loss)	18	(7.025.872)	(4.763.331)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(2.135.531)	(736.481)
Tax Income from Continuing Operations	10	4.269.022	2.447.474
- Current Corporate Tax Expense(-)		(87.700)	(6.714)
- Deferred Tax Income		4.356.722	2.454.188
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		2.133.491	1.710.993
Profit for the Period Attributable to		2.133.491	1.710.993
Non-Controlling Interest		(141.325)	(227.657)
Owners of the Company	19	2.274.816	1.938.650
		2.133.491	1.710.993
Earnings for per 100 Shares (in full kuruş)	19	49,89	42,51

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 THREE-MONTH PERIOD ENDED 31 MARCH 2025**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Note References	Audited	
		1 January- 31 March 2025	1 January- 31 March 2024
PROFIT FOR THE YEAR		2.133.491	1.710.993
OTHER COMPREHENSIVE INCOME			
Items that may be Reclassified Subsequently to Profit or Loss			
Cumulative Translation Adjustments		4.664	(61.389)
OTHER COMPREHENSIVE INCOME		4.664	(61.389)
TOTAL COMPREHENSIVE INCOME		2.138.155	1.649.604
Total Comprehensive Income Attributable to			
Non-Controlling Interest		(141.325)	(227.657)
Owners of the Company		2.279.480	1.877.261
		2.138.155	1.649.604

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	Other Comprehensive Income / Expense that will not to be Reclassified Subsequently to Profit or Loss		Other Comprehensive Income / Expense that may not to be Reclassified Subsequently to Profit or Loss			Retained Earnings				
				Revaluation Reserves	Remeasurement of Defined Benefit Plans	Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other	Translation Reserves	Restricted Reserves	Retained Earnings	Net Profit/(Loss) for the Year	Equity Attributable to Owners of the Company	Non-Controlling Interests	Equity
Balance as of 1 January 2024	4.560.000	27.093.147	23.118.473	4.616.794	(1.119.598)	--	89.401	5.533.288	63.267.154	11.585.109	138.743.768	1.699.270	140.443.038
Transfers	--	--	--	--	--	--	--	--	11.585.109	(11.585.109)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	--	--	(61.389)	--	--	1.938.650	1.877.261	(227.657)	1.649.604
Balance as of 31 March 2024 (Closing Balance)	4.560.000	27.093.147	23.118.473	4.616.794	(1.119.598)	--	28.012	5.533.288	74.852.263	1.938.650	140.621.029	1.471.613	142.092.642
Balance as of 1 January 2025	4.560.000	27.093.175	23.118.473	5.056.916	(1.406.143)	(539.196)	(128.558)	5.589.425	74.234.875	16.838.256	154.417.223	1.166.898	155.584.121
Transfers	--	--	--	--	--	--	--	--	16.838.256	(16.838.256)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	--	--	4.664	--	--	2.274.816	2.279.480	(141.325)	2.138.155
Balance as of 31 March 2025 (Closing Balance)	4.560.000	27.093.175	23.118.473	5.056.916	(1.406.143)	(539.196)	(123.894)	5.589.425	91.073.131	2.274.816	156.696.703	1.025.573	157.722.276

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTH ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

	Note References	Not Reviewed 1 January- 31 March 2025	Not Reviewed 1 January- 31 March 2024
A. Cash Flows from Operating Activities		4.228.300	(4.103.979)
Profit for the Period		2.133.491	1.710.993
Adjustments to Reconcile Profit for the Period		1.635.940	(806.729)
- Adjustments for Depreciation and Amortization Expense	8	1.171.162	952.639
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		41.123	(30.966)
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	5	(2.127)	(8.104)
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	6	43.250	(22.862)
- Adjustments for Provisions		331.918	(852.649)
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	12	(1.064.683)	(975.917)
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		1.121.799	(357.678)
<i>Adjustments for (Reversal of) Warranty Provisions</i>		581.169	484.484
<i>Adjustments for (Reversal of) Other Provisions</i>		(306.367)	(3.538)
- Adjustments for Interest (Income) Expenses		(363.426)	(629.845)
<i>Adjustments for Interest Income</i>		(993.468)	(1.222.062)
<i>Adjustments for Interest Expense</i>		630.042	592.217
- Adjustments for Retained Profit of Equity Accounted Investees		100.796	37.514
- Adjustments for Tax (Income)/Expenses		(4.269.022)	(2.447.474)
- Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		2.771.475	1.439.981
- Other Adjustments to Reconcile Profit (Loss)		1.851.914	724.071
Changes in Working Capital		1.999.059	(4.064.128)
- Decrease (Increase) in Trade Receivables		9.521.388	7.303.791
- Decrease (Increase) in Other Receivables Related with Operations		(437.389)	(236.103)
- Decrease (Increase) in Inventories	6	1.430.036	1.122.177
- Decrease (Increase) in Prepaid Expenses	7	(3.869.332)	(1.245.378)
- Increase (Decrease) in Trade Payables	5	(7.195.989)	(3.250.177)
- Increase (Decrease) in Employee Benefit Obligations	12	(459.756)	1.229.180
- Adjustments for Stage of Completion of Construction or Service Contracts in Progress		(1.419.211)	(5.055.776)
- Increase (Decrease) in Other Operating Payables		(275.025)	(336.917)
- Increase (Decrease) in Government Grants and Subsidies		(6.645)	300
- Increase (Decrease) in Deferred Income		7.885.539	(6.043.052)
- Adjustments Related to Monetary Gain/ Losses		(2.798.503)	3.344.309
- Other Increase (Decrease) in Working Capital		(376.054)	(896.482)
Cash Flows From Operations		5.768.490	(3.159.864)
Payments Related with Provisions for Employee Benefits	12	(448.554)	(144.457)
Payments Related with Other Provisions		(1.003.936)	(802.432)
Income Taxes Refund (Paid)		(87.700)	2.774
B. Cash Flows From Investing Activities		(5.775.575)	(3.337.579)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		41.786	213.706
Purchase of Property, Plant and Equipment	8	(1.546.865)	(938.112)
Purchase of Intangible Assets	8	(4.406.919)	(2.696.440)
Other Cash Inflows (Outflows)		136.423	83.267
C. Cash Flows From Financing Activities		(2.388.390)	2.527.297
Proceeds from Borrowings		6.686.267	9.702.865
Repayments of Borrowings		(9.074.657)	(7.175.568)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		(3.935.665)	(4.914.261)
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		84.296	41.411
E. MONETARY GAIN/LOSS EFFECT ON CASH AND CASH EQUIVALENTS		(1.674.208)	(1.375.115)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		(5.525.577)	(6.247.965)
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		18.311.472	10.489.604
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	3	12.785.895	4.241.639

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

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

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

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

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

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

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

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

The Company is registered to Capital Markets Board of Türkiye ("CMB") and its shares have been quoted in Borsa İstanbul Anonim Şirketi ("BİST") since 1990. As of 31 March 2025, 25,80 percent of the Company's shares are publicly traded (31 December 2024: 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 31 March 2025 is 13.232 (31 December 2024: 12.014).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (continued)

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

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

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 The Basis of Presentation

Statement of Compliance to TFRS

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

The consolidated financial statements has been presented with examples of Financial Statement by the POA. All reports have suited the TFRS formats. The consolidated financial statements are prepared according to historical cost accounting except for the revaluation of land and financial instruments. The consolidated condensed financial statements of the Group for the three months ended 31 March 2025 have been prepared in accordance with TAS 34 Interim Financial Reporting. The interim condensed financial statements do not contain all the information and explanations that should be included in the annual financial statements and should be read together with the annual consolidated financial statements of the Group as of 31 March 2025.

Approval of the Consolidated Financial Statements

These consolidated financial statements have been approved for issue by the Board of Directors with the resolution number 1265 on 29 April 2025. There is no authority other than General Assembly and legal entities has the right to amend the consolidated financial statements.

Functional Currency

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

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

2.1 The Basis of Presentation (continued)

Preparation of Financial Statements in Hyperinflationary Periods

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

On November 23, 2023, Public Oversight Accounting and Auditing Standards Authority ("POA") announced the application of inflation accounting in Turkey and according to the announcement, financial statements of entities applying TFRS for the annual reporting period ending on or after December 31, 2023 should be presented as adjusted for the effects of inflation in accordance with the related accounting principles in TAS 29. As of the date of these financial statements, inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 31 March 2025.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms using the general price index. One of the conditions that require the application of TAS 29 is a three-year cumulative inflation rate of approximately 100% or more. In Turkey, based on the consumer price index ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"), the cumulative rate was 250% for the three-year period ended 31 March 2025 (31 December 2024: %291).

Adjustments for inflation have been calculated based on the coefficients calculated using the Consumer Price Index in Turkey published by the Turkish Statistical Institute. As of 31 March 2025, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

Period	Index	Correction Coefficient
31 March 2025	2.684,55	1
31 December 2024	2.684,55	1,10063
31 March 2024	2.139,47	1,38104
31 December 2023	1.859,38	1,58907

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

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

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

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

2.2 The Basis of Presentation (continued)

Non-monetary assets and liabilities are restated by reflecting the changes in the general price index from the date of acquisition or initial recognition to the balance sheet date in their acquisition costs and accumulated amortization amounts. Accordingly, property, plant and equipment, intangible assets, right-of-use assets and similar assets are restated to their acquisition values, which do not exceed their market values. Depreciation has been restated in a similar manner. Amounts included in shareholders' equity have been restated by applying the consumer price indices for the periods in which such amounts were contributed to or arose within the Company.

All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

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

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

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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
			31 March 2025	31 December 2024	
ASELSANNET	Türkiye	TL	100	100	Communication systems
ASELSAN Baku	Azerbaijan	AZN	100	100	Marketing and sales of the group products
ASELSAN Global	Türkiye	TL	100	100	Export
ASELSAN Optik	Türkiye	TL	80	80	Sensitive optic technologies
Mikro AR-GE	Türkiye	TL	85	85	Microelectronic R&D projects
ASELSAN Malaysia	Malaysia	MYR	100	100	Remote controlled weapon systems
ASELSAN Konya	Türkiye	TL	51	51	Weapon and weapon systems
BITES	Türkiye	TL	100	100	Defense, Aerospace, Space Technologies, Software
ASELSAN Ukraine	Ukraine	UAH	100	100	Marketing and sales of the group products
ASELSAN Latin Amerika	Chile	CLP	100	100	Marketing and business development
ASELSAN UAE	BAE	AED	100	100	Marketing and business development

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

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

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

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

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

2.2 The Basis of Presentation (continued)

Basis of Consolidation (continued)

Subsidiaries (continued):

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

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

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

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

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

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

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

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

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

2.1 The Basis of Presentation (continued)

Basis of Consolidation (continued)

Joint Ventures

The details of the Group's interests in joint ventures as of 31 March 2025 and 31 December 2024 are as follows:

Joint Ventures	Principal Activity	Country of establishment and operation	Group's proportion of ownership and voting power held (%)	
			31 March 2025	31 December 2024
Mikro Nano Teknolojileri Sanayi ve Ticaret Anonim Şirketi ("ASELSAN Bilkent")	Production of micro and nano sized devices which contains semi-conductive and similar technological materials	Türkiye	50	50
International Golden Group ("IGG") ASELSAN Integrated Systems LLC ("IGG ASELSAN")	Manufacturing, testing, maintenance-repair and marketing of remote control system	United Arab Emirates	49	49
Kazakhstan ASELSAN Engineering LLP ("ASELSAN Kazakhstan")	Manufacturing, development and maintenance repair of electronic devices and systems	Kazakhstan	49	49
ASELSAN Middle East PSC ("ASELSAN Jordan")	Production, sales and technical maintenance service of electronic and electro-optic devices and systems	Jordan	49	49
TÜYAR Mikroelektronik Sanayi ve Ticaret Anonim Şirketi ("TÜYAR")	Production of micro and nano-sized devices containing semiconductor	Türkiye	51	51
BARQ QSTP LLC. ("BARQ QSTP LLC.")	Command and control systems, thermal and night vision camera, crypto, remote-controlled weapon systems	Qatar	48	48
Teknohab Teknoloji Geliştirme Bölgesi Yönetici Anonim Şirketi ("TEKNOHAB")	Manage and operate the technology development zone	Türkiye	13	13
EHSİM Elektronik Harp Sistemleri Müh. Tic. A.Ş. ("EHSİM")	Electronic warfare systems, tactical command and control systems & decoy target systems	Türkiye	50	50
TR Eğitim ve Teknoloji A.Ş. ("TR Eğitim")	Human Resources Studies, consultancy and training activities, certification activities, training software activities, publishing activities	Türkiye	35	35
İstanbul Finans ve Teknoloji Merkezi ("İFTÜ")	To establish infrastructure activities for the development of the financial technology ecosystem	Türkiye	44	44
Adıyaman Kablo ve Konnektör A.Ş. ("Adıyaman Kablo")	Production, design and sale of cables, connectors, cabling and similar products and technologies	Türkiye	15	15
ULAK Haberleşme A.Ş. ("ULAK")	Design, development and engineering activities of broadband communication devices and mobile communication systems	Türkiye	51	51

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH ENDED 31 MARCH 2025

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2025, unless otherwise indicated.)

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

2.1 The Basis of Presentation (continued)

Basis of Consolidation (continued)

Joint Ventures (continued):

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

The Group's joint ventures; EHSİM established in 1998, IGG ASELSAN and ASELSAN Kazakhstan established in 2011, ASELSAN Jordan established in 2012 and ASELSAN Bilkent established in 2014, TÜYAR and ULAK established in 2017, TEKNOHAB established in 2018, TR Eğitim established in 2019, İFTÜ established in 2022, and Adıyaman Kablo established in 2024 were included in the condensed consolidated financial statements by using the equity method. Since BARQ QSTP LLC is at micro level, there is no material consolidation effect on the Group's financial statements.

2.2 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

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

2.3 Accounting Policies, Changes in Accounting Estimates and Errors

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

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

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

2.4 New and Revised Turkish Accounting Standards

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a) The new standards, amendments and interpretations which are effective as at 1 January 2025 are as follows:

Amendments to IAS 21 - Lack of Exchangeability;

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Group assessed that there is no impact on its consolidated financial statements resulting from the amendments of IAS 21.

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

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

IFRS 18 Presentation and Disclosure in Financial Statements;

Effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 Subsidiaries without Public Accountability: Disclosures;

Effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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

2.4 New and Revised Turkish Accounting Standards (continued)

Amendments to the Classification and Measurement of Financial Instruments

Amendments to the Classification and Measurement of Financial Instruments was issued in May 2024 in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures. effective from 1 January 2026.

The amendments specify:

- when a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date;
- how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and
- new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Annual Improvements to IFRS Accounting Standards—Volume 11

Annual Improvements to IFRS Accounting Standards—Volume 11 contains the following amendments *effective from 1 January 2026*:

IFRS 1 First-time Adoption of International Financial Reporting Standards

- *Hedge accounting by a first-time adopter*

IFRS 7 Financial Instruments: Disclosures

- *Gain or loss on derecognition*

Guidance on implementing IFRS 7 Financial Instruments: Disclosures

- *Introduction*
- *Disclosure of deferred difference between fair value and transaction price*
- *Credit risk disclosures*

IFRS 9 Financial Instruments

- *Derecognition of lease liabilities*
- *Transaction price*

IFRS 10 Consolidated Financial Statements

- *Determination of a ‘de facto agent’*

IAS 7 Statement of Cash Flows

- *Cost method*

Contracts Referencing Nature-dependent Electricity

Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments effective from 1 January 2026: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity’s financial statements.

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3. CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash	1.125	1.171
Bank		
- <i>Time deposit</i>	12.601.730	16.989.989
- <i>Demand deposit</i>	78.980	1.155.838
Other	104.060	164.474
Cash and cash equivalents on the cash flow statement	12.785.895	18.311.472
Interest income accruals	46.220	--
	12.832.115	18.311.472

As of 31 March 2025, the Group has time deposits denominated in foreign currencies with maturities on April 2025 (31 December 2024: January 2025), with the interest rates between 3,25 percent and 4,50 percent (31 December 2024: 0,50 percent and 3 percent) amounting to TL 2.112.219 (31 December 2024: TL 2.061.578) in several banks.

As of 31 March 2025, the Group has time deposits denominated in TL terms with maturities on April 2025 (31 December 2024: January 2025) with the interest rates between 42,50 percent and 46,00 percent (31 December 2024: 48,50 percent and 49,25 percent) amounting to TL 10.489.511 (31 December 2024: TL 14.928.411) in several banks.

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

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4. RELATED PARTY DISCLOSURES

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

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

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

Total amount of salaries and other short-term benefits paid for key management for the period ended 31 March 2025 is approximately TL 119.986 (The vast majority consists of paid wages and benefits.) (31 March 2024: TL 83.864).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH ENDED 31 MARCH 2025

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4. RELATED PARTY DISCLOSURES (continued)

	31 March 2025									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
Balances with related parties	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables	Trading	Deferred Income
Main shareholder										
TSKGV	86	--	--	--	--	--	--	--	--	--
Main shareholder’s subsidiaries and associates										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	52.510	693.652	--	33.063	167.854	276.449	25.180	--	--	1.143.340
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	41.438	275.827	--	--	59.936	437.351	31.283	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	220.236	--	--	39.607	137.855	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	6	8.303	--	--	17.170	77.171	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	118.559	12.881	--	878.539	--	29.291	22.186	--	--	648.500
Tusaş Motor Sanayii Anonim Şirketi (“TEI”)	12.719	--	--	--	--	--	--	--	--	--
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	3.880.838	--	--	4.383.516	--	1.235	231.707	--	--	599.123
Financial Instruments										
ASPILSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPILSAN”)	2	22.960	--	--	--	7.584	7.035	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	3.903.249	58.981	--	459.522	863.838	129.178	460.283	--	--	185.524
Joint ventures and its related parties										
ASELSAN Bilkent	--	286.946	--	--	65.609	50.721	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	6.170	--	--	--	10.821	--	--	--	--
IGG	23.234	--	--	3.038	--	--	2.334	--	--	--
IGG ASELSAN	6.503	43.166	--	--	3.627	26.685	--	--	--	--
ASELSAN Kazakistan	323.906	--	--	59.682	--	308	1.381	--	--	--
ASELSAN Jordan	139.476	--	--	--	--	27.935	4.090	--	--	5.513
TÜBİTAK BİLGEM	--	100.567	--	--	13.838	81.810	--	--	--	--
TÜBİTAK-UME	--	5.936	--	--	--	3	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	9.849	52.688	--	224.323	1.029	7.877	7.553	--	--	14.214
TÜBİTAK SAGE Savunma Sanayii	11.287	501.361	--	4.359	49.021	82.518	1.624	--	--	--
Savunma Sanayi Başkanlığı (“SSB”)	4.801.426	--	--	37.605.143	--	--	4.258.240	--	--	13.424.093
SSTEK	3	--	--	--	--	--	463.288	--	--	16.501
EHSİM	539	162.638	--	--	817	95.531	--	--	--	--
ULAK	991.993	2.374	--	--	--	--	--	--	--	--
TÜYAR	--	59.605	--	--	--	--	--	--	--	--
TR Eğitim	--	--	--	--	--	76	--	--	--	--
	14.317.623	2.514.291	--	43.651.185	1.282.346	1.480.399	5.516.184	--	--	16.036.808

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4. RELATED PARTY DISCLOSURES (continued)

	31 December 2024									
	Receivables					Payables				
	Short-term		Other Receivables	Long-term		Short-term		Other Payables ¹	Long-term	
Trading	Prepaid Expenses	Trading		Prepaid Expenses	Trading	Deferred Income	Trading		Deferred Income	
Balances with related parties										
Main shareholder										
TSKGV	--	--	--	--	--	--	--	374.607	--	--
Main shareholder’s subsidiaries and associates										
Hava Elektronik San. ve Tic. Anonim Şirketi (“HAVELSAN”)	57.130	595.127	--	16.309	227.954	930.880	6	--	--	708.240
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	45.331	245.771	--	--	56.721	580.197	13.044	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	--	206.269	--	--	46.335	85.030	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	9.030	--	--	20.391	46.566	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	151.688	22.811	--	820.883	--	20.164	--	--	--	695.745
Tusaş Motor Sanayii Anonim Şirketi (“TEİ”)	48.266	--	--	--	--	--	--	--	--	--
Türk Havaçılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	4.441.847	--	--	2.543.320	--	15.556	395.359	--	--	--
Financial Instruments										
ASPILSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPILSAN”)	--	26.158	--	--	5.312	21.092	5.170	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	4.127.927	82.602	--	432.874	914.461	511.432	568.279	--	--	289.075
Joint ventures and its related parties										
ASELSAN Bilkent	--	270.686	--	--	80.876	97.124	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	6.847	--	--	--	40	--	--	--	--
IGG	23.850	--	--	3.344	--	--	2.569	--	--	--
IGG ASELSAN	6.676	40.041	--	--	3.992	26.665	--	--	--	--
ASELSAN Kazakistan	328.677	--	--	65.687	--	317	1.520	--	--	--
ASELSAN Jordan	135.433	--	--	--	--	28.679	383	--	--	6.068
TÜBİTAK BİLGEM	--	93.497	--	--	15.284	111.045	--	--	--	--
TÜBİTAK-UME	--	2.745	--	--	--	3	--	--	--	--
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	10.850	50.186	--	338.935	1.413	4.105	6.070	--	--	15.183
TÜBİTAK SAGE Savunma Sanayii	33.049	216.322	--	10.684	84.826	170.139	1.122	--	--	--
Savunma Sanayi Başkanlığı (“SSB”)	3.479.405	--	--	39.947.935	--	--	5.246.496	--	--	5.976.585
SSTEK	4	--	--	--	--	--	438.922	--	--	18.128
ULAK	1.026.519	2.612	--	--	--	3.594	--	--	--	--
TÜYAR	--	57.374	--	--	--	--	--	--	--	--
EHSİM	--	176.629	--	--	2.901	53.406	--	--	--	--
	13.916.652	2.104.707	--	44.179.971	1.460.466	2.706.034	6.678.940	374.607	--	7.709.024

¹ All other short term payable is 2023 dividend payments.

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4. RELATED PARTY DISCLOSURES (continued)

	1 January- 31 March 2025	1 January- 31 March 2024
Transactions with related parties	Purchases	Purchases
<u>Main Shareholder</u>		
TSKGV	729	601
<u>Main shareholder's subsidiaries and associates</u>		
NETAŞ	49.679	39.072
STM	20.234	3.979
İŞBİR	140.561	60.200
HTR	317.773	237.367
TUSAŞ	768	315
HAVELSAN	73.665	11.742
<u>Financial Instruments</u>		
ASPİLSAN	36.221	50.214
<u>Joint ventures and its related parties</u>		
İHSAN DOĞRAMACI BİLKENT ÜNİVERSİTESİ	12.150	717
TÜBİTAK BİLGEM	16.756	100.599
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	6.950	3.328
TÜBİTAK UME	--	660
TÜBİTAK SAGE SAVUNMA SANAYİİ	103.930	157.657
	779.416	666.451

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4. RELATED PARTY DISCLOSURES (continued)

	1 January- 31 March 2025	1 January- 31 March 2024
Transactions with related parties	Sales	Sales
<u>Main Shareholder</u>		
TSKGV	171	60
<u>Main shareholder’s subsidiaries and associates</u>		
TUSAŞ	3.701.351	4.355.963
STM	153.044	1.904.853
HAVELSAN	53.525	13.721
HTR	7.028	14.102
NETAŞ	5	--
<u>Financial Instruments</u>		
ROKETSAN	1.083.894	778.226
ASPİLSAN	1	145
<u>Joint ventures and its related parties</u>		
TÜBİTAK BİLİMSEL TEKNOLOJİK ARAŞTIRMA	9.986	40.227
TÜBİTAK SAGE SAVUNMA SANAYİİ	3.721	53.725
SSB	10.473.121	16.044.809
SSTEK	--	14.660
	15.485.847	23.220.491

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

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

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

	31 March 2025	31 December 2024
Short-term trade receivables		
Trade receivables	13.323.846	17.238.062
Trade receivables from related parties (Note 4)	14.317.623	13.916.652
Notes receivable	30.510	44.774
Other Receivables	9.248	9.353
Doubtful trade receivables	33.413	35.540
Allowance for doubtful trade receivables (-)	(33.413)	(35.540)
	27.681.227	31.208.841

	31 March 2025	31 December 2024
Long-term trade receivables		
Unbilled receivables from contracts with customers	18.430.180	15.490.905
Trade receivables	847.937	840.592
Unbilled receivables from contracts with customers - Related party (Note 4)	43.651.185	44.179.971
	62.929.302	60.511.468

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

	31 March 2025	31 March 2024
Opening balance	35.540	84.185
Provision for the period	1.122	2.917
Monetary gain/(loss)	(3.249)	(11.021)
Closing balance	33.413	76.081

b) Trade payables

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

	31 March 2025	31 December 2024
Short-term trade payables		
Trade payables	11.846.555	17.349.918
Due to related parties (Note 4)	1.480.399	2.706.034
Notes Payable	63.020	1.237.817
Other trade payables	345.142	455.267
	13.735.116	21.749.036

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6. INVENTORIES

	31 March 2025	31 December 2024
Raw materials	28.403.771	28.198.167
Work-in progress	14.032.857	13.814.594
Goods in transit ¹	1.573	23.026
Finished goods	2.048.529	1.705.781
Other inventories	629.482	3.018.534
Trade goods	1.451.175	1.109.219
Allowance for impairment on inventories (-)	(66.276)	(23.026)
	46.501.111	47.846.295

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

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

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

	2025	2024
Opening balance	23.026	121.481
Provision for the period	174.265	38.939
Provision unrealised	(131.015)	(61.801)
Closing balance	66.276	98.619

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

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7. PREPAID EXPENSES AND DEFERRED INCOME

	31 March 2025	31 December 2024
Short-term prepaid expenses		
Order advances given for inventory purchases	11.768.527	8.653.572
Short-term order advances given to related parties for inventory purchases (Note 4)	2.514.291	2.104.707
Work advances	1.005.382	779.918
Prepaid expenses	2.158.485	1.902.762
	17.446.685	13.440.959
	31 March 2025	31 December 2024
Long-term prepaid expenses		
Long-term order advances given to related parties for inventory purchases (Note 4)	1.282.346	1.460.466
Order advances given for inventory purchases	1.535.433	1.477.026
Order advances given for fixed assets purchases	373.225	523.497
Prepaid expenses	637.245	653.925
	3.828.249	4.114.914
	31 March 2025	31 December 2024
Short-term deferred income		
Order advances received	3.679.367	4.065.588
Order advances received from related parties (Note 4)	5.516.184	6.678.940
Deffered income	6.118.960	3.568.659
	15.314.511	14.313.187
	31 March 2025	31 December 2024
Long-term deferred income		
Order advances received	9.207.282	4.880.034
Order advances received from related parties (Note 4)	16.036.808	7.709.024
Deferred income	2.279.241	429.745
	27.523.331	13.018.803

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8. PROPERTY, PLANT AND EQUIPMENT

Cost	Property, Plant and Equipment	Intangible Assets
Opening balance as of 1 January 2025	68.939.373	37.331.230
Additions	1.562.120	4.406.919
Disposals	(244.034)	(1.950.295)
Closing balance as of 31 March 2025	70.257.459	39.787.854
Accumulated Depreciation and Amortisation		
Opening balance as of 1 January 2025	27.765.859	13.302.959
Change for the period ¹	991.545	307.720
Disposals	(27.578)	(194.764)
Closing balance as of 31 March 2025	28.729.826	13.415.915
Net book value as of 31 March 2025	41.527.633	26.371.939
Net book value as of 31 December 2024	41.173.514	24.028.271
Cost		
Opening balance as of 1 January 2024	64.069.777	27.394.232
Additions	940.770	2.696.440
Disposals	(760.734)	(885.947)
Transfers	--	--
Closing balance as of 31 March 2024	64.249.813	29.204.725
Accumulated Depreciation and Amortisation		
Opening balance as of 1 January 2024	26.361.371	8.090.533
Change for the period	778.622	277.408
Disposals	(470.555)	(140.097)
Closing balance as of 31 March 2024	26.669.438	8.227.844
Net book value as of 31 March 2024	37.580.375	20.976.881
Net book value as of 31 December 2023	37.708.406	19.303.699

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

¹ The amount of amortization related to inventories are TL 128.103 in the year 2025 (March 2024: TL 103.391)

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

	31 March 2025	31 December 2024
Other short-term provisions		
Provision for warranties ¹	3.643.381	4.337.480
Provision for onerous contracts	218.200	240.158
Provision for delay penalties ²	2.817.133	2.108.334
Sales commission	114.715	126.259
Provision for legal cases	56.752	60.111
Provision for cost expenses	286.103	712.071
Other	76.229	23.917
	7.212.513	7.608.330
	31 March 2025	31 December 2024
Other long-term provisions		
Provision for delay penalties	503.017	553.636
Provision for onerous contracts	8.600.722	9.364.011
	9.103.739	9.917.647

b) Legal cases

There has not been any final judicial decision against the Group due to the responsibility related with work accidents within 2025.

As of the dates 31 March 2025 and 31 December 2024, according to the declarations written by the legal counselors, the lawsuits and legal executions in favor of and against the Group are as follows:

	2025	2024
Description		
a) Ongoing lawsuits filed by the Group	26.481	47.179
b) Execution proceedings carried out by the Group	730.428	822.057
c) Ongoing lawsuits filed against the Group	56.752	60.112
d) Executions against the Group	16.637	21.098
e) Lawsuits finalized against the Group within the period	1.531	7.769
f) Lawsuits finalized in favor of the Group within the period	20.468	5.453
a) Ongoing lawsuits filed by the Group are comprised of lawsuits for patents, trademarks and lawsuits filed by the Group due to the disagreements related to previous lawsuits. These lawsuits will not be recognised in the financial statements until they are finalized.		
b) Execution of proceedings carried out by the Group are comprised of lawsuits that would result in favor of the Group that will be recognised as revenue under “Other Operating Income” line when they are collected.		
c) The Company made provisions for all lawsuits filed against the Group and recognised as “Provisions” in the statement of financial position and “Other Operating Expense” in the statement of profit or loss and other comprehensive income.		
d) Executions against the Group are not included in Financial Statements.		
e) Lawsuits finalized against the Group are recognised in the statement of profit or loss to the extent that the amount differs from the amount previously provided. Amounts in excess of the amount previously provided are recognised under ‘Other Operating Expense’ when the penalty is paid.		
f) Lawsuits finalized in favor of the Group are recognised in statement of profit or loss and other comprehensive income under “Other Operating Income” line when the final judgement is determined.		

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

² Provision for delay penalties and fines are calculated in accordance with interest rates mentioned in the agreement for default and within the client’s knowledge.

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10. TAX

"Deferred Tax Assets" of the Group as of 31 March 2025 is TL 12.504.809. The amount is comprised of the items below.

	31 March 2025	31 December 2024
Carried Forward R&D Incentives Effect	14.194.198	9.651.464
Temporary Differences	(1.689.389)	(683.435)
Deferred Tax Assets - Net	12.504.809	8.968.029

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

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

In accordance with the law numbered 5746 pertaining to 1 January-31 March 2025 period the Group has calculated "Deferred Tax Asset" amounting to TL 14.194.198 from Research and Development expenses comprising "Outstanding Research and Development Deductions".

	31 March 2025	31 March 2024
Profit before tax from continuing operations	(2.135.531)	(736.481)
Tax (expense)/income recognized in profit or loss	4.269.022	2.447.474
Effective tax rate	(%200)	(%332)

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

11. COMMITMENTS AND CONTINGENCIES

a) Guarantees received

	31 March 2025	31 December 2024
Letters of guarantees received from the suppliers	10.718.537	10.759.871
Collaterals received from the customers	749.499	744.706
Letters of guarantees received from the customers	--	49.207
Collaterals received from the suppliers	1.556.684	1.525.608
Letters of guarantees received from the suppliers	485.925	518.383
Letters of guarantees received from the customers	--	2.201
	13.510.645	13.599.976

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

The collaterals/pledges/mortgages ("CPM") given by the Group as of 31 March 2025 and 31 December 2024 is as follows:

In accordance with the terms of the Patrol and Anti-Submarine Warfare Ship Projects ("MİLGEM"), the Company is a guarantor if HAVELSAN cannot be able to fulfill the obligations in this project of an amount of USD 294.403.

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11. COMMITMENTS AND CONTINGENCIES (continued)

c) Guarantees given

<u>31 March 2025</u>	<u>TL Equivalent</u>	<u>TL</u>	<u>USD</u>	<u>EURO</u>	<u>Rumen Leyi</u>	<u>Qatar Rial</u>
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	18.152.811	2.660.883	276.830	122.897	4.004	250
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	162.808	--	--	4.000	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
D. Total amount of other CPM given						
i. Total Amount of CPM on behalf of the main partner						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C ¹						
-Collateral	16.957	--	449	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	18.332.576	2.660.883	277.279	126.897	4.004	250

¹ The ratio of the other CPM given by the Group to equity as of 31 March 2025 is 0,01 percent. TL 16.957 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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11. COMMITMENTS AND CONTINGENCIES (continued)

c) Guarantees given (continued)

31 December 2024	TL Equivalent	TL	USD	EURO	Rumen Leyi	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	17.249.015	2.376.455	278.011	100.387	4.004	250
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	161.762	--	--	4.000	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
C. Total amount of CPM given to maintain operations and collect payables from third parties						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
D. Total amount of other CPM given						
i. Total Amount of CPM on behalf of the main partner						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
ii. Total amount of CPM given on behalf of other group companies that do not cover B and C ¹						
-Collateral	49.235	--	1.270	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	17.460.012	2.376.455	279.281	104.387	4.004	250

¹ The ratio of the other CPM given by the Group to equity as of 31 December 2024 is 0,03 percent. TL 49.236 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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12. EMPLOYEE BENEFITS

a) Short-term provisions for employee benefits

	31 March 2025	31 December 2024
Provision for vacation pay and overtime	1.513.519	1.248.198
Bonus provision	--	2.117.435
	1.513.519	3.365.633

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

	2025	2024
Opening balance	1.248.198	1.114.971
Provision for the period	461.702	140.575
Provision paid during the period	(77.339)	(67.354)
Provision realized during the period	(4.921)	(6.806)
Monetary gain/(loss)	(114.121)	(129.708)
Closing balance	1.513.519	1.051.678

b) Long-term provisions for employee benefits

	31 March 2025	31 December 2024
Provision for severance pay	1.082.518	1.157.157
	1.082.518	1.157.157

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

	2025	2024
Opening balance	1.157.157	1.689.627
Service cost	402.374	111.618
Payments	(371.215)	(77.103)
Monetary gain/(loss)	(105.798)	(221.199)
Closing balance	1.082.518	1.502.943

Provision for severance pay:

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

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12. EMPLOYEE BENEFITS (continued)

Provision for severance pay (continued)

Certain provisions regarding services before retirement, has been annulled on 23 May 2002 during the revision of the related law. As of 31 March 2025 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 46.655,43 (31 December 2024: TL 46.655,43)

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:

	<u>31 March 2025</u> (%)	<u>31 December 2024</u> (%)
Interest rate	24,90	24,90
Inflation rate	21,05	21,05
Discount ratio	3,18	3,18
Estimation of probability of retirement ratio	94	94

13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital

<u>Shareholders</u>	<u>Share (%)</u>	<u>31 March 2025</u>	<u>Share (%)</u>	<u>31 December 2024</u>
TSKGV	74,20	3.383.302	74,20	3.383.302
Publicly held	25,80	1.176.698	25,80	1.176.698
Nominal capital	100	4.560.000	100	4.560.000
Share capital adjustment		<u>27.093.175</u>		<u>27.093.175</u>
Inflation adjusted capital		<u>31.653.175</u>		<u>31.653.175</u>

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

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

Restricted reserves

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

Retained Earnings

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

Profit distribution

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

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

14. REVENUE AND COST OF SALES

	1 January- 31 March 2025	1 January- 31 March 2024
a) Revenue		
Domestic sales	19.969.614	17.062.385
Export sales	2.821.159	3.845.226
	22.790.773	20.907.611
	1 January - 31 March 2025	1 January - 31 March 2024
Revenue Recognized Regarding Performance Obligation		
Over time	17.561.384	17.387.336
Point in time	5.229.389	3.520.275
	22.790.773	20.907.611
	1 January- 31 March 2025	1 January- 31 March 2024
b) Cost of sales(-)		
Cost of raw materials and supplies (-)	11.319.103	11.205.610
Cost of merchandise goods sold (-)	284.159	1.819.212
Cost of services sold (-)	4.150.195	1.382.125
Cost of other sales (-)	215.943	450.821
	15.969.400	14.857.768

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15. OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign currency exchange differences from operations	9.086.994	6.435.486
Amortized cost effect of trade payables	817.931	1.180.302
Other income	323.938	377.191
	10.228.863	7.992.979

b) Other operating expense (-)

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign currency exchange differences from operations (-)	5.871.366	4.360.884
Amortized cost effect of trade receivables (-)	630.042	592.217
Other expense and losses (-)	292.236	589.638
	6.793.644	5.542.739

16. FINANCIAL INCOME

	1 January- 31 March 2025	1 January- 31 March 2024
Interest income	813.418	263.353
Foreign currency exchange gains from bank loans	31.335	108.516
	844.753	371.869

17. FINANCIAL EXPENSES

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign currency exchange losses from bank loans (-)	2.732.555	1.549.405
Interest cost of borrowings (-)	561.832	969.183
	3.294.387	2.518.588

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18. GAIN/(LOSS) ON NET MONETARY POSITION

As of 31 March 2025, the details of the net monetary position gains (losses) arising from non-monetary financial statement items reported in the Group's profit or loss statement are as follows:

Net Monetary Gain/ (Losses)	31 March 2025
Balance Sheet Items	(6.844.866)
Inventories	138.269
Prepaid expenses	1.522.712
Property, plant and equipment	3.082.508
Intangible assets	2.451.647
Equity accounted investments and financial investments	1.211.649
Deferred income	(1.121.162)
Share capital	(2.894.033)
Share premiums	(2.113.709)
Other comprehensive income / (expense) that will not be reclassified to profit or (loss)	(336.167)
Other comprehensive income / (expense) that will be reclassified to profit or (loss)	49.298
Restricted reserves	(501.426)
Retained earnings	(8.334.452)
Statement of Profit or Loss Items	(181.006)
Revenue	(527.657)
Cost of sales (-)	306.576
General administrative expenses (-)	21.527
Marketing expenses (-)	12.151
Research and development expenses (-)	11.505
Other operating income	(228.601)
Other operating expenses (-)	199.325
Income from investing activities	(389)
Financial income	(20.002)
Financial expense (-)	44.559
Net Monetary Gain/ (Losses)	(7.025.872)

19. 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 31 March 2025 and 2024 earnings per share calculations are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Number of shares outstanding (in thousands)	4.560.000	2.280.000
Net profit – TL	2.274.816	1.938.650
Earnings per 100 shares (kuruş)	49,89	42,51
Diluted earnings per 100 shares (kuruş)	49,89	42,51

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20. FINANCIAL LIABILITIES

Financial Liabilities

		31 March 2025	31 December 2024
Short-term financial liabilities	Unsecured loan	5.957.478	14.863.146
Other short-term financial liabilities	Unsecured loan	79.351	66.645
Current portion of long-term financial liabilities	Unsecured loan	26.736.849	10.203.729
Total short-term financial liabilities		32.773.678	25.133.520
Other long-term financial liabilities	Unsecured loan	171.730	10.705.550
Total long-term financial liabilities		171.730	10.705.550
Total financial liabilities		32.945.408	35.839.070

As of 31 March 2025, TL 5.272.445 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between May 2025 and December 2025 and the interest rates between 3,15 percent and 4,50 percent. As of 31 March 2025, TL 377.656 of financial debts within short-term borrowings consist of USD Rediscount Foreign Currency Loans, which have maturity dates due August 2025 and the interest rate is 5,99 percent. As of 31 March 2025, TL 307.377 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due April 2025 and the interest rates is 26,93 percent.

As of 31 March 2025, there are TL 14.274.201 Spot EUR Loans within the short-term borrowings, which have maturity dates due between July 2025 and February 2026, and the interest rates between 4,50 percent and 5,10 percent. As of 31 March 2025, there are TL 12.462.648 Spot USD Loans within the short-term borrowings, which have maturity dates due between July 2025 and March 2026, and the interest rates between 5,25 percent and 5,99 percent.

As of 31 March 2025, TL 79.351 of other short-term financial liabilities were taken within the scope of investment credit, which have maturity dates due November 2025, and the interest rates 49,00 percent.

As of 31 March 2025, TL 171.730 of financial debts included in the long-term borrowings were taken within the scope of investment credit, which have maturity dates due October 2027 and the interest rate is between 8,25 percent and 12,50 percent.

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20. FINANCIAL LIABILITIES (continued)

Financial Liabilities (continued)

As of 31 December 2024, TL 3.639.630 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between May 2025 and December 2025 and the interest rates between 4,29 percent and 4,42 percent. As of 31 December 2024, TL 5.459.446 of the financial debts included in short-term borrowings consists of EUR Spot Loans, which have maturity dates due between January 2025 and November 2025 and the interest rates between 4,30 percent and 5,95 percent. As of 31 December 2024, TL 5.326.161 of financial debts within short-term borrowings consist of USD Spot Loans, which have maturity dates due between February 2025 and August 2025 and the interest rate is between 5,70 percent and 6,75 percent. As of 31 December 2024, TL 38.522 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between April 2025 and the interest rates 26,93 percent. As of 31 December 2024, TL 399.387 of financial debts within short-term borrowings consist of TL investment loans, which have maturity dates due between November 2025 and the interest rates 49 percent.

As of 31 December 2024, there are TL 7.279.261 EUR Spot Loans within the short-term borrowings, which have maturity dates due between July 2025 and October 2025, and the interest rates between 4,99 percent and 5,00 percent. As of 31 December 2024, there are TL 2.924.468 USD Spot Loans within the short-term borrowings, which have maturity dates due between February 2025 and August 2025, and the interest rates between 5,25 percent and 5,99 percent.

As of 31 December 2024, TL 66.645 of other short-term financial liabilities were taken within the scope of investment credit, which have maturity dates due November 2025, and the interest rates 49 percent.

As of 31 December 2024, TL 4.529.318 of the financial debts included in the long-term borrowings consists of EUR Spot Loans, which have maturity dates due February 2026 and the interest rates between 4,75 and 5,10 percent. As of 31 December 2024, TL 5.971.349 of the financial debts included in the long-term borrowings consists of USD Spot Loans, which have maturity dates due January 2026 and the interest rates 5,85 percent.

As of 31 December 2024, TL 204.883 of financial debts included in the long-term borrowings were taken within the scope of investment credit, which have maturity dates due December 2026 and the interest rate is between 9 percent and 17,50 percent.

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21. FOREIGN EXCHANGE POSITION

FOREIGN EXCHANGE POSITION						
31 March 2025	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other ¹
1. Trade receivables	15.583.993	327.632	12.373.222	78.885	3.210.771	--
2a. Monetary financial assets (including cash, bank)	2.134.035	29.518	1.114.758	24.963	1.016.054	3.223
2b. Non- monetary financial assets	10.827.946	125.056	4.722.817	61.793	2.515.083	155.234
3. Other	52.476	1.268	47.882	105	4.264	330
4. Current assets (1+2+3)	28.598.450	483.474	18.258.679	165.746	6.746.172	158.787
5. Trade receivables	49.058.976	557.612	21.058.561	687.939	28.000.415	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	442.247	804	30.356	2.256	91.826	15.151
7. Other	84.247	974	36.790	847	34.478	12.979
8. Long-term assets (5+6+7)	49.585.470	559.390	21.125.707	691.042	28.126.719	28.130
9. Total assets (4+8)	78.183.920	1.042.864	39.384.386	856.788	34.872.891	186.917
10. Trade payables	5.361.737	99.828	3.776.850	33.123	1.350.609	234.278
11. Financial liabilities	32.122.011	340.333	12.876.069	472.000	19.245.942	--
12a. Other monetary financial liabilities	18.112	423	16.009	52	2.103	--
12b. Other non-monetary financial liabilities	8.861.634	259.903	9.833.083	99.452	4.055.189	--
13. Current liabilities (10+11+12)	46.363.494	700.487	26.502.011	604.627	24.653.843	234.278
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	100.890	2.667	100.890	--	--	--
16a. Other monetary financial liabilities	7.579	132	4.989	64	2.590	--
16b. Other non-monetary financial liabilities	18.237.039	368.023	13.898.594	156.891	6.397.277	--
17. Non-current liabilities (14+15+16)	18.345.508	370.822	14.004.473	156.955	6.399.867	--

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

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21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
31 March 2025	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other
18. Total liabilities (13+17)	64.709.002	1.071.309	40.506.484	761.582	31.053.710	234.278
19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)	--	--	--	--	--	--
19a. Hedged total financial assets	--	--	--	--	--	--
19b. Hedged total financial liabilities	--	--	--	--	--	--
20. Net foreign currency asset/liability (9- 18+19)	13.474.918	(28.445)	(1.122.098)	95.206	3.819.181	(47.361)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)	29.166.675	471.379	17.771.734	286.548	11.625.996	(231.055)
22. Fair value of derivative financial instruments used in foreign currency hedge	--	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--	--
25. Exports	2.821.159	52.982	1.910.845	7.532	284.251	626.063
26. Imports	9.658.811	167.657	6.343.103	55.401	2.258.990	1.056.718

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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21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
31 December 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other ¹
1. Trade receivables	19.455.190	417.340	16.205.555	80.371	3.249.635	--
2a. Monetary financial assets (including cash, bank)	2.134.179	40.218	1.561.685	13.668	552.652	19.842
2b. Non- monetary financial assets	9.354.386	91.482	3.552.289	50.194	2.029.504	109.720
3. Other	14.159	84	3.259	263	10.611	289
4. Current assets (1+2+3)	30.957.914	549.124	21.322.788	144.496	5.842.402	129.851
5. Trade receivables	50.019.606	551.044	21.397.356	707.894	28.622.250	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	426.941	692	26.864	1.951	78.888	15.107
7. Other	240.209	5206	202.157	938	37.942	110
8. Long-term assets (5+6+7)	50.686.756	556.942	21.626.377	710.783	28.739.080	15.217
9. Total assets (4+8)	81.644.670	1.106.066	42.949.165	855.279	34.581.482	145.068
10. Trade payables	9.032.953	168.203	6.543.189	54.030	2.188.529	301.235
11. Financial liabilities	24.334.068	203.833	7.929.208	405.000	16.404.860	--
12a. Other monetary financial liabilities	527.248	13500	525.157	52	2.091	--
12b. Other non-monetary financial liabilities	4.112.791	201.682	7.845.495	28.223	1.143.201	--
13. Current liabilities (10+11+12)	38.007.060	587.218	22.843.049	487.305	19.738.681	301.235
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	10.475.454	152.667	5.938.801	112.000	4.536.653	--
16a. Other monetary financial liabilities	7.702	132	5.130	64	2.572	--
16b. Other non-monetary financial liabilities	5.106.014	191.363	7.444.102	27.991	1.133.812	--
17. Non-current liabilities (14+15+16)	15.589.170	344.162	13.388.033	140.055	5.673.037	--

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

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21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
31 December 2024	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other
18. Total liabilities (13+17)	53.596.230	931.380	36.231.082	627.360	25.411.718	301.235
19. Net asset/liability position of off- balance sheet derivative financial instruments (19a-19b)	--	--	--	--	--	--
19a. Hedged total financial assets	--	--	--	--	--	--
19b. Hedged total financial liabilities	--	--	--	--	--	--
20. Net foreign currency asset/liability (9- 18+19)	28.048.440	174.686	6.718.083	227.919	9.169.764	(156.167)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)	27.231.550	470.267	18.223.111	230.787	9.289.832	(281.393)
22. Fair value of derivative financial instruments used in foreign currency hedge	--	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--	--
25. Exports	18.871.771	182.178	3.536.850	146.554	3.586.579	11.748.341
26. Imports	22.046.258	378.920	14.690.273	142.582	5.766.045	1.589.940

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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21. FOREIGN EXCHANGE POSITION (continued)

Foreign currency sensitivity

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

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

Foreign currency sensitivity table				
31 March 2025				
	Profit/Loss		Equity¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	1.777.173	(1.777.173)	1.777.173	(1.777.173)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	1.777.173	(1.777.173)	1.777.173	(1.777.173)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	1.162.600	(1.162.600)	1.162.600	(1.162.600)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	1.162.600	(1.162.600)	1.162.600	(1.162.600)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/(liabilities)	(23.105)	23.105	(23.105)	23.105
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(23.105)	23.105	(23.105)	23.105

¹ Comprises of profit/loss effect.

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21. FOREIGN EXCHANGE POSITION (continued)

Foreign currency sensitivity (continued)

Foreign currency sensitivity table				
31 December 2024				
	Profit/Loss		Equity¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	1.822.311	(1.822.311)	1.822.311	(1.822.311)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	1.822.311	(1.822.311)	1.822.311	(1.822.311)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	928.983	(928.983)	928.983	(928.983)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	928.983	(928.983)	928.983	(928.983)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/ (liabilities)	(28.139)	28.139	(28.139)	28.139
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(28.139)	28.139	(28.139)	28.139

¹ Comprises of profit/loss effect.

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22. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group have signed contracts amounting to USD 202 Million.

As per the resolution of our Board of Directors dated 25 March 2025, Dr. Nurettin TÜYSÜZ has been appointed as the Chief Financial Officer of our Company, effective as of 2 April 2025.