

(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 OF AND FOR THE
NINE-MONTH PERIOD ENDED 30
SEPTEMBER 2026

27 October 2026

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

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ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

		Not Limited Reviewed 30 September 2026	Audited 31 December 2025
	Note References		
ASSETS			
Current Assets		281.300.186	217.533.185
Cash and Cash Equivalents	3	31.845.162	36.159.144
Trade Receivables	5	59.111.713	48.308.735
<i>From Related Parties</i>	4	28.289.361	39.866.464
<i>From Third Parties</i>		30.822.352	8.442.271
Other Receivables		11.619.135	6.350.151
<i>From Related Parties</i>	4	122.899	--
<i>From Third Parties</i>		11.496.236	6.350.151
Inventories	6	131.048.775	91.572.073
Prepaid Expenses	7	38.291.628	27.907.127
<i>From Related Parties</i>	4	4.331.425	3.693.272
<i>From Third Parties</i>		33.960.203	24.213.855
Other Current Assets		9.383.773	7.235.955
Non-Current Assets		337.570.724	318.998.918
Financial Investments		39.221.160	39.307.307
Trade Receivables	5	81.524.449	109.329.177
<i>From Related Parties</i>	4	39.491.431	53.213.841
<i>From Third Parties</i>		42.033.018	56.115.336
Other Receivables		26.623	20.171
<i>From Third Parties</i>		26.623	20.171
Equity Accounted Investments		2.395.552	1.810.428
Property, Plant and Equipment	8	103.471.473	80.381.581
Rights of Use Assets	8	19.608.637	20.000.847
Intangible Assets	8	65.403.060	46.348.144
Prepaid Expenses	7	12.556.339	8.947.333
<i>From Related Parties</i>	4	790.792	664.426
<i>From Third Parties</i>		11.765.547	8.282.907
Deferred Tax Assets	10	11.209.797	10.855.887
Other Non-Current Assets		2.153.634	1.998.043
TOTAL ASSETS		618.870.910	536.532.103

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

	Note References	Not Limited Reviewed 30 September 2026	Audited 31 December 2025
LIABILITIES			
Current Liabilities		193.955.131	156.923.254
Short-term Financial Liabilities	20	25.688.821	16.317.607
Short-term Portion of Long-term Financial Liabilities	20	42.408.432	30.957.513
Trade Payables	5	51.961.189	47.196.104
<i>To Related Parties</i>	4	2.796.887	2.462.844
<i>To Third Parties</i>		49.164.302	44.733.260
Employee Benefit Obligations		9.299.754	5.007.854
Other Payables		3.894.059	1.173.589
<i>To Related Parties</i>	4	1.950.000	838.401
<i>To Third Parties</i>		1.944.059	335.188
Government Grants and Incentives		90.589	94.306
Deferred Income	7	45.426.240	33.896.363
<i>To Related Parties</i>	4	12.595.631	13.545.728
<i>To Third Parties</i>		32.830.609	20.350.635
Corporate Tax Liability		40.408	2.313.340
Short-term Provisions		15.087.962	19.820.573
<i>For Employee Benefits</i>	12	2.536.727	7.329.808
<i>Other</i>	9	12.551.235	12.490.765
Other Current Liabilities		57.677	146.005
Non-Current Liabilities		84.847.406	66.598.200
Long-term Financial Liabilities	20	18.910.830	6.251.061
Trade Payables	5	--	30.372
<i>To Third Parties</i>		--	30.372
Other Payables		74.414	16.215
<i>To Third Parties</i>		74.414	16.215
Deferred Income	7	57.179.981	47.214.773
<i>To Related Parties</i>	4	44.837.900	43.856.742
<i>To Third Parties</i>		12.342.081	3.358.031
Long-term Provisions		8.410.579	12.817.395
<i>Long-term Provisions for Employee Benefits</i>	12	2.337.937	2.234.159
<i>Other</i>	9	6.072.642	10.583.236
Other Non-Current Liabilities		271.602	268.384

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ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

		Not Limited Reviewed 30 September 2026	Audited 31 December 2025
	Note References		
EQUITY		340.068.373	313.010.649
Equity Attributable to Equity Holders of the Parent		334.974.960	311.325.001
Share Capital	13	4.560.000	4.560.000
Inflation Adjustments on Share Capital Differences	13	42.236.790	42.236.790
Share Premiums		34.178.889	34.178.889
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		29.137.342	29.762.497
<i>Gain on Revaluation of Property, Plant and Equipment</i>		<i>15.049.593</i>	<i>15.049.593</i>
<i>Gain on Rights of Use Assets</i>		<i>17.444.448</i>	<i>17.444.448</i>
<i>Gain/ Loss on Remeasurement of Defined Benefit Plans</i>		<i>(3.356.699)</i>	<i>(2.731.544)</i>
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		21.531.306	21.776.795
<i>Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income</i>		<i>21.982.879</i>	<i>21.982.879</i>
<i>Cumulative Translation Adjustments</i>		<i>(451.573)</i>	<i>(206.084)</i>
Restricted Reserves	13	9.107.290	8.935.090
Retained Earnings		167.752.740	132.642.898
Net Profit for the Year		26.470.603	37.232.042
Non-Controlling Interests		5.093.413	1.685.648
TOTAL LIABILITIES AND EQUITY		618.870.910	536.532.103

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 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

	Notes References	Not Limited Reviewed 1 January- 30 September 2026	Not Limited Reviewed 1 July- 30 September 2026	Not Limited Reviewed 1 January- 30 September 2025	Not Limited Reviewed 1 July- 30 September 2025
PROFIT OR LOSS					
Revenue	14	151.486.106	58.062.724	117.890.283	42.982.813
Cost of Sales (-)	14	(103.989.859)	(40.228.154)	(81.451.284)	(30.515.187)
GROSS PROFIT		47.496.247	17.834.570	36.438.999	12.467.626
General Administrative Expenses (-)		(6.562.052)	(2.320.569)	(5.477.134)	(1.703.114)
Marketing Expenses (-)		(3.722.183)	(1.473.509)	(2.693.885)	(787.784)
Research and Development Expenses (-)		(4.488.938)	(1.264.625)	(3.723.036)	(1.081.537)
Other Operating Income	15	30.189.360	9.972.505	31.652.357	6.599.770
Other Operating Expenses (-)	15	(23.603.684)	(7.225.562)	(22.112.041)	(5.757.797)
OPERATING PROFIT		39.308.750	15.522.810	34.085.260	9.737.164
Income From Investing Activities		2.309.538	546.128	392.012	108.480
Shares of profit/(losses) of Equity Accounted Investees		(732.993)	(470.127)	(274.165)	15.344
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		40.885.295	15.598.811	34.203.107	9.860.988
Financial Income	16	2.975.067	1.240.404	3.362.764	696.381
Financial Expense (-)	17	(12.348.870)	(5.435.564)	(13.767.783)	(2.938.068)
Monetary Gain/(Loss)	18	(7.946.636)	(1.193.743)	(20.355.442)	(849.930)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		23.564.856	10.209.908	3.442.646	6.769.371
Tax Income from Continuing Operations	10	2.784.698	884.957	11.590.270	(677.076)
- Current Corporate Tax Expense (-)		(360.186)	(73.469)	(119.325)	37.214
- Deferred Tax Income		3.144.884	958.426	11.709.595	(714.290)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		26.349.554	11.094.865	15.032.916	6.092.295
Profit for the Period Attributable to Non-Controlling Interest		26.349.554	11.094.865	15.032.916	6.092.295
Non-Controlling Interest		(121.049)	(132.162)	(81.639)	(89.818)
Owners of the Company	19	26.470.603	11.227.027	15.114.555	6.182.113
		26.349.554	11.094.865	15.032.916	6.092.295
Earnings for per 100 Shares (in full kuruş)	19	580,50	246,21	331,46	135,57

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 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

	Note References	Not Limited Reviewed 1 January- 30 September 2026	Not Limited Reviewed 1 July- 30 September 2026	Not Limited Reviewed 1 January- 30 September 2025	Not Limited Reviewed 1 July- 30 September 2025
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS					
Items that will not to be reclassified subsequently in Profit or Loss		(625.155)	(24.780)	(209.999)	(184.555)
Loss on Remeasurement of Defined Benefit Plans	12	(317.759)	(28.323)	(279.999)	(246.073)
Deferred Tax Income / (Expense)		(307.396)	3.543	70.000	61.518
Items that may be reclassified subsequently to profit or loss		(245.489)	(162.930)	(52.439)	(43.879)
Foreign Currency Exchange Differences		(245.489)	(162.930)	(52.439)	(43.879)
OTHER COMPREHENSIVE INCOME		(870.644)	(187.710)	(262.438)	(228.434)
TOTAL COMPREHENSIVE INCOME		25.478.910	10.907.155	14.770.478	5.863.861
Total Comprehensive Income Attributable to Non-Controlling Interest Owners of the Company		25.478.910	10.907.155	14.770.478	5.863.861
Non-Controlling Interest		(121.049)	(132.161)	(81.639)	(89.818)
Owners of the Company		25.599.959	11.039.316	14.852.117	5.953.679
		25.478.910	10.907.155	14.770.478	5.863.861

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 NINE MONTH ENDED 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

	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				
	Share Capital	Inflation Adjustments on Share Capital	Share Issuance Premiums/ (Discounts)	Gain on Revaluation of Property, Plant and Equipment	Gain on Revaluation of Rights of Use Assets	Remeasurement of Defined Benefit Plans	Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive Income	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 2025	4.560.000	42.236.790	34.178.889	7.476.349	--	(2.078.899)	(797.168)	(190.066)	8.263.631	109.751.844	24.894.359	228.295.729	1.725.189	230.020.918
Transfers	--	--	--	--	--	--	--	--	700.807	22.805.430	(23.506.237)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	--	(209.999)	--	(52.439)	--	--	15.114.555	14.852.117	(81.639)	14.770.478
Dividends	--	--	--	--	--	--	--	--	--	--	(1.388.122)	(1.388.122)	--	(1.388.122)
Balance as of 30 September 2025	4.560.000	42.236.790	34.178.889	7.476.349	--	(2.288.898)	(797.168)	(242.505)	8.964.438	132.557.274	15.114.555	241.759.724	1.643.550	243.403.274
Balance as of 1 January 2026	4.560.000	42.236.790	34.178.889	15.049.593	17.444.448	(2.731.544)	21.982.879	(206.084)	8.935.090	132.642.898	37.232.042	311.325.001	1.685.648	313.010.649
Transfers	--	--	--	--	--	--	--	--	172.200	35.109.842	(35.282.042)	--	--	--
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Comprehensive Income	--	--	--	--	--	(625.155)	--	(245.489)	--	--	26.470.603	25.599.959	(121.049)	25.478.910
Dividends	--	--	--	--	--	--	--	--	--	--	(1.950.000)	(1.950.000)	--	(1.950.000)
Consolidation Effect of Share Change in Establishment	--	--	--	--	--	--	--	--	--	--	--	--	3.528.814	3.528.814
Balance as of 30 September 2026	4.560.000	42.236.790	34.178.889	15.049.593	17.444.448	(3.356.699)	21.982.879	(451.573)	9.107.290	167.752.740	26.470.603	334.974.960	5.093.413	340.068.373

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

		Not Limited Reviewed 1 January- 30 September 2026	Not Limited Reviewed 1 January- 30 September 2025
	Note References		
A.Cash Flows from Operating Activities		22.998.149	31.258.043
Profit for the Period		26.349.554	15.032.916
Adjustments to Reconcile Profit for the Period		20.741.989	12.905.329
- Adjustments for Depreciation and Amortization Expense	8	7.832.289	4.862.684
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(453.439)	261.609
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables</i>	5	741	(11.563)
<i>Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories</i>	6	(454.180)	273.172
- Adjustments for Provisions		1.758.874	642.319
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	12	(2.571.254)	(898.624)
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		(1.934.016)	(2.271.260)
<i>Adjustments for (Reversal of) Warranty Provisions</i>		6.126.345	4.017.925
<i>Adjustments for (Reversal of) Other Provisions</i>		137.799	(205.722)
- Adjustments for Interest (Income) Expenses		(631.538)	(981.640)
<i>Adjustments for Interest Income</i>		(2.189.489)	(1.889.861)
<i>Adjustments for Interest Expense</i>		1.557.951	908.221
- Adjustments for Retained Profit of Equity Accounted Investees		732.993	274.165
- Adjustments for Tax (Income)/Expenses		(2.784.698)	(11.590.270)
- Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		4.541.554	9.813.287
- Other Adjustments to Reconcile Profit (Loss)		9.745.954	9.623.175
Changes in Working Capital		(16.988.333)	8.227.882
- Decrease (Increase) in Trade Receivables		(1.340.590)	6.067.343
- Decrease (Increase) in Other Receivables Related with Operations		(5.275.436)	(931.027)
- Decrease (Increase) in Inventories	6	(38.160.474)	(13.934.696)
- Decrease (Increase) in Prepaid Expenses	7	(12.485.596)	(7.802.870)
- Increase (Decrease) in Trade Payables	5	6.347.223	(2.700.656)
- Increase (Decrease) in Employee Benefit Obligations	12	4.291.901	624.463
- Adjustments for Stage of Completion of Construction or Service Contracts in Progress		4.884.275	14.791.060
- Increase (Decrease) in Other Operating Payables		828.668	(573.270)
- Increase (Decrease) in Government Grants and Subsidies		(3.717)	(26.090)
- Increase (Decrease) in Deferred Income		33.394.458	22.940.565
- Adjustments Related to Monetary Gain/ Losses		(7.657.502)	(9.174.629)
- Other Increase (Decrease) in Working Capital		(1.811.543)	(1.052.311)
Cash Flows From Operations		30.103.210	36.166.127
Payments Related with Provisions for Employee Benefits	12	(565.112)	(484.206)
Payments Related with Other Provisions		(4.267.017)	(4.304.553)
Income Taxes Refund (Paid)		(2.272.932)	(119.325)
B.Cash Flows From Investing Activities		(60.763.358)	(32.002.815)
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		135.711	187.592
Purchase of Property, Plant and Equipment	8	(29.587.376)	(9.402.898)
Purchase of Intangible Assets	8	(31.997.333)	(21.752.136)
Dividends Received		122.899	86.331
Other Cash Inflows (Outflows)		562.741	(1.121.704)
C.Cash Flows From Financing Activities		39.287.080	(2.577.676)
Proceeds from Borrowings		62.024.237	23.960.580
Repayments of Borrowings		(22.737.157)	(26.538.256)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		1.521.871	(3.322.448)
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1.236.815	468.758
E. MONETARY GAIN/LOSS EFFECT ON CASH AND CASH EQUIVALENTS		(7.072.668)	(5.488.732)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		(4.313.982)	(8.342.422)
F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		36.159.144	27.072.421
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	3	31.845.162	18.729.999

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, 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 six 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"), Microelectronics and Electro-Optics Vice Presidency ("MEOS"), Avionics and Guidance Systems Vice Presidency ("AGS"), Integrated Defence Systems Technologies Vice Presidency ("SST"), Radar and Electronic Warfare Systems Vice Presidency ("REHİS"), 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 and Supply Chain Management Vice Presidency. In addition to these, there are also Legal Affairs and Office of the Private Secretary. The Internal Audit Department and Board of Planning and Coordination Management have been established under the Board of Directors. The Company maintains production and engineering operations in Ankara, Macunköy, Akyurt, Gölbaşı and Oğulbey campuses and engineering operations in Hacettepe Teknokent, Teknopark İstanbul and Aselsan Temelli Campus. Headquarters is located in Ankara Gölbaşı.

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

The Company is registered to Capital Markets Board of Türkiye ("CMB") and its shares have been quoted in Borsa İstanbul Anonim Şirketi ("BİST") since 1990. As of 30 September 2026, 25,80 percent of the Company's shares are publicly traded (31 December 2025: 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 2026 is 17.992 (31 December 2025: 14.143).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, 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"), ASELSAN Technologies Limited ("ASELSAN UAE"), ASELSAN Muscat SPC. ("ASELSAN MUSCAT"), ASELSAN PHILIPPINES INC. ("ASELSAN Philippines"), ASELSAN Gaziantep Elektromekanik Teknolojileri Sanayi ve Ticaret A.Ş. ("ASELSAN Gaziantep"), Aselsan Malatya Elektronik Sanayi ve Ticaret A.Ş. ("ASELSAN Malatya"), EST Enerji Sistem Teknolojileri A.Ş. ("EST Enerji"), ASELSAN Hungary LLC ("ASELSAN Hungary"), ASELSAN Bilkent Mikro Nano Teknolojileri Sanayi ve Ticaret A.Ş. ("ASELSAN Bilkent Mikro Nano"), ASPİLSAN Enerji Sanayi ve Ticaret A.Ş. ("ASPİLSAN") and EHSİM Elektronik Harp Sistemleri Müh. Tic. A.Ş. ("EHSİM"). They are collectively referred as the "Group" in the accompanying notes.

The Company has seven branch offices; Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi EP Co. ("ASELSAN South Africa"), ASELSAN Balkans ("ASELSAN Balkans"), ASELSAN Kıbrıs İleri Araştırma Merkezi ("ASELSAN N. Cyprus"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Katar ("ASELSAN Qatar"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Poland ("ASELSAN Poland"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Albania ("ASELSAN Albania"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Romania ("ASELSAN Romania") located in Republic of South Africa, Macedonia, Turkish Republic of Northern Cyprus ("TRNC"), Qatar, Poland, Albania and Romania, 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 nine months ended 30 September 2026 have been prepared in accordance with TAS 34 Interim Financial Reporting. The interim condensed financial statements do not contain all the information and explanations that should be included in the annual financial statements and should be read together with the annual consolidated financial statements of the Group as of 31 December 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 1323 on 27 October 2026. 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 Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**2.1 The Basis of Presentation (continued)****Functional Currency (continued)**

Amounts are expressed in thousands of TL or Foreign Currency unless otherwise stated. Kuruş, Turkish Currency subunit and 1 TL is equal to 100 Kuruş.

Preparation of Financial Statements in Hyperinflationary Periods

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

On 23 November 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 31 December 2023 should be presented as adjusted for the effects of inflation in accordance with the related accounting principles in TAS 29. As of the date of these financial statements, inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 30 September 2026.

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 158% for the three-year period ended 30 September 2026 (31 December 2025: %211).

Adjustments for inflation have been calculated based on the coefficients calculated using the Consumer Price Index in Türkiye published by the Turkish Statistical Institute. As of 30 September 2026, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

Period	Index	Correction Coefficient
30 September 2026	137,23	1
31 December 2025	110,39	1,2432
30 September 2025	105,78	1,2973

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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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

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 2026	31 December 2025	
ASELSANNET	Türkiye	TL	100	100	Communication systems, security systems, IT and geographic information systems, health and energy systems, infrastructure, construction and integrated logistics support activities
ASELSAN Baku	Azerbaijan	AZN	100	100	Business development, sales, maintenance and repair
ASELSAN Global	Türkiye	TL	100	100	Consultancy in human resources and mediates export activities
ASELSAN Sivas Hassas Optik	Türkiye	TL	85	80	Serial production, maintenance and repair activities of visible precision optical and electro optical devices
MKR-IC	Türkiye	TL	85	85	Electronic industry and integrated circuit designs
ASELSAN Malaysia	Malaysia	MYR	100	100	Marketing and business development
ASELSAN Konya	Türkiye	TL	51	51	Research, design, development and engineering activities of all weapons and weapons systems
BITES	Türkiye	TL	100	100	Operates in the fields of augmented reality, artificial intelligence, simulation software, research, development, design and engineering
ASELSAN Ukraine	Ukraine	UAH	100	100	Marketing, business development, maintenance and repair
ASELSAN Latin America	Chile	CLP	100	100	Marketing and business development
ASELSAN UAE	UAE	AED	100	100	Marketing and business development
ASELSAN Malatya	Türkiye	TL	100	100	All types of commercial and industrial activities related to the precision manufacturing, design, maintenance, and after-sales services of electronic components within the field of military power electronics
ASELSAN Gaziantep	Türkiye	TL	51	51	All kinds of commercial and industrial activities related to electromechanical industrial products, slip ring
ASELSAN MUSCAT	Umman	OMR	100	100	Marketing and business development
ASELSAN Philippines	Philippines	PHP	100	100	Marketing and business development
EST Enerji	Türkiye	TL	100	--	Energy, automation and related investments
ASELSAN Hungary	Hungary	HUF	100	--	Marketing and business development
ASELSAN Bilkent Mikro Nano	Türkiye	TL	51	50	Micro and nano sized devices containing all kinds of semiconductors and similar technological materials; broadband semiconductor, electro optical technologies, sensor and photonic technologies navigation technologies
ASPIŁSAN	Türkiye	TL	51	1	Nikel-cadmium battery and battery-pack manufacturing, electric-device and aircraft-battery production
EHSİM	Türkiye	TL	51	50	Electronic warfare systems, tactical command and control systems and decoy target systems

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

2.1 The Basis of Presentation (continued)

Basis of Consolidation (continued)

Subsidiaries (continued):

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

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

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

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

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

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

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

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

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

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**2.1 The Basis of Presentation (continued)****Basis of Consolidation (continued)****Joint Ventures**

The details of the Group's interests in joint ventures as of 30 September 2026 and 31 December 2025 are as follows:

Joint Ventures	Principal Activity	Country of establishment and operation	Group's proportion of ownership and voting power held (%)	
			30 September 2026	31 December 2025
International Golden Group ("IGG") ASELSAN Integrated Systems LLC ("IGG ASELSAN Integrated Systems ")	Manufacturing, testing, maintenance-repair and marketing of remote control system	United Arab Emirates	49	49
Kazakhstan ASELSAN Engineering LLP ("ASELSAN Kazakhstan Engineering")	Manufacturing, development and maintenance repair of electronic devices and systems	Kazakhstan	49	49
ASELSAN Middle East PSC ("ASELSAN Middle East")	Night vision and thermal imaging systems	Jordan	49	49
TÜYAR Mikroelektronik Sanayi ve Ticaret Anonim Şirketi ("TÜYAR Mikroelektronik Sanayi")	Micro and nano sized devices containing semiconductor and similar technological materials; semiconductor chip technologies, chip manufacturing, chip packaging, chip software libraries	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 Teknoloji Geliştirme Bölgesi")	Manage and operate the technology development zone	Türkiye	13	13
TR Eğitim ve Teknoloji Anonim Şirketi ("TR Eğitim ve Teknoloji")	Human Resources Studies, consultancy and training activities, certification activities, training software activities, publishing activities	Türkiye	35	35
İstanbul Finans ve Teknoloji Üssü Anonim Şirketi ("İstanbul Finans ve Teknoloji Üssü")	Managing and operating the financial technology development zone	Türkiye	9	9
Adıyaman Kablo ve Konnektör Anonim Şirketi ("Adıyaman Kablo ve Konnektör")	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	61	51

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; IGG ASELSAN Integrated Systems and ASELSAN Kazakhstan Engineering established in 2011, ASELSAN Middle East established in 2012, TÜYAR Mikroelektronik Sanayi and ULAK established in 2017, TEKNOHAB Teknoloji Geliştirme Bölgesi established in 2018, TR Eğitim ve Teknoloji established in 2018, İstanbul Finans ve Teknoloji Üssü established in 2022, and Adıyaman Kablo ve Konnektör 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 30 September 2026 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 2026 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) New standards in force as of 30 September 2026 and amendments and interpretations to existing previous standards:**Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments**

Applicable for annual reporting periods beginning on or after 1 January 2026 (early application permitted). These changes are:

- Clarification of the timing requirements for the recognition and exclusion of certain financial assets and liabilities, with a new exception for certain financial liabilities paid through the electronic cash transfer system;
- Providing further guidance and clarification on assessing whether a financial asset meets the criterion for principal and interest payments only;
- Adding new footnote descriptions for certain instruments with contractual terms that could alter cash flows (such as some instruments with characteristics linked to the achievement of environmental, social, and governance (ESG) goals); and
- Updates to the footnote disclosures regarding equity instruments at fair value reflected in other comprehensive income.

Annual Improvements to TFRSs – 11. Change

Applicable for annual reporting periods beginning on or after 1 January 2026 (early application permitted). Annual improvements are limited to changes that clarify wording in an Accounting Standard or correct relatively minor unexpected results, missed points, or inconsistencies between provisions in the Accounting Standards. The amended list of Accounting Standards for 2024 and related guidance includes:

- First Application of TFRS 1 Turkish Financial Reporting Standards;
- IFRS 7 Financial Instruments: Explanations and Guidelines for the implementation of IFRS 7 attached to the Standard;
- TFRS 9 Financial Instruments;
- TFRS 10 Consolidated Financial Statements and
- TAS 7 Statement of Cash Flows.

b) Standards, amendments and interpretations published as of 30 September 2026 but not yet in force**TFRS 17, 'Insurance Contracts'**

Effective in annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which already allows for a wide range of applications. TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with optional participation feature.

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

2.4 New and Revised Turkish Accounting Standards (continued)

b) Standards, amendments and interpretations published as of 30 September 2026 but not yet in force (continued)

Amendments to TAS 21 – Currency conversion to a high-inflation presentation currency

Applicable to annual reporting periods beginning on or after 1 January 2027 (early application permitted). These narrow amendments regulate the conversion procedures to be applied for businesses whose presentation currency is the currency of a high-inflation economy. The business implements these changes if:

- In the event that a business whose functional currency is the currency of a non-high-inflation economy converts its financial situation and operating results into the currency of a high-inflation economy; or
- In the case of a foreign enterprise, whose functional currency is the currency of a non-high-inflation economy, the financial position and operating results are converted into the currency of a high-inflation economy.

These changes aim to improve the usefulness of the resulting information in a cost-effective manner and reduce diversity in practice.

TFRS 18 Presentation and Disclosure in Financial Statements

Applicable to annual reporting periods beginning on or after 1 January 2027 (early application permitted). This standard is the new standard for the presentation and disclosure of financial statements, focusing on updates to the profit or loss statement. The main new concepts introduced in TFRS 18 relate to:

- Structure of the profit or loss statement
- Disclosures required in the financial statements for certain profit or loss performance measures (i.e., performance measures defined by management) reported outside of the financial statements of the entity; and the developed principles on aggregation and disaggregation that apply to the basic financial statements and footnotes in general.

"In order to comply with TAS 8 paragraph 30, the following issues are expected to be included in the footnotes to the financial statements for the reporting period ending March 2026:

- The nature of the changes,
- The fact that TFRS 18 must be applied for annual reporting periods starting on or after 1 January 2027,
- Planned first implementation date and
- One of the following:
 - During the period when IFRS 18 was first applied, known or reasonably predictable information that would help assess the possible effects of the application of the standard on the financial statements of the entity; or
 - Where these effects are unknown or not reasonably predictable, a statement that expresses this situation.

In order to comply with paragraph 30 of TAS 8, businesses should consider the following principles when preparing disclosures regarding the adoption of TFRS 18:

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)**2.4 New and Revised Turkish Accounting Standards (continued)****b) Standards, amendments and interpretations published as of 30 September 2026 but not yet in force (continued)**

- **The disclosures are expected to become increasingly detailed in line with the progress of the implementation process of businesses towards 2027**

The level of detail that a business will include in its disclosures will depend on the level of progress in its first-time implementation activities, including work on internal control processes. As of the accounting period ended 31 March 2026, businesses that have not yet made significant progress in the implementation process can only state that they are actively evaluating the possible impacts of IFRS 18 and that more comprehensive disclosures could not reasonably be provided.

- **Evaluating the submission of quantitative information if appropriate and reliable**

It may be appropriate to disclose preliminary draft amounts, provided that the entity has a proper and reliable basis for making such disclosures and provides clear disclosures that the information in question is provisional. For example, a business might quantitatively express the effects on subtotals in its profit or loss statement. If the quantitative effects are not reasonably predictable, an explanation should be provided. Businesses can disclose effects that are known and reasonably quantitatively expressed; however, disclosures under TFRS 18, such as the Management Performance Metrics (MPM) reconciliation, are not expected to be submitted early before the implementation date.

- **Assessing alignment with other public communications**

If the management has made public disclosures regarding the projected effects, for example, in an investor presentation, the disclosures included in the financial statements under TAS 8 must be consistent with these communications. Disclosures should be based on information available up to the date of publication of the financial statements, not just information available as of the end of the reporting period.

TFRS 19 Amendments Regarding Subsidiaries Not Accountable to the Public: Explanations

Applicable for annual reporting periods starting on or after 1 January 2027 (early application permitted). IASB has taken into account the disclosure obligations in other TFRS Accounting Standards as of 28 February 2021 in enhancing the reduced disclosure obligations in TFRS 19. When TFRS 19 was published, it did not include reduced versions of any disclosure obligations that were added or changed after that date. Subsequently, the IASB issued these changes to facilitate eligible subsidiaries by reducing their disclosure obligations under the standards and amendments published between February 2021 and May 2024, in particular:

- TFRS 18 Presentation and Disclosures in Financial Statements;
- Regulations on Supplier Financing Agreements (amendments to TAS 7 and TFRS 7);
- International Tax Reform — Second Pillar Model Rules (amendments to TAS 12);
- Lack of Interchangeability (amendments to TAS 21); and
- Amendments to the Classification and Measurement of Financial Instruments (amendments to TFRS 9 and IFRS 7).

IFRS 20 Regulatory Entities and Regulatory Liabilities

Applicable for annual reporting periods starting on or after 1 January 2029 (early application permitted). This standard is the new standard for businesses that are subject to certain types of price adjustments. Its purpose is to provide investors with a better understanding of the implications of said regulation on the business's financial performance, financial position, and expectations for future cash flows.

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

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

3. CASH AND CASH EQUIVALENTS

	30 September 2026	31 December 2025
Cash	3.246	2.618
Bank		
- <i>Time deposit</i>	23.172.603	24.344.814
- <i>Demand deposit</i>	6.050.783	505.805
Investment funds	2.452.372	9.884.956
Other	166.158	1.420.951
Cash and cash equivalents on the cash flow statement	31.845.162	36.159.144
Interest income accruals	--	--
	31.845.162	36.159.144

As of 30 September 2026, the Group has time deposits denominated in foreign currencies with maturities on October 2026 (31 December 2025: January 2026), with the interest rates between 1,50 percent and 4,00 percent (31 December 2025: 1,50 percent and 3,60 percent) amounting to TL 13.192.523 (31 December 2025: TL 7.358.651) in several banks.

As of 30 September 2026, the Group has time deposits denominated in TL terms with maturities on October 2026 (31 December 2025: January 2026) with the interest rates between 37,50 percent and 39,75 percent (31 December 2025: 36,27 percent and 40,25 percent) amounting to TL 9.980.080 (31 December 2025: TL 16.986.163) in several banks.

As of 30 September 2026, the Group's investment funds consist of money market and lease certificate funds from Garanti Bankası, QNB, Yapı ve Kredi Bankası, Kuveyt Türk, İş Yatırım, Vakıfbank and Ziraat Bankası.

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 30 September 2026 is approximately TL 523.670 (The vast majority consists of paid wages and benefits.) (30 September 2025: TL 513.098).

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

4. RELATED PARTY DISCLOSURES (continued)

	30 September 2026									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables ¹	Trading	Deferred Income
Balances with related parties										
<u>Main shareholder</u>										
TSKGV	74	--	--	--	--	--	--	1.446.012	--	--
<u>Main shareholder's subsidiaries and associates</u>										
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	19.347	614.248	--	25.841	17.848	572.971	14	--	--	2.180.032
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	24.974	372.825	--	--	95.446	1.290.734	3.139	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	609	363.408	--	--	49.327	141.733	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	--	58.630	--	--	--	54.626	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	57.947	8.985	--	293.108	--	3.980	337.191	--	--	227.191
Tusaş Motor Sanayii Anonim Şirketi ("TEİ")	151.536	--	--	45.468	--	--	7.470	--	--	--
Türk Havacılık ve Uzak Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	6.212.305	416.479	--	5.441.532	41.951	7.624	1.489.120	--	--	1.099.658
Havaalanı İşletme ve Havacılık Endüstrileri Anonim Şirketi ("HEAŞ")	1	--	--	--	--	--	--	--	--	--
<u>Financial Instruments</u>										
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	9.611.803	467.513	122.899	713.859	22.443	171.217	1.092.374	--	--	2.096.690
<u>Joint ventures and its related parties</u>										
ASELSAN Bilkent Mikro Nano	--	--	--	--	--	--	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	891	305.793	--	--	38.770	37	--	--	--	--
IGG	77.537	--	--	2.334	--	--	8.099	--	--	--
IGG ASELSAN	10.802	8.620	--	--	--	40.663	443	--	--	513
ASELSAN Kazakistan	627.073	50.424	--	61.574	--	400	662	--	--	--
ASELSAN Jordan	197.752	--	--	--	--	4.212	283.450	--	--	120.769
TÜBİTAK BİLGEM	--	85.706	--	--	51.308	5.598	--	--	--	--
TÜBİTAK-UME	--	10.585	--	--	--	35.136	--	--	--	--
TÜBİTAK Bilimsel Teknolojik Araştırma	8.811	166.991	--	380.500	619	86.717	6.703	--	--	6.862
TÜBİTAK SAGE Savunma Sanayii	167.936	1.187.793	--	7.402	468.402	347.331	100.831	--	--	52.130
TÜBİTAK Uzak Teknolojileri Araştırma Enstitüsü	--	14.022	--	5.913	4.678	--	--	--	--	--
Savunma Sanayi Başkanlığı ("SSB")	9.067.453	--	--	32.513.900	--	--	7.903.373	--	--	30.842.570
SSTEK	2.040.122	--	--	--	--	--	1.362.762	--	--	8.211.485
EHSİM	--	--	--	--	--	--	--	--	--	--
ULAK	12.388	14.407	--	--	--	33.225	--	--	--	--
TR Eğitim ve Teknoloji	--	--	--	--	--	683	--	--	--	--
TÜYAR Mikroelektronik Sanayi	--	184.996	--	--	--	--	--	--	--	--
<u>Shares offered to the public</u>	--	--	--	--	--	--	--	503.988	--	--
	28.289.361	4.331.425	122.899	39.491.431	790.792	2.796.887	12.595.631	1.950.000	--	44.837.900

¹ All other short term payable is 2025 dividend payments.

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4. RELATED PARTY DISCLOSURES (continued)

	31 December 2025									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
	Trading	Prepaid Expenses	Other Receivables	Trading	Prepaid Expenses	Trading	Deferred Income	Other Payables ¹	Trading	Deferred Income
Balances with related parties										
<u>Main shareholder</u>										
TSKGV	54	--	--	--	--	--	--	838.401	--	--
<u>Main shareholder's subsidiaries and associates</u>										
Hava Elektronik San. ve Tic. Anonim Şirketi ("HAVELSAN")	407.345	721.785	--	1.021	181.640	426.189	11	--	--	2.197.106
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi ("HTR")	67.603	345.212	--	--	86.297	669.378	--	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi ("İŞBİR")	208	253.093	--	--	35.173	222.950	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi ("NETAŞ")	--	--	--	--	--	56.847	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi ("STM")	386.486	13.554	--	2.197.907	--	27.986	--	--	--	1.034.791
Tusaş Motor Sanayii Anonim Şirketi ("TEİ")	100.751	--	--	21.129	--	--	--	--	--	--
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi ("TUSAŞ")	7.525.807	1.422	--	6.446.890	--	29.381	1.736.875	--	--	2.514.577
Havaalanı İşletme ve Havacılık Endüstrileri Anonim Şirketi ("HEAŞ")	1	--	--	--	--	--	--	--	--	--
Mercedes Benz Türk Anonim Şirketi ("Mercedes Benz")	--	--	--	--	--	9.300	--	--	--	--
<u>Financial Instruments</u>										
ASPIİSAN Enerji Sanayi ve Ticaret Anonim Şirketi ("ASPIİSAN")	--	31.625	--	--	--	63.919	--	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi ("ROKETSAN")	7.205.913	252.416	--	645.987	21.419	33.687	572.006	--	--	586.775
<u>Joint ventures and its related parties</u>										
ASELSAN Bilkent Mikro Nano	--	395.794	--	--	40.087	218.674	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	8.295	--	--	--	15.896	--	--	--	--
IGG	32.781	--	--	3.777	--	--	3.798	--	--	--
IGG ASELSAN Integrated Systems	19.637	69.203	--	--	--	40.774	--	--	--	--
Kazakhstan ASELSAN Engineering	490.990	16.151	--	76.546	--	184	17.362	--	--	--
ASELSAN Middle East	277.283	--	--	--	--	19.708	9.868	--	--	10.670
TÜBİTAK BİLGEM	--	114.344	--	--	19.341	225.159	--	--	--	--
TÜBİTAK-UME	--	9.624	--	--	--	4.057	--	--	--	--
TÜBİTAK Bilimsel Teknolojik Araştırma	--	127.212	--	526.017	1.784	114.775	7.455	--	--	17.657
TÜBİTAK SAGE Savunma Sanayii	--	997.027	--	7.474	169.683	116.702	34.201	--	--	2.921
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	--	5.392	--	--	5.981	20.787	--	--	--	--
Savunma Sanayi Başkanlığı ("SSB")	18.771.467	--	--	43.287.093	--	--	10.339.795	--	--	26.363.620
SSTEK	2.750.258	--	--	--	--	--	824.357	--	--	11.128.625
EHSİM	30	144.255	--	--	97.117	138.636	--	--	--	--
ULAK	1.829.850	14.407	--	--	--	--	--	--	--	--
TÜYAR Mikroelektronik Sanayi	--	172.461	--	--	5.904	5.175	--	--	--	--
TR Eğitim ve Teknoloji	--	--	--	--	--	2.680	--	--	--	--
	39.866.464	3.693.272	--	53.213.841	664.426	2.462.844	13.545.728	838.401	--	43.856.742

¹ All other short term payable is 2024 dividend payments.

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

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4. RELATED PARTY DISCLOSURES (continued)

	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Transactions with related parties	Purchases	Purchases	Purchases	Purchases
Main Shareholder				
TSKGV	3.134	1.045	2.763	678
Main shareholder's shareholders/subsidiaries/associates				
NETAŞ	93.872	49.819	190.101	52.270
İŞBİR	15.315	244	461.447	109.271
HTR	2.064.529	895.174	1.465.260	543.839
TUSAŞ	9.452	7.060	69.023	67.220
HAVELSAN	1.760.533	663.602	743.670	195.806
STM	30.739	2.924	82.940	35.411
Financial Investments				
ROKETSAN	570.552	89.074	828.450	826.176
ASPİLSAN	--	--	164.902	66.683
Joint ventures and its related parties				
İhsan Doğramacı Bilkent Üniversitesi	506	--	18.519	472
TÜBİTAK BİLGEM	123.982	--	319.953	147.490
TÜBİTAK Bilimsel Teknolojik Araştırma	172.733	45.115	58.158	14.785
TÜBİTAK-UME	63.561	4.068	7.435	4.700
TÜBİTAK SAGE Savunma Sanayii	766.833	295.459	488.118	264.785
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	16.463	--	20.282	20.282
ULAK	36.365	36.365	--	--
IGG ASELSAN	5.680	--	--	--
TR Eğitim ve Teknoloji	7.843	2.562	--	--
SSTEK	16.248	16.248	688	--
	5.758.340	2.108.759	4.921.709	2.349.868
	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Transactions with related parties	Sales	Sales	Sales	Sales
Main Shareholder				
TSKGV	365	109	649	204
Main shareholder's shareholders/subsidiaries /associates				
TUSAŞ	19.681.902	8.179.467	15.761.273	3.699.888
TEI	159.203	159.203	--	--
STM	1.480.105	--	3.327.666	2.106.328
İŞBİR	578	231	--	--
HAVELSAN	1.646.935	878.146	827.292	611.051
HTR	71.357	2.834	331.063	192.468
Financial Investments				
ROKETSAN	7.373.442	3.326.349	5.489.819	1.941.789
ASPİLSAN	--	--	2.536	--
Joint ventures and its related parties				
İhsan Doğramacı Bilkent Üniversitesi	887	--	--	--
TÜBİTAK Bilimsel Teknolojik Araştırma	73.510	73.510	111.874	74.179
TÜBİTAK SAGE Savunma Sanayii	611.851	291.624	311.837	105.054
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	763	--	--	--
IGG	1.943.363	--	--	--
Savunma Sanayi Başkanlığı	63.937.866	35.551.639	47.378.376	19.534.450
ASELSAN Ürdün	19.899	--	--	--
ULAK	16.436	3.105	--	--
SSTEK	5.985.876	1.114.910	14.822.498	14.809.755
	103.004.338	49.581.127	88.364.883	43.075.166

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

ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

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

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

	30 September 2026	31 December 2025
Short-term trade receivables		
Trade receivables	30.756.074	8.290.013
Trade receivables from related parties (Note 4)	28.289.361	39.866.464
Notes receivable	52.037	112.277
Other receivables	14.241	39.981
Doubtful trade receivables	40.780	40.039
Allowance for doubtful trade receivables (-)	(40.780)	(40.039)
	59.111.713	48.308.735

	30 September 2026	31 December 2025
Long-term trade receivables		
Unbilled receivables from contracts with customers	40.888.882	54.808.747
Trade receivables	1.144.136	1.306.589
Unbilled receivables from contracts with customers - related party (Note 4)	39.491.431	53.213.841
	81.524.449	109.329.177

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

	30 September 2026	30 September 2025
Opening balance	40.039	52.544
Provision for the period	8.573	--
Provision unrealised	--	(910)
Monetary gain/(loss)	(7.832)	(10.653)
Closing balance	40.780	40.981

b) Trade payables

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

	30 September 2026	31 December 2025
Short-term trade payables		
Trade payables	43.596.217	41.915.676
Due to related parties (Note 4)	2.796.887	2.462.844
Notes payable	5.188.569	2.114.684
Other trade payables	379.516	702.900
	51.961.189	47.196.104
Long-term trade payables		
Trade payables	--	30.372
	--	30.372

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

6. INVENTORIES

	30 September 2026	31 December 2025
Raw materials	57.780.462	43.396.977
Work-in progress	61.867.617	35.129.069
Goods in transit ¹	29.688	5.288.703
Finished goods	7.528.746	4.179.151
Other inventories	998.661	1.460.947
Trade goods	3.061.293	2.789.098
Allowance for impairment on inventories (-)	(217.692)	(671.872)
	131.048.775	91.572.073

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:

	2026	2025
Opening balance	671.872	34.043
Provision for the period	--	441.316
Provision unrealised	(454.180)	(168.144)
Closing balance	217.692	307.215

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

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7. PREPAID EXPENSES AND DEFERRED INCOME

	30 September 2026	31 December 2025
Short-term prepaid expenses		
Order advances given for inventory purchases	29.766.698	20.557.481
Short-term order advances given to related parties for inventory purchases (Note 4)	4.331.425	3.693.272
Work advances	2.288.738	1.968.174
Prepaid expenses	1.904.767	1.688.200
	38.291.628	27.907.127

	30 September 2026	31 December 2025
Long-term prepaid expenses		
Order advances given for inventory purchases	7.035.314	5.359.411
Long-term order advances given to related parties for inventory purchases (Note 4)	790.792	664.426
Order advances given for fixed assets purchases	3.481.057	1.973.148
Prepaid expenses	1.249.176	950.348
	12.556.339	8.947.333

	30 September 2026	31 December 2025
Short-term deferred income		
Order advances received	14.567.902	9.208.944
Order advances received from related parties (Note 4)	12.595.631	13.545.728
Deferred income	18.262.707	11.141.691
	45.426.240	33.896.363

	30 September 2026	31 December 2025
Long-term deferred income		
Order advances received	6.011.570	2.650.866
Order advances received from related parties (Note 4)	44.837.900	43.856.742
Deferred income	6.330.511	707.165
	57.179.981	47.214.773

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8. PROPERTY, PLANT AND EQUIPMENT

Cost	Property, Plant and Equipment	Rights of Use Assets	Intangible Assets
Opening balance as of 1 January 2026	126.352.663	20.479.294	67.172.816
Additions	31.192.277	93.484	32.304.243
Disposals	(735.290)	(436.560)	(11.229.385)
Closing balance as of 30 September 2026	156.809.650	20.136.218	88.247.674
Accumulated Depreciation and Amortisation			
Opening balance as of 1 January 2026	45.971.082	478.447	20.824.672
Change for the period ¹	6.376.484	429.023	1.888.830
Disposals	(702.364)	(379.889)	(175.798)
Acquisitions	1.692.975	--	306.910
Closing balance as of 30 September 2026	53.338.177	527.581	22.844.614
Net book value as of 30 September 2026	103.471.473	19.608.637	65.403.060
Net book value as of 31 December 2025	80.381.581	20.000.847	46.348.144
Cost	Property, Plant and Equipment	Rights of Use Assets	Intangible Assets
Opening balance as of 1 January 2025	101.402.092	520.667	55.192.001
Additions	9.480.356	29.735	21.752.136
Disposals	(994.845)	--	(10.271.301)
Closing balance as of 30 September 2025	109.887.603	550.402	66.672.836
Accumulated Depreciation and Amortisation			
Opening balance as of 1 January 2025	40.615.300	434.869	19.667.634
Change for the period	4.398.581	12.984	1.016.566
Disposals	(749.224)	--	(296.165)
Closing balance as of 30 September 2025	44.264.657	447.853	20.388.035
Net book value as of 30 September 2025	65.622.946	102.549	46.284.801
Net book value as of 31 December 2024	60.786.791	85.797	35.524.368

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 682.048 in the year 2026 (September 2025: TL 565.447).

ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026**

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

	30 September 2026	31 December 2025
Other short-term provisions		
Provision for warranties ¹	8.109.453	7.232.051
Provision for onerous contracts	2.989	122.344
Provision for delay penalties ²	3.668.720	4.464.541
Sales commission	1.397	1.736
Provision for legal cases	189.577	121.485
Provision for cost expenses	266.511	344.724
Other	312.588	203.884
	12.551.235	12.490.765
Other long-term provisions		
Provision for delay penalties	476.311	592.131
Provision for onerous contracts	5.596.331	9.991.105
	6.072.642	10.583.236

b) Legal cases

There has not been any final judicial decision against the Group due to the responsibility related with work accidents within 2026.

As of the dates 30 September 2026 and 31 December 2025, according to the declarations written by the legal counselors, the lawsuits and legal executions in favor of and against the Group are as follows:

Description	2026	2025
a) Ongoing lawsuits filed by the Group	30.549	40.050
b) Execution proceedings carried out by the Group	1.118.138	1.266.300
c) Ongoing lawsuits filed against the Group	189.577	121.486
d) Executions against the Group	36.384	34.999
e) Lawsuits finalized in favor of the Group within the period	14.964	9.570
f) Lawsuits finalized against the Group within the period	28.312	43.283
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 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.		
f) 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.		

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

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

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10. TAX

"Deferred Tax Assets" of the Group as of 30 September 2026 is TL 11.209.797. The amount is comprised of the items below.

	30 September 2026	31 December 2025
Carried Forward R&D Incentives Effect	21.203.592	26.350.125
Investment Incentive Certificates Effect	8.487.551	--
Temporary Differences	(18.481.346)	(16.066.915)
Deferred Tax Assets - Net	11.209.797	10.283.210

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.

As of 30 September 2026, the corporate income tax rate applicable in Türkiye is 25% (31 December 2025: 25%). Corporate income tax is calculated by applying the applicable tax rate to taxable corporate income, which is determined by adding expenses that are not deductible for tax purposes to commercial profit and deducting the exemptions and allowances permitted under tax legislation. Under Law No. 7582, published on 4 June 2026, the corporate income tax rate applicable to income generated, effective from 1 January 2027, from manufacturing activities carried out by entities holding an industrial registry certificate and actively engaged in manufacturing has been reduced from 25% to 12.5%. Although this amendment does not affect the current tax calculations for the current period, it has been reflected in the deferred tax calculations in the financial statements as of 30 September 2026, taking into account whether the related income is attributable to manufacturing or non-manufacturing activities.

In accordance with the law numbered 5746 pertaining to 30 September 2026 period the Group has calculated "Deferred Tax Asset" amounting to TL 21.203.592 from Research and Development expenses comprising "Outstanding Research and Development Deductions".

The Group includes in its deferred tax calculations the future tax benefit expected to be realized under the reduced corporate income tax incentive granted within the scope of the investment incentive certificate pursuant to Article 32/A of the Corporate Income Tax Law No. 5520, to the extent that it is probable that such benefit will be utilized and in accordance with the relevant legislation. The recognition of this deferred tax asset is based on management's estimates and judgments regarding the recoverability of the investment contribution amount and the probability that sufficient taxable profits will be available in future periods against which the tax benefit can be utilized. As of 30 September 2026, the Group has recognized a deferred tax asset of TL 8.487.551 arising from Investment Incentive Certificates.

	30 September 2026	30 September 2025
Profit before tax from continuing operations	23.564.856	3.442.646
Tax (expense)/income recognized in profit or loss	2.784.698	11.590.270
Effective tax rate	12%	337%

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

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

	30 September 2026	31 December 2025
Letters of guarantees received from the suppliers	26.285.605	18.600.830
Collaterals received from the customers	1.022.108	1.154.910
Letters of guarantees received from the customers	51.795	53.445
Collaterals received from the suppliers	7.613.311	5.196.728
Cheques of guarantees received from the suppliers	3.723.636	2.974.813
Cheques of guarantees received from the customers	--	2.487
	38.696.455	27.983.213

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

The collaterals/pledges/mortgages ("CPM") given by the Group as of 30 September 2026 and 31 December 2025 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 294.025.

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

30 September 2026	TL Equivalent	TL	USD	EURO	Polish Zloty	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	40.465.225	6.234.582	401.792	195.066	294.489	--
-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						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	40.465.225	6.234.582	401.792	195.066	294.489	--

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11. COMMITMENTS AND CONTINGENCIES (continued)

c) Guarantees given (continued)

31 December 2025	TL Equivalent	TL	USD	EURO	Polish Zloty	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	39.971.964	3.751.688	365.883	196.905	--	250
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	250.886	--	--	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	247.721	--	4.649	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	40.470.571	3.751.688	370.532	200.905	--	250

¹ The ratio of the other CPM given by the Group to equity as of 31 December 2025 is 0,08 percent. TL 247.721 is the collateral amount pertaining to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent Mikro Nano.

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12. EMPLOYEE BENEFITS**a) Short-term provisions for employee benefits**

	30 September 2026	31 December 2025
Provision for vacation pay and overtime	2.536.727	2.774.517
Bonus provision	--	4.555.291
	2.536.727	7.329.808

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

	30 September 2026	30 September 2025
Opening balance	2.774.517	1.845.387
Provision for the period	851.395	1.507.183
Provision paid during the period	(448.172)	(407.314)
Provision realized during the period	(98.322)	(50.179)
Monetary gain/(loss)	(542.691)	(374.138)
Closing balance	2.536.727	2.520.939

b) Long-term provisions for employee benefits

	30 September 2026	31 December 2025
Provision for severance pay	2.337.937	2.234.159
	2.337.937	2.234.159

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

	30 September 2026	30 September 2025
Opening balance	2.234.159	1.710.788
Actuarial loss/gain	317.759	279.998
Interest cost	34.548	29.623
Service cost	305.409	110.565
Payments	(116.940)	(76.892)
Monetary gain/(loss)	(436.998)	(346.850)
Closing balance	2.337.937	1.707.232

Provision for severance pay:

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

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12. EMPLOYEE BENEFITS (continued)

Provision for severance pay (continued)

Certain provisions regarding services before retirement, has been annulled on 23 May 2002 during the revision of the related law. As of 30 September 2026 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 73.729,87 (31 December 2025: TL 64.948,77)

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

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

	30 September 2026 (%)	31 December 2025 (%)
Interest rate	45,34	45,34
Inflation rate	41,34	41,34
Discount ratio	2,83	2,83
Estimation of probability of retirement ratio	95	95

13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital

<u>Shareholders</u>	<u>Share (%)</u>	<u>30 September 2026</u>	<u>Share (%)</u>	<u>31 December 2025</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		42.236.790		42.236.790
Inflation adjusted capital		46.796.790		46.796.790

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.

As a result of the 51th Ordinary General Assembly Meeting of the Company held on 13 May 2026; of the net profit generated by our company from its 2025 activities;

- Out of net distributable profit to the shareholders for the period, calculated in the framework of the dividend distribution regulations and decisions of the Capital Markets Board, gross, TL 1.950.000.000,- (Kuruş 42,76316 per share of TL 1 and 42,76316% on the basis of the capital) (net TL 1.657.500.000,- Kuruş 36,34868 per share of TL 1 and 36,34868% on the basis of the capital) shall be distributed in the form of cash,
- In accordance with Article 519/2 of the Turkish Commercial Code, General Legal Reserves amounting to TL 172.200.000,- TL,- is going to be allocated,
- The remaining profit is going to be allocated as Extraordinary Legal Reserves,

and distribution of the cash dividend to the shareholders are planned to be distributed as of 24 November 2026.

14. REVENUE AND COST OF SALES

	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
a) Revenue				
Domestic sales	124.616.943	47.256.004	106.810.191	40.329.136
Export sales	26.869.163	10.806.720	11.080.092	2.653.677
	151.486.106	58.062.724	117.890.283	42.982.813

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14. REVENUE AND COST OF SALES (continued)

Revenue Recognized Regarding Performance Obligation	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Over time	83.762.291	32.091.939	73.321.618	21.464.207
Point in time	67.723.815	25.970.785	44.568.665	21.518.606
	151.486.106	58.062.724	117.890.283	42.982.813
b) Cost of Sales (-)	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Cost of raw materials and supplies (-)	66.501.462	26.656.936	48.722.894	17.880.850
Cost of merchandise goods sold (-)	2.607.200	1.704.976	3.015.085	1.358.586
Cost of services sold (-)	32.954.268	11.230.467	28.097.780	10.534.135
Cost of other sales (-)	1.926.929	635.775	1.615.525	741.616
	103.989.859	40.228.154	81.451.284	30.515.187

15. OTHER OPERATING INCOME AND EXPENSES

	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
a) Other Operating Income				
Foreign currency exchange differences from operations	25.790.117	8.504.091	26.718.208	5.056.559
Amortized cost effect of trade payables	1.612.510	(29.350)	1.447.342	(17.273)
Other income	2.786.733	1.497.764	3.486.807	1.560.484
	30.189.360	9.972.505	31.652.357	6.599.770
b) Other Operating Expense (-)	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Foreign currency exchange differences from operations (-)	19.815.237	5.914.445	18.469.226	4.674.972
Amortized cost effect of trade receivables (-)	1.557.951	167.436	908.221	(34.761)
Other expense and losses (-)	2.230.496	1.143.681	2.734.594	1.117.586
	23.603.684	7.225.562	22.112.041	5.757.797

16. FINANCIAL INCOME

	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Interest income	2.433.230	857.806	3.277.517	674.736
Foreign currency exchange gains from bank loans	541.837	382.598	85.247	21.645
	2.975.067	1.240.404	3.362.764	696.381

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17. FINANCIAL EXPENSES

	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Foreign currency exchange losses from bank loans (-)	5.330.579	2.509.716	9.900.288	1.156.119
Interest cost of borrowings (-)	6.983.743	2.915.927	3.837.872	1.773.747
Interest cost related with employee benefits (-)	34.548	9.921	29.623	8.202
	12.348.870	5.435.564	13.767.783	2.938.068

18. GAIN/(LOSS) ON NET MONETARY POSITION

As of 30 September 2026, 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)	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Balance Sheet Items	(5.338.286)	276.210	(17.891.628)	442.605
Inventories	12.850.632	3.272.955	5.027.574	4.973.811
Prepaid expenses	7.244.105	1.860.134	5.284.748	1.683.516
Property, plant and equipment	19.359.058	4.769.502	12.183.078	4.302.917
Intangible assets	12.373.857	2.857.832	7.495.272	2.131.099
Equity accounted investments and financial investments	9.314.972	2.231.723	3.969.813	1.169.794
Deferred income	(3.706.887)	(505.374)	(5.441.159)	(63.340)
Share capital	(9.153.373)	(2.096.317)	(9.487.812)	(2.799.999)
Share premiums	(6.685.333)	(1.531.083)	(6.929.596)	(2.045.030)
Other comprehensive income / (expense) that will not be reclassified to profit or (loss)	(5.829.019)	(1.334.969)	(1.102.093)	(325.245)
Other comprehensive income / (expense) that will be reclassified to profit or (loss)	(4.299.814)	(984.749)	161.620	47.697
Restricted reserves	(1.717.286)	(393.295)	(1.643.876)	(485.133)
Retained earnings	(35.089.198)	(7.870.149)	(27.409.197)	(8.147.482)
Statement of Profit or Loss Items	(2.608.350)	(1.469.953)	(2.463.814)	(1.292.535)
Revenue	(9.080.115)	(5.419.156)	(8.633.979)	(4.689.861)
Cost of sales (-)	6.034.596	3.610.215	5.537.587	3.029.088
General administrative expenses (-)	272.434	153.879	318.686	162.114
Marketing expenses (-)	221.955	130.256	213.437	115.814
Research and development expenses(-)	134.203	83.403	190.747	99.542
Other operating income	(2.091.226)	(1.179.173)	(3.082.954)	(1.424.502)
Other operating expenses (-)	1.513.703	876.794	2.080.956	905.905
Income from investing activities	(200.637)	(94.106)	(18.927)	(12.003)
Financial income	(123.981)	(51.258)	(278.010)	(137.826)
Financial expense (-)	710.718	419.193	1.208.643	659.194
Net Monetary Gain/ (Losses)	(7.946.636)	(1.193.743)	(20.355.442)	(849.930)

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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 30 September 2026 and 2025 earnings per share calculations are as follows:

	1 January- 30 September 2026	1 July- 30 September 2026	1 January- 30 September 2025	1 July- 30 September 2025
Number of shares outstanding (in thousands)	4.560.000	4.560.000	4.560.000	4.560.000
Net profit	26.470.603	11.227.027	15.114.555	6.182.113
Earnings per 100 shares (Kuruş)	580,50	246,21	331,46	135,57
Diluted Earnings per 100 shares (Kuruş)	580,50	246,21	331,46	135,57

20. FINANCIAL LIABILITIES

		30 September 2026	31 December 2025
Short-term financial liabilities	Unsecured loan	25.688.821	16.214.694
Other short-term financial liabilities	Unsecured loan	--	102.913
Current portion of long-term financial liabilities	Unsecured loan	42.408.432	30.957.513
Total short-term financial liabilities		68.097.253	47.275.120
Other long-term financial liabilities	Unsecured loan	18.910.830	6.251.061
Total long-term financial liabilities		18.910.830	6.251.061
Total financial liabilities		87.008.083	53.526.181

As of 30 September 2026, TL 3.334.144 of the financial debts included in short-term borrowings consists of Rediscount Foreign Currency Loans, which have maturity dates due between December 2026 - April 2027 and the interest rates between 2,62 percent - 2,94 percent. As of 30 September 2026, TL 17.233.607 of financial debts within short-term borrowings consist of Rediscount TL Loans, which have maturity dates due between November 2026 - August 2027 and the interest rates between 20,32 percent - 22,00 percent. As of 30 September June 2026, TL 186.138 of the financial debts included in short-term borrowings consists of foreign currency working capital loans, which have maturity dates due November 2026 - September 2027 and the interest rates between 3,80 percent - 5,70 percent. As of 30 September June 2026, TL 50.000 of the financial debts included in short-term borrowings consists of TL working capital loans, which have maturity dates due October 2026 and the interest rate is 44,00 percent. As of 30 September 2026, TL 2.384.976 of the financial debts included in short-term borrowings consists of foreign currency investment loans, which have maturity dates due between October 2026 - July 2030 and the interest rates between 1,80 percent - 8,25 percent. As of 30 September 2026, TL 2.499.956 of the financial debts included in short-term borrowings consists of TL investment loans, which have maturity dates due between December 2026 - March 2028 and the interest rates between 8,30 percent - 20,32 percent.

As of 30 September 2026, TL 14.976.463 of financial debts included in the current portion of long-term borrowings consists of foreign currency investment loans, which have maturity dates due between December 2026 - September 2027 and the interest rates between 4,50 percent – 5,20 percent.

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20. FINANCIAL LIABILITIES (continued)

As of 30 September 2026, TL 36.804 of financial debts included in the current portion of long-term borrowings consists of TL investment loans, which have maturity dates due between November 2026 - March 2028 and the interest rates between 8,30 percent - 35,00 percent. As of 30 September 2026, TL 26.064.011 of financial debts included in the current portion of long-term borrowings consists of foreign currency working capital loans, which have maturity dates due between January 2027 - November 2027 and the interest rates between 4,50 percent - 5,70 percent. As of 30 September 2026, TL 235.192 of financial debts included in the long-term borrowings consists of foreign currency rediscount loans, which have maturity dates due October 2027 and the interest rate is between 3,14 percent - 3,30 percent. As of 30 September 2026, TL 1.941.640 of financial debts included in the long-term borrowings consists of foreign currency rediscount loans, which have maturity dates due October 2027 and the interest rate is 20,32 percent. As of 30 September 2026, TL 14.509.510 of financial debts included in the long-term borrowings consists of TL investment loans, which have maturity dates due between March 2028 - July 2036 and the interest rates between 8,30 percent - 27,00 percent. As of 30 September 2026, TL 561.534 of financial debts included in the long-term borrowings consists of foreign currency investment loans, which have maturity dates due between October 2027 - September 2031 and the interest rates between 4,00 percent - 8,40 percent. As of 30 September 2026, TL 1.024.391 of financial debts included in the long-term borrowings consists of foreign currency working capital loans, which have maturity dates due between November 2027 - February 2029 and the interest rates between 5,00 percent - 5,70 percent. As of 30 September 2026, TL 638.563 of financial debts included in the long-term borrowings consists of TL working capital loans, which have maturity dates due between October 2027 - July 2029 and the interest rates between 3,90 percent - 8,80 percent.

As of 31 December 2025, TL 1.054.687 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between April 2026 and the interest rates between 2,65 percent - 4,74 percent. As of 31 December 2025, TL 13.581.523 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between January 2026 - March 2026 and the interest rates between 19,93 percent and 20,32 percent. As of 31 December 2025, TL 1.578.484 of the financial debts included in short-term borrowings consists of investment credits, which have maturity dates due May 2026 and the interest rates between 12,5 percent - 49,00 percent. As of 31 December 2025, TL 457 of other short-term financial liabilities were taken within the scope credit card debts. As of 31 December 2025, TL 29.293 of financial debts included in the current portion of long-term borrowings were taken within the scope of investment credit, which have maturity dates due December 2026 and the interest rate is 8,25 percent. As of 31 December 2025, TL 73.164 of financial debts included in the current portion of long-term borrowings were taken within the scope of business loans, which have maturity dates due December 2026 and the interest rate is 5,70 percent. As of 31 December 2025, there are TL 12.041.445 Spot EUR Loans within the short-term borrowings, which have maturity dates due between February 2026 and January 2027, and the interest rates between 4,50 percent - 5,10 percent. As of 31 December 2025, there are TL 18.916.067 Spot USD Loans within the short-term borrowings, which have maturity dates due between January 2026 - January 2027, and the interest rates between 5,20 percent - 5,90 percent. As of 31 December 2025, TL 4.062.075 of financial debts within short-term borrowings consist of USD Spot Loans, which have maturity dates due January 2027 and the interest rate is 5,30 percent. As of 31 December 2025, TL 1.816.116 of financial debts included in the long-term borrowings were taken within the scope of investment credit, which have maturity dates due between October 2035 and the interest rate is between 21,78 percent - 23,00 percent. As of 31 December 2025, TL 372.870 of financial debts included in the long-term borrowings were taken within the scope of business loans, which have maturity dates due October 2027 and the interest rate is 5,70 percent.

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

21. FOREIGN EXCHANGE POSITION

FOREIGN EXCHANGE POSITION						
30 September 2026	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other¹
1. Trade receivables	50.664.024	806.448	39.459.735	201.673	11.204.289	--
2a. Monetary financial assets (including cash, bank)	13.949.659	192.190	9.403.938	81.676	4.537.674	8.047
2b. Non- monetary financial assets	30.445.068	297.380	14.550.869	182.959	10.164.620	400.185
3. Other	9.509	159	7.782	24	1.326	401
4. Current assets (1+2+3)	95.068.260	1.296.177	63.422.324	466.332	25.907.909	408.633
5. Trade receivables	67.739.783	731.500	35.792.525	575.039	31.947.258	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	864.247	4.925	241.001	9.484	526.909	57.894
7. Other	837.401	6.377	312.029	9.193	510.720	14.652
8. Long-term assets (5+6+7)	69.441.431	742.802	36.345.555	593.716	32.984.887	72.546
9. Total assets (4+8)	164.509.691	2.038.979	99.767.879	1.060.048	58.892.796	481.179
10. Trade payables	25.949.538	345.429	16.932.378	144.212	8.026.406	990.754
11. Financial liabilities	47.329.590	670.336	32.858.822	260.000	14.470.768	--
12a. Other monetary financial liabilities	25.598	469	22.975	47	2.615	8
12b. Other non-monetary financial liabilities	32.320.872	735.993	36.077.221	63.776	3.549.552	--
13. Current liabilities (10+11+12)	105.625.598	1.752.227	85.891.396	468.035	26.049.341	990.762
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	65.358	1.333	65.358	--	--	--
16a. Other monetary financial liabilities	23.389	148	7.249	290	16.140	--
16b. Other non-monetary financial liabilities	55.883.462	637.202	31.178.461	453.697	25.251.341	3.747.791
17. Non-current liabilities (14+15+16)	55.972.209	638.683	31.251.068	453.987	25.267.481	3.747.791

¹ Comprises of the currencies CAD, CHF, GBP, JPY, AUD, DKK, ZAR, AED, SAR, CNY, MYR, NOK, QAR, SEK.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
30 September 2026	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other
18. Total liabilities (13+17)	161.597.807	2.390.910	117.142.464	922.022	51.316.822	4.738.553
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)	2.911.884	(351.931)	(17.374.585)	138.026	7.575.974	(4.257.374)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)	58.959.993	712.423	34.769.416	453.839	25.173.292	(982.715)
22. Fair value of derivative financial instruments used in foreign currency hedge	--	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--	--
25. Exports	26.869.163	362.181	16.615.061	84.930	4.094.755	6.159.347
26. Imports	42.493.252	543.671	26.649.877	212.745	11.840.723	4.002.652

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

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

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(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
31 December 2025	TL Equivalent (Functional currency)	USD	TL equivalent by using closing rates	EURO	TL equivalent by using closing rates	Other¹
1. Trade receivables	38.201.034	570.624	30.393.738	124.890	7.807.296	--
2a. Monetary financial assets (including cash, bank)	7.957.508	122.970	6.549.879	22.424	1.401.789	5.840
2b. Non- monetary financial assets	21.208.295	177.257	9.441.436	141.420	8.840.653	316.418
3. Other	66.215	1.151	61.319	69	4.298	598
4. Current assets (1+2+3)	67.433.052	872.002	46.446.372	288.803	18.054.036	322.856
5. Trade receivables	89.617.384	723.649	38.544.498	816.991	51.072.886	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	351.331	1.788	95.229	2.260	141.264	34.570
7. Other	136.035	1.473	78.453	902	56.406	1.176
8. Long-term assets (5+6+7)	90.104.750	726.910	38.718.180	820.153	51.270.556	35.746
9. Total assets (4+8)	157.537.802	1.598.912	85.164.552	1.108.956	69.324.592	358.602
10. Trade payables	22.121.000	312.492	16.674.561	73.886	4.627.203	819.236
11. Financial liabilities	31.351.458	356.336	19.014.126	197.000	12.337.332	--
12a. Other monetary financial liabilities	37.627	626	33.406	67	4.212	9
12b. Other non-monetary financial liabilities	31.169.272	478.694	25.543.115	181.161	11.345.394	--
13. Current liabilities (10+11+12)	84.679.357	1.148.148	61.265.208	452.114	28.314.141	819.245
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	4.073.149	76.333	4.073.149	--	--	--
16a. Other monetary financial liabilities	8.078	148	7.890	3	188	--
16b. Other non-monetary financial liabilities	40.634.671	522.543	27.882.898	288.479	18.066.234	--
17. Non-current liabilities (14+15+16)	44.715.898	599.024	31.963.937	288.482	18.066.422	--

¹ Comprises of the currencies CAD, CHF, GBP, JPY, AUD, DKK, ZAR, AED, SAR, CNY, MYR, NOK, QAR, SEK.

ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026**

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
31 December 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)	129.395.255	1.747.172	93.229.145	740.596	46.380.563	819.245
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)	28.142.547	(148.260)	(8.064.593)	368.360	22.944.029	(460.643)
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10- 11-12a-14-15-16a)	78.184.614	671.308	35.684.983	693.349	43.313.036	(813.405)
22. Fair value of derivative financial instruments used in foreign currency hedge	--	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--	--
25. Exports	34.225.449	298.849	14.978.771	76.673	4.366.391	14.880.287
26. Imports	48.463.816	593.480	31.611.145	205.569	12.850.825	4.001.846

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

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 September 2026, unless otherwise indicated.)

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				
30 September 2026				
	Profit/Loss		Equity ¹	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD against TL by 10%:				
1- USD denominated net assets/(liabilities)	3.476.942	(3.476.942)	3.476.942	(3.476.942)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	3.476.942	(3.476.942)	3.476.942	(3.476.942)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	2.517.329	(2.517.329)	2.517.329	(2.517.329)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	2.517.329	(2.517.329)	2.517.329	(2.517.329)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/(liabilities)	(98.272)	98.272	(98.272)	98.272
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(98.272)	98.272	(98.272)	98.272

¹ Comprises of profit/loss effect.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH ENDED 30 SEPTEMBER 2026

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21. FOREIGN EXCHANGE POSITION (continued)**Foreign currency sensitivity (continued)**

Foreign currency sensitivity table				
31 December 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)	3.568.498	(3.568.498)	3.568.498	(3.568.498)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	3.568.498	(3.568.498)	3.568.498	(3.568.498)
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	4.331.304	(4.331.304)	4.331.304	(4.331.304)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	4.331.304	(4.331.304)	4.331.304	(4.331.304)
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/ (liabilities)	(81.341)	81.341	(81.341)	81.341
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	(81.341)	81.341	(81.341)	81.341

22. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group have signed contracts amounting to USD 881 Million.

¹ Comprises of profit/loss effect.