(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 AND INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

4 August 2026

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

LIMITED ASSURANCE REPORT ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors ofASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ

1. Introduction

We have reviewed the accompanying consolidated statement of financial position of **ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ** (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2026, and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and the accompanying explanatory notes (the "interim consolidated financial information").Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with Turkish Accounting Standard ("TAS") 34, Interim Financial Reporting, issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

2. Scope of the Limited Review

We conducted our review in accordance with Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.A review of interim consolidated financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with TAS 34, Interim Financial Reporting.

4 August 2026
ALİ OSMAN EFLATUN
Engagement Partner

KARAR BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.
Member Firm of Abacus
Ankara

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ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2026

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

	Note References	Limited Reviewed 30 June 2026	Audited 31 December 2025
ASSETS			
Current Assets		**248.765.565**	**206.057.730**
Cash and Cash Equivalents	3	39.468.926	34.251.653
Trade Receivables	5	47.167.326	45.760.320
From Related Parties	*4*	*21.831.106*	*37.763.402*
From Third Parties		*25.336.220*	*7.996.918*
Other Receivables		10.135.228	6.015.164
From Related Parties	*4*	*1.683.340*	--
From Third Parties		*8.451.888*	*6.015.164*
Inventories	6	106.485.325	86.741.403
Prepaid Expenses	7	37.004.766	26.434.952
From Related Parties	*4*	*4.408.876*	*3.498.442*
From Third Parties		*32.595.890*	*22.936.510*
Other Current Assets		8.503.994	6.854.238
Non-Current Assets		**300.982.470**	**302.170.876**
Financial Investments		37.204.841	37.233.742
Trade Receivables	5	82.608.746	103.561.771
From Related Parties	*4*	*41.074.009*	*50.406.669*
From Third Parties		*41.534.737*	*53.155.102*
Other Receivables		19.316	19.107
From Third Parties		*19.316*	*19.107*
Equity Accounted Investments		1.489.318	1.714.923
Property, Plant and Equipment	8	86.186.280	76.141.239
Rights of Use Assets	8	18.649.408	18.945.749
Intangible Assets	8	53.706.537	43.903.156
Prepaid Expenses	7	9.094.666	8.475.338
From Related Parties	*4*	*747.614*	*629.376*
From Third Parties		*8.347.052*	*7.845.962*
Deferred Tax Assets	10	10.237.470	10.283.210
Other Non-Current Assets		1.785.888	1.892.641
TOTAL ASSETS		**549.748.035**	**508.228.606**

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2026

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

	Note References	Limited Reviewed 30 June 2026	Audited 31 December 2025
LIABILITIES			
Current Liabilities		**169.003.469**	**148.645.135**
Short-term Financial Liabilities	20	25.398.173	15.456.810
Short-term Portion of Long-term Financial Liabilities	20	39.308.899	29.324.421
Trade Payables	5	37.218.147	44.706.384
To Related Parties	*4*	*2.564.238*	*2.332.923*
To Third Parties		*34.653.909*	*42.373.461*
Employee Benefit Obligations		8.574.674	4.743.676
Other Payables		3.130.115	1.111.679
To Related Parties	*4*	*1.950.000*	*794.173*
To Third Parties		*1.180.115*	*317.506*
Government Grants and Incentives		102.720	89.331
Deferred Income	7	39.197.269	32.108.240
To Related Parties	*4*	*12.274.823*	*12.831.155*
To Third Parties		*26.922.446*	*19.277.085*
Corporate Tax Liability		6.761	2.191.305
Short-term Provisions		16.060.706	18.774.985
For Employee Benefits	*12*	*2.845.211*	*6.943.141*
Other	*9*	*13.215.495*	*11.831.844*
Other Current Liabilities		6.005	138.304
Non-Current Liabilities		**72.219.957**	**63.084.967**
Long-term Financial Liabilities	20	8.586.218	5.921.301
Trade Payables	5	--	28.770
To Third Parties		--	*28.770*
Other Payables		13.538	15.359
To Third Parties		*13.538*	*15.359*
Deferred Income	7	55.735.635	44.724.068
To Related Parties	*4*	*41.553.610*	*41.543.182*
To Third Parties		*14.182.025*	*3.180.886*
Long-term Provisions		7.580.564	12.141.243
Long-term Provisions for Employee Benefits	*12*	*2.132.827*	*2.116.301*
Other	*9*	*5.447.737*	*10.024.942*
Other Non-Current Liabilities		304.002	254.226

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

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

	Note References	Limited Reviewed 30 June 2026	Audited 31 December 2025
EQUITY		**308.524.609**	**296.498.504**
Equity Attributable to Equity Holders of the Parent		**306.744.183**	**294.901.778**
Share Capital	13	4.560.000	4.560.000
Inflation Adjustments on Share Capital Differences	13	39.768.135	39.768.135
Share Premiums		32.375.861	32.375.861
Other Comprehensive Income / (Expense) that will not be Reclassified to Profit or (Loss)		27.623.747	28.192.446
Gain on Revaluation of Property, Plant and Equipment		*14.255.687*	*14.255.687*
Gain on Rights of Use Assets		*16.524.207*	*16.524.207*
Gain/ Loss on Remeasurement of Defined Benefit Plans		*(3.156.147)*	*(2.587.448)*
Other Cumulative Comprehensive Income / (Expense) will be Reclassified to Profit/Loss		20.549.809	20.628.011
Gain (Loss) on Financial Assets That Fair Value Difference Reflect in Other Comprehensive income		*20.823.224*	*20.823.224*
Cumulative Translation Adjustments		*(273.415)*	*(195.213)*
Restricted Reserves	13	8.635.941	8.463.741
Retained Earnings		158.791.384	125.645.632
Net Profit for the Year		14.439.306	35.267.952
Non-Controlling Interests		**1.780.426**	**1.596.726**
TOTAL LIABILITIES AND EQUITY		**549.748.035**	**508.228.606**

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

	Notes References	Limited Reviewed 1 January-30 June 2026	Not Reviewed 1 April-30 June 2026	Limited Reviewed 1 January-30 June 2025	Not Reviewed 1 April-30 June 2025
PROFIT OR LOSS					
Revenue	14	88.494.252	51.782.243	70.956.004	39.038.714
Cost of Sales (-)	14	(60.397.561)	(34.961.861)	(48.249.151)	(25.884.838)
GROSS PROFIT		**28.096.691**	**16.820.382**	**22.706.853**	**13.153.876**
General Administrative Expenses (-)		(4.017.697)	(2.086.780)	(3.574.935)	(1.590.466)
Marketing Expenses (-)		(2.130.031)	(1.203.596)	(1.805.552)	(978.929)
Research and Development Expenses (-)		(3.054.194)	(1.845.926)	(2.502.157)	(1.321.813)
Other Operating Income	15	19.150.189	10.378.951	23.731.030	9.406.040
Other Operating Expenses (-)	15	(15.513.993)	(8.681.515)	(15.491.536)	(5.977.392)
OPERATING PROFIT		**22.530.965**	**13.381.516**	**23.063.703**	**12.691.316**
Income From Investing Activities		1.670.370	536.831	268.576	220.551
Shares of profit/(losses) of Equity Accounted Investees		(248.997)	(113.023)	(274.237)	(133.077)
OPERATING PROFIT BEFORE FINANCIAL EXPENSE		**23.952.338**	**13.805.324**	**23.058.042**	**12.778.790**
Financial Income	16	1.643.140	544.926	2.525.727	1.342.695
Financial Expense (-)	17	(6.548.551)	(3.689.912)	(10.258.434)	(5.644.817)
Monetary Gain/(Loss)	18	(6.396.603)	(284.202)	(18.476.571)	(8.637.203)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**12.650.324**	**10.376.136**	**(3.151.236)**	**(160.535)**
Tax Income from Continuing Operations	10	**1.799.510**	**(1.864.994)**	**11.620.228**	**5.641.684**
- Current Corporate Tax Expense(-)		(271.590)	490.537	(148.281)	(25.463)
- Deferred Tax Income		2.071.100	(2.355.531)	11.768.509	5.667.147
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**14.449.834**	**8.511.142**	**8.468.992**	**5.481.149**
Profit for the Period Attributable to		**14.449.834**	**8.511.142**	**8.468.992**	**5.481.149**
Non-Controlling Interest		10.528	(325)	7.748	205.667
Owners of the Company	19	14.439.306	8.511.467	8.461.244	5.275.482
		14.449.834	**8.511.142**	**8.468.992**	**5.481.149**
Earnings for per 100 Shares (in full kuruş)	19	**316,65**	**186,65**	**185,55**	**115,69**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

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

	Note References	Limited Reviewed 1 January- 30 June 2026	Not Reviewed 1 April- 30 June 2026	Limited Reviewed 1 January- 30 June 2025	Not Reviewed 1 April- 30 June 2025
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS					
Items that will not to be reclassified subsequently in Profit or Loss		**(568.699)**	**(568.699)**	**(24.102)**	**(24.102)**
Loss on Remeasurement of Defined Benefit Plans	12	(274.165)	(274.165)	(32.136)	(32.136)
Deferred Tax Income / (Expense)		(294.534)	(294.534)	8.034	8.034
Items that may be reclassified subsequently to profit or loss		**(78.202)**	**(36.458)**	**(8.109)**	**(14.640)**
Foreign Currency Exchange Differences		(78.202)	(36.458)	(8.109)	(14.640)
OTHER COMPREHENSIVE INCOME		**(646.901)**	**(605.157)**	**(32.211)**	**(38.742)**
TOTAL COMPREHENSIVE INCOME		**13.802.933**	**7.905.985**	**8.436.781**	**5.442.407**
Total Comprehensive Income Attributable to					
Non-Controlling Interest		10.528	(325)	7.748	205.667
Owners of the Company		13.792.405	7.906.310	8.429.033	5.236.740
		13.802.933	**7.905.985**	**8.436.781**	**5.442.407**

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH ENDED 30 JUNE 2026

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

				Other Comprehensive Income / Expense that will not to be Reclassified Subsequently to Profit or Loss			Other Comprehensive Income / Expense that may not to be Reclassified Subsequently to Profit or Loss			Retained Earnings				
	Share Capital	**Inflation Adjustments on Share Capital**	**Share Issuance Premiums/ (Discounts)**	**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 2026	**4.560.000**	**39.768.135**	**32.375.861**	**7.081.918**	**--**	**(1.969.222)**	**(755.112)**	**(180.038)**	**7.827.665**	**103.961.642**	**23.581.001**	**216.251.850**	**1.634.173**	**217.886.023**
Transfers	--	--	--	--	--	--	--	--	713.653	21.453.782	(22.167.435)	--	--	**--**
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Total Comprehensive Income	--	--	--	--	--	(24.102)	--	(8.109)	--	--	8.461.244	8.429.033	7.748	**8.436.781**
Dividends	--	--	--	--	--	--	--	--	--	--	(1.413.566)	(1.413.566)	--	**(1.413.566)**
Balance as of 30 June 2025	**4.560.000**	**39.768.135**	**32.375.861**	**7.081.918**	--	**(1.993.324)**	**(755.112)**	**(188.147)**	**8.541.318**	**125.415.424**	**8.461.244**	**223.267.317**	**1.641.921**	**224.909.238**
Balance as of 1 January 2026	**4.560.000**	**39.768.135**	**32.375.861**	**14.255.687**	**16.524.207**	**(2.587.448)**	**20.823.224**	**(195.213)**	**8.463.741**	**125.645.632**	**35.267.952**	**294.901.778**	**1.596.726**	**296.498.504**
Transfers	--	--	--	--	--	--	--	--	172.200	33.145.752	(33.317.952)	--	--	**--**
Capital Increase	--	--	--	--	--	--	--	--	--	--	--	--	--	**--**
Total Comprehensive Income	--	--	--	--	--	(568.699)	--	(78.202)	--	--	14.439.306	13.792.405	10.528	**13.802.933**
Dividends	--	--	--	--	--	--	--	--	--	--	(1.950.000)	(1.950.000)	--	**(1.950.000)**
Consolidation Effect of Share Change in Establishment	--	--	--	--	--	--	--	--	--	--	--	--	173.172	**173.172**
Balance as of 30 June 2026	**4.560.000**	**39.768.135**	**32.375.861**	**14.255.687**	**16.524.207**	**(3.156.147)**	**20.823.224**	**(273.415)**	**8.635.941**	**158.791.384**	**14.439.306**	**306.744.183**	**1.780.426**	**308.524.609**

ASELSAN ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH ENDED 30 JUNE 2026

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

	Note References	Limited Reviewed 1 January- 30 June 2026	Limited Reviewed 1 January- 30 June 2025
A.Cash Flows from Operating Activities		**15.206.440**	**18.013.334**
Profit for the Period		14.449.834	8.468.992
Adjustments to Reconcile Profit for the Period		**11.924.401**	**3.066.846**
- Adjustments for Depreciation and Amortization Expense	8	4.338.537	2.967.002
- Adjustments for Impairment Loss (Reversal of Impairment Loss)		(218.085)	175.657
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	*5*	*(5.720)*	*(1.780)*
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	*6*	*(212.365)*	*177.437*
- Adjustments for Provisions		104.807	(1.312.990)
Adjustments for (Reversal of) Provisions Related with Employee Benefits	*12*	*(2.643.296)*	*(1.159.621)*
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		*(1.007.727)*	*(2.457.057)*
Adjustments for (Reversal of) Warranty Provisions		*3.773.256*	*2.760.530*
Adjustments for (Reversal of) Other Provisions		*(17.426)*	*(456.842)*
- Adjustments for Interest (Income) Expenses		(771.804)	(834.713)
Adjustments for Interest Income		*(2.088.953)*	*(1.727.951)*
Adjustments for Interest Expense		*1.317.149*	*893.238*
- Adjustments for Retained Profit of Equity Accounted Investees		248.997	274.237
- Adjustments for Tax (Income)/Expenses		(1.799.510)	(11.620.227)
- Other Adjustments for which Cash Effects are Investing or Financing Cash Flow		2.396.383	8.100.117
- Other Adjustments to Reconcile Profit (Loss)		7.625.076	5.317.763
Changes in Working Capital		**(5.991.513)**	**9.525.588**
- Decrease (Increase) in Trade Receivables		20.882.800	17.530.522
- Decrease (Increase) in Other Receivables Related with Operations		(4.120.273)	47.122
- Decrease (Increase) in Inventories	6	(18.995.613)	(2.772.166)
- Decrease (Increase) in Prepaid Expenses	7	(10.475.951)	(6.075.035)
- Increase (Decrease) in Trade Payables	5	(5.961.773)	(5.148.080)
- Increase (Decrease) in Employee Benefit Obligations	12	3.830.997	345.471
- Adjustments for Stage of Completion of Construction or Service Contracts in Progress		646.599	1.176.028
- Increase (Decrease) in Other Operating Payables		66.615	(548.282)
- Increase (Decrease) in Government Grants and Subsidies		13.389	(14.546)
- Increase (Decrease) in Deferred Income		14.805.786	12.061.849
- Adjustments Related to Monetary Gain/ Losses		(5.592.281)	(6.125.909)
- Other Increase (Decrease) in Working Capital		(1.091.808)	(951.386)
Cash Flows From Operations		**20.382.722**	**21.061.426**
Payments Related with Provisions for Employee Benefits	12	(346.102)	(279.037)
Payments Related with Other Provisions		(2.645.637)	(2.620.773)
Income Taxes Refund (Paid)		(2.184.543)	(148.282)
B.Cash Flows From Investing Activities		**(33.537.708)**	**(16.934.728)**
Proceeds from Sales of Property, Plant, Equipment and Intangible Assets		740.908	202.352
Purchase of Property, Plant and Equipment	8	(14.257.326)	(5.513.477)
Purchase of Intangible Assets	8	(19.488.824)	(11.677.360)
Dividends Received		122.899	87.913
Other Cash Inflows (Outflows)		(655.365)	(34.156)
C.Cash Flows From Financing Activities		**27.717.459**	**(2.546.005)**
Proceeds from Borrowings		48.593.359	9.489.087
Repayments of Borrowings		(20.875.900)	(12.035.092)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		**9.386.191**	**(1.467.399)**
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**996.259**	**350.430**
E. MONETARY GAİN/LOSS EFFECT ON CASH AND CASH EQUİVALENTS		**(5.165.177)**	**(3.664.832)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D+E)		**5.217.273**	**(4.781.801)**
F.CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**34.251.653**	**25.644.155**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	**3**	**39.468.926**	**20.862.354**

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

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 ("BIST") since 1990. As of 30 June 2026, 25,80 percent of the Company's shares are publicly traded (31 December 2025: 25,80 percent) (Note 20).

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 June 2026 is 17.024 (31 December 2025: 14.143).

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"), BITES Savunma Havacılık ve Uzay Teknolojileri Yazılım A.Ş. ("BITES"), Aselsan Global Dış Ticaret ve Pazarlama A.Ş. ("ASELSAN Global"), ASELSAN UKRAINE LLC. ("ASELSAN Ukrayna"), 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") and ASELSAN Hungary LLC ("ASELSAN Hungary"). 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

<u>Statement of Compliance to TFRS</u>

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 six months ended 30 June 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.

<u>Approval of the Consolidated Financial Statements</u>

These consolidated financial statements have been approved for issue by the Board of Directors with the resolution number 1315 on 4 August 2026. There is no authority other than General Assembly and legal entities has the right to amend the consolidated financial statements.

<u>Functional Currency</u>

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

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

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

2.1 The Basis of Presentation (continued)

Preparation of Financial Statements in Hyperinflationary Periods

With the decision taken on 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 June 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 206% for the three-year period ended 30 June 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 June 2026, the indices and coefficients used in the restatement of the accompanying financial statements are as follows:

Period	Index	Correction Coefficient
30 June 2026	129,99	1
31 December 2025	110,39	1,17758
30 June 2025	98,40	1,32109
31 December 2024	84,33	1,54137

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.

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.

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:

			Group's proportion of ownership and voting power held (%)		
Subsidiaries	**Location**	**Functional Currency**	**30 June 2026**	**31 December 2025**	**Main Activity**
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

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.

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 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 June 2026 and 31 December 2025 are as follows:

			Group's proportion of ownership and voting power held (%)	
Joint Ventures	**Principal Activity**	**Country of establishment and operation**	**30 June 2026**	**31 December 2025**
ASELSAN Bikent Mikro Nano Teknolojileri Sanayi ve Ticaret Anonim Şirketi (''ASELSAN Bilkent Mikro Nano'')	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	Türkiye	50	50
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	13,04	13,04
EHSİM Elektronik Harp Sistemleri Müh. Tic. Anonim Şirketi ("EHSİM")	Electronic warfare systems, tactical command and control systems and decoy target systems	Türkiye	50	50
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	9,25	9,25
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	51	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; EHSİM established in 1998, IGG ASELSAN Integrated Systems and ASELSAN Kazakhstan Engineering established in 2011, ASELSAN Middle East established in 2012 and ASELSAN Bilkent Mikro Nano established in 2014, 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 June 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 June 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 June 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 June 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 June 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.

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

3. CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Cash	2.872	2.480
Bank	24.322.631	23.539.682
- *Time deposit*	*17.330.780*	*23.060.560*
- *Demand deposit*	*6.991.851*	*479.122*
Investment funds	13.997.383	9.363.498
Other	1.146.040	1.345.993
Cash and cash equivalents on the cash flow statement	**39.468.926**	**34.251.653**
Interest income accruals	--	--
	39.468.926	**34.251.653**

As of 30 June 2026, the Group has time deposits denominated in foreign currencies with maturities on July 2026 (31 December 2025: January 2026), with the interest rates between 1,50 percent and 3,50 percent (31 December 2025: 1,50 percent and 3,60 percent) amounting to TL 15.682.480 (31 December 2025: TL 6.970.463) in several banks.

As of 30 June 2026, the Group has time deposits denominated in TL terms with maturities on July 2026 (31 December 2025: January 2026) with the interest rates between 39,75 percent and 41,50 percent (31 December 2025: 36,27 percent and 40,25 percent) amounting to TL 1.648.300 (31 December 2025: TL 16.090.097) in several banks.

As of 30 June 2026, the Group's investment funds consist of money market funds.

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 maturitiy 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 June 2026 is approximately TL 309.820 (The vast majority consists of paid wages and benefits.) (30 June 2025: TL 327.198).

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

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

4. RELATED PARTY DISCLOSURES (continued)

	30 June 2026									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
Balances with related parties	**Trading**	**Prepaid Expenses**	**Other Receivables**	**Trading**	**Prepaid Expenses**	**Trading**	**Deferred Income**	**Other Payables[1]**	**Trading**	**Deferred Income**
Main shareholder										
TSKGV	39	--	--	--	--	--	--	1.446.012	--	--
Main shareholder’s subsidiaries and associates										
Hava Elektronik San. ve Tic. Anonim Şirketi (‘’HAVELSAN’’)	168.232	556.044	--	58.759	17.848	475.008	13	--	--	2.302.601
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	51.314	367.800	--	--	93.770	846.484	3.139	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	324	217.060	--	--	34.813	23.551	--	--	--	--
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	44.302	--	--	--	42.030	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	45.388	8.951	--	1.708.627	--	4.346	593.886	--	--	385.011
Tusaş Motor Sanayii Anonim Şirketi (“TEI”)	141.994			45.468	--	--	7.076	--	--	--
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	5.088.909	305.663	--	5.519.187	39.587	470	1.105.972	--	--	1.661.058
Havaalanı İşletme ve Havacılık Endüstrileri Anonim Şirketi (“HEAŞ”)	1	--	--	----	--	--	--	--	--	--
Financial Instruments										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPİLSAN”)	3.602	18.724	--	--	--	47.259	--	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	8.496.596	242.565	122.898	571.822	21.036	447.080	1.117.195	--	--	2.132.966
Joint ventures and its related parties										
ASELSAN Bİlkent	--	374.401	--	--	4.543	101.408	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	852	260.132	--	--	36.569	170	--	--	--	--
IGG	706.012	--	--	2.334	--	--	7.935	--	--	--
IGG ASELSAN	7.547	6.092	--	--	--	34.483	422	--	--	534
ASELSAN Kazakhstan	558.555	54.426	--	61.574	--	380	660	--	--	--
ASELSAN Jordan	175.452	--	--	--	--	4.010	11.882	--	--	9.323
TÜBİTAK BİLGEM	--	77.500	--	--	52.943	33.753	--	--	--	--
TÜBİTAK-UME	--	9.730	--	--	--	52.300	--	--	--	--
TÜBİTAK Bilimsel Teknolojik Araştırma	--	167.145	--	383.517	1.017	162.514	6.465	--	--	6.872
TÜBİTAK SAGE Savunma Sanayii	440.328	1.375.711	--	1.864	347.835	246.050	588.954	--	--	37.443
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	--	11.605	--	--	4.678	19.553	--	--	--	
Savunma Sanayi Başkanlığı (“SSB”)	5.116.166	--	--	32.720.857	--	--	7.678.005	--	--	26.407.457
SSTEK	821.044	--	--	--	--	--	1.153.219	--	--	8.610.345
EHSİM	--	116.728	--	--	86.976	20.195	--	--	--	--
ULAK	8.751	13.647	1.560.442	--	--	--	--	--	--	--
TR Eğitim ve Teknoloji	--	--	--	--	--	175	--	--	--	--
TÜYAR Mikroelektronik Sanayi	--	180.650	--	--	5.999	3.019	--	--	--	--
Shares offered to the public	--	--	--	--	--	--	--	503.988	--	--
	21.831.106	**4.408.876**	**1.683.340**	**41.074.009**	**747.614**	**2.564.238**	**12.274.823**	**1.950.000**	**--**	**41.553.610**

[1] All other short term payable is 2025 divident payments.

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

4. RELATED PARTY DISCLOSURES (continued)

	31 December 2025									
	Receivables					Payables				
	Short-term			Long-term		Short-term			Long-term	
Balances with related parties	**Trading**	**Prepaid Expenses**	**Other Receivables**	**Trading**	**Prepaid Expenses**	**Trading**	**Deferred Income**	**Other Payables[1]**	**Trading**	**Deferred Income**
Main shareholder										
TSKGV	51	--	--	--	--	--	--	794.173	--	--
Main shareholder’s subsidiaries and associates										
Hava Elektronik San. ve Tic. Anonim Şirketi (‘’HAVELSAN’’)	385.857	683.709	--	967	172.058	403.706	11	--	--	2.081.203
HAVELSAN Teknoloji Radar San. ve Tic. Anonim Şirketi (“HTR”)	64.036	327.001	--	--	81.744	634.066	--	--	--	--
İşbir Elektrik Sanayii Anonim Şirketi (“İŞBİR”)	197	239.741	--	--	33.318	211.189	--	--	--	--
				-						
NETAŞ Telekomünikasyon Anonim Şirketi (“NETAŞ”)	--	--	--	-	--	53.848	--	--	--	--
Savunma Teknolojileri Mühendislik ve Ticaret Anonim Şirketi (“STM”)	366.098	12.839	--	2.081.962	--	26.509	--	--	--	980.203
Tusaş Motor Sanayii Anonim Şirketi (“TEI”)	95.436	--	--	20.015	--	--	--	--	--	--
Türk Havacılık ve Uzay Sanayi ve Ticaret Anonim Şirketi (“TUSAŞ”)	7.128.801	1.347	--	6.106.800	--	27.831	1.645.250	--	--	2.381.926
Havaalanı İşletme ve Havacılık Endüstrileri Anonim Şirketi (“HEAŞ”)	1	--	--	--	--	--	--	--	--	--
Mercedes Benz Türk Anonim Şirketi (“Mercedes Benz”)	--	--	--	--	--	8.809	---	--	--	--
Financial Instruments										
ASPİLSAN Enerji Sanayi ve Ticaret Anonim Şirketi (“ASPİLSAN”)	--	29.957	--	--	--	60.547	--	--	--	--
Roket Sanayi ve Ticaret Anonim Şirketi (“ROKETSAN”)	6.825.782	239.101	--	611.913	20.291	31.912	541.830	--	--	555.822
Joint ventures and its related parties										
ASELSAN Bilkent Mikro Nano	--	374.915	--	--	37.972	207.138	--	--	--	--
İhsan Doğramacı Bilkent Üniversitesi	--	7.858	--	--	--	15.057	--	--	--	--
IGG	31.052	--	--	3.577	--	--	3.598	--	--	--
IGG ASELSAN Integrated Systems	18.601	65.552	--	--	--	38.623	--	--	--	--
Kazakhstan ASELSAN Engineering	465.089	15.299	--	72.508	--	175	16.446	--	--	--
ASELSAN Middle East	262.656	--	--	--	--	18.668	9.348	--	--	10.107
TÜBİTAK BİLGEM	--	108.312	--	--	18.320	213.281	--	--	--	--
TÜBİTAK-UME	--	9.116	--	--	--	3.843	--	--	--	--
TÜBİTAK Bilimsel Teknolojik Araştırma	--	120.502	--	498.264	1.690	108.721	7.062	--	--	16.725
TÜBİTAK SAGE Savunma Sanayii	--	944.431	--	7.080	160.731	110.545	32.396	--	--	2.767
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	--	5.107	--	--	5.666	19.691	--	--	--	--
Savunma Sanayi Başkanlığı (“SSB”)	17.781.222	--	--	41.003.583	--	--	9.794.344	--	--	24.972.869
SSTEK	2.605.174	--	--	--	--	--	780.870	--	--	10.541.560
EHSİM	29	136.645	--	--	91.994	131.323	--	--	--	--
ULAK	1.733.320	13.647	--	--	--	--	--	--	--	--
TÜYAR Mikroelektronik Sanayi	--	163.363	--	--	5.592	4.902	--	--	--	--
TR Eğitim ve Teknoloji	--	--	--	--	--	2.539	--	--	--	--
	37.763.402	**3.498.442**	**--**	**50.406.669**	**629.376**	**2.332.923**	**12.831.155**	**794.173**	**--**	**41.543.182**

[1] All other short term payable is 2024 divident payments.

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

4. RELATED PARTY DISCLOSURES (continued)

	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Transactions with related parties	**Purchases**	**Purchases**	**Purchases**	**Purchases**
Main Shareholder				
TSKGV	1.979	988	1.975	954
Main shareholder's shareholders/subsidiaries/associates				
NETAŞ	41.728	24.883	130.561	60.987
İŞBİR	14.276	14.276	333.596	136.749
HTR	1.107.659	599.652	872.812	427.787
TUSAŞ	2.265	1.939	1.708	631
HAVELSAN	1.039.055	901.729	518.961	415.797
STM	26.347	513	45.021	16.685
Financial Investments				
ROKETSAN	456.075	454.496	2.153	2.153
ASPİLSAN	116.754	65.862	93.038	42.313
Joint ventures and its related parties				
İhsan Doğramacı Bilkent Üniversitesi	487	122	17.095	79
TÜBİTAK BİLGEM	119.298	42.752	163.365	139.899
TÜBİTAK Bilimsel Teknolojik Araştırma	120.885	68.438	41.085	31.352
TÜBİTAK-UME	56.354	55.558	2.589	2.589
TÜBİTAK SAGE Savunma Sanayii	446.503	310.437	211.551	66.003
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	15.846	--	--	--
EHSİM	161.361	--	--	--
TÜYAR Mikroelektronik Sanayi	--	--	6.345	6.345
ULAK	--	--	11.508	11.508
TR Eğitim ve Teknoloji	5.002	5.002	--	--
SSTEK	--	--	655	655
	3.731.874	**2.546.647**	**2.454.018**	**1.362.486**

	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Transactions with related parties	**Sales**	**Sales**	**Sales**	**Sales**
Main Shareholder				
TSKGV	242	114	420	182
Main shareholder's shareholders/subsidiaries /associates				
TUSAŞ	10.895.552	5.946.828	11.425.091	6.241.543
STM	1.523.243	885.994	1.156.908	942.578
İŞBİR	329	290	--	--
HAVELSAN	728.227	688.522	204.834	129.874
HTR	64.908	55.394	131.285	121.441
Financial Investments				
ROKETSAN	3.833.564	1.667.341	3.360.852	1.842.914
ASPİLSAN	2.925	--	2.415	2.412
Joint ventures and its related parties				
İhsan Doğramacı Bilkent Üniversitesi	853	--	--	--
TÜBİTAK Bilimsel Teknolojik Araştırma	--	--	35.706	21.723
TÜBİTAK SAGE Savunma Sanayii	303.331	8.301	195.874	190.664
TÜBİTAK Uzay Teknolojileri Araştırma Enstitüsü	734	734	--	--
IGG	1.870.636	1.870.636	--	--
Savunma Sanayi Başkanlığı	26.888.536	15.477.499	26.375.028	11.707.969
ULAK	12.628	12.628	68.625	68.625
SSTEK	4.613.969	--	12.071	12.071
	50.739.677	**26.614.281**	**42.969.109**	**21.281.996**

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".

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

5. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

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

Short-term trade receivables	30 June 2026	31 December 2025
Trade receivables	25.322.544	7.852.693
Trade receivables from related parties (Note 4)	21.831.106	37.763.402
Notes receivable	--	106.354
Other receivables	13.676	37.871
Doubtful trade receivables	32.207	37.927
Allowance for doubtful trade receivables (-)	(32.207)	(37.927)
	47.167.326	**45.760.320**

Long-term trade receivables	30 June 2026	31 December 2025
Unbilled receivables from contracts with customers	40.448.760	51.917.440
Trade receivables	1.085.977	1.237.662
Unbilled receivables from contracts with customers - related party (Note 4)	41.074.009	50.406.669
	82.608.746	**103.561.771**

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

	30 June 2026	30 June 2025
Opening balance	37.927	49.772
Provision for the period	--	5.333
Monetary gain/(loss)	(5.720)	(7.113)
Closing balance	**32.207**	**47.992**

b) Trade payables

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

Short-term trade payables	30 June 2026	31 December 2025
Trade payables	32.719.666	39.704.513
Due to related parties (Note 4)	2.564.238	2.332.923
Notes payable	1.382.677	2.003.129
Other trade payables	551.566	665.819
	37.218.147	**44.706.384**

Long-term trade payables	30 June 2026	31 December 2025
Trade payables	--	28.770
	--	**28.770**

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

6. INVENTORIES

	30 June 2026	31 December 2025
Raw materials	50.077.798	41.107.671
Work-in progress	47.648.422	33.275.917
Goods in transit [1]	6.087	5.009.710
Finished goods	6.412.565	3.958.690
Other inventories	1.144.753	1.383.879
Trade goods	1.619.764	2.641.965
Allowance for impairment on inventories (-)	(424.064)	(636.429)
	106.485.325	**86.741.403**

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 June are as follows:

	2026	2025
Opening balance	636.429	32.247
Provision for the period	--	350.520
Provision unrealised	(212.365)	(173.083)
Closing balance	**424.064**	**209.684**

[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

Short-term prepaid expenses	30 June 2026	31 December 2025
Order advances given for inventory purchases	29.018.655	19.473.019
Short-term order advances given to related parties for inventory purchases (Note 4)	4.408.876	3.498.442
Work advances	1.911.857	1.864.347
Prepaid expenses	1.665.378	1.599.144
	37.004.766	**26.434.952**

Long-term prepaid expenses	30 June 2026	31 December 2025
Order advances given for inventory purchases	4.874.495	5.076.688
Long-term order advances given to related parties for inventory purchases (Note 4)	747.614	629.376
Order advances given for fixed assets purchases	2.582.250	1.869.059
Prepaid expenses	890.307	900.215
	9.094.666	**8.475.338**

Short-term deferred income	30 June 2026	31 December 2025
Order advances received	9.915.144	8.723.148
Order advances received from related parties (Note 4)	12.274.823	12.831.155
Deferred income	17.007.302	10.553.937
	39.197.269	**32.108.240**

Long-term deferred income	30 June 2026	31 December 2025
Order advances received	8.965.891	2.511.025
Order advances received from related parties (Note 4)	41.553.610	41.543.182
Deferred income	5.216.134	669.861
	55.735.635	**44.724.068**

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

8. PROPERTY, PLANT AND EQUIPMENT

Cost	**Property, Plant and Equipment**	**Rights of Use Assets**	**Intangible Assets**
Opening balance as of 1 January 2026	119.687.223	19.398.957	63.629.272
Additions	14.351.517	--	19.488.824
Disposals	(1.135.157)	(334.081)	(8.697.184)
Closing balance as of 30 June 2026	**132.903.583**	**19.064.876**	**74.420.912**
Accumulated Depreciation and Amortisation			
Opening balance as of 1 January 2026	43.545.984	453.208	19.726.116
Change for the period[1]	3.651.564	270.672	1.041.028
Disposals	(480.245)	(308.412)	(52.769)
Closing balance as of 30 June 2026	**46.717.303**	**415.468**	**20.714.375**
Net book value as of 30 June 2026	**86.186.280**	**18.649.408**	**53.706.537**
Net book value as of 31 December 2025	**76.141.239**	**18.945.749**	**43.903.156**

Cost	**Property, Plant and Equipment**	**Rights of Use Assets**	**Intangible Assets**
Opening balance as of 1 January 2025	96.052.399	493.198	52.280.225
Additions	5.550.048	86	11.677.360
Disposals	(271.825)	(1.078)	(5.710.669)
Closing balance as of 30 June 2025	**101.330.622**	**492.206**	**58.246.916**
Accumulated Depreciation and Amortisation			
Opening balance as of 1 January 2025	38.472.550	411.927	18.630.024
Change for the period	2.699.963	8.848	619.851
Disposals	(166.534)	(795)	(36.226)
Closing balance as of 30 June 2025	**41.005.979**	**419.980**	**19.213.649**
Net book value as of 30 June 2025	**60.324.643**	**72.226**	**39.033.267**
Net book value as of 31 December 2024	**57.579.849**	**81.271**	**33.650.201**

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 624.727 in the year 2026 (June 2025: TL 361.660)

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

9. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

Other short-term provisions	30 June 2026	31 December 2025
Provision for warranties[1]	7.247.571	6.850.541
Provision for onerous contracts	2.989	115.890
Provision for delay penalties[2]	5.383.099	4.229.024
Sales commission	1.397	1.645
Provision for legal cases	156.563	115.076
Provision for cost expenses	255.991	326.539
Other	167.885	193.129
	13.215.495	**11.831.844**

Other long-term provisions	30 June 2026	31 December 2025
Provision for delay penalties	476.311	560.894
Provision for onerous contracts	4.971.426	9.464.048
	5.447.737	**10.024.942**

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 June 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	31.987	37.937
b)	Execution proceedings carried out by the Group	1.070.533	1.199.490
c)	Ongoing lawsuits filed against the Group	156.563	115.076
d)	Executions against the Group	25.721	33.152
e)	Lawsuits finalized against the Group within the period	14.762	41.000
f)	Lawsuits finalized in favor of the Group within the period	12.023	9.065

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 positon and "Other Operating Expense" in the statement of profit or loss and other comprehensive income.

d) Executions against the Group are not included in Financial Statements.

e) Lawsuits finalized against the Group are recognised in the statement of profit or loss to the extent that the amount differs from the amount previously provided. Amounts in excess of the amount previously provided are recognised under 'Other Operating Expense' when the penalty is paid.

f) Lawsuits finalized in favor of the Group are recognised in statement of profit or loss and other comprehensive income under "Other Operating Income" line when the final judgement is determined.

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

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

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

10. TAX

"Deferred Tax Assets" of the Group as of 30 June 2026 is TL 10.237.470. The amount is comprised of the items below.

	30 June 2026	31 December 2025
Carried Forward R&D Incentives Effect	18.571.917	26.350.125
Investment Incentive Certificates Effect	8.487.551	--
Temporary Differences	(16.821.998)	(16.066.915)
Deferred Tax Assets - Net	**10.237.470**	**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 June 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 June 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 June 2026 period the Group has calculated "Deferred Tax Asset" amounting to TL 18.571.917 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 June 2026, the Group has recognized a deferred tax asset of TL 8.487.551 arising from Investment Incentive Certificates.

	30 June 2026	30 June 2025
Profit before tax from continuing operations	12.650.324	(3.151.236)
Tax (expense)/income recognized in profit or loss	1.799.510	11.620.228
Effective tax rate	(14%)	(369%)

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

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

11. COMMITMENTS AND CONTINGENCIES

a) Guarantees received

	30 June 2026	31 December 2025
Letters of guarantees received from the suppliers	20.420.725	17.619.587
Collaterals received from the customers	977.645	1.093.985
Letters of guarantees received from the customers	45.265	50.626
Collaterals received from the suppliers	4.648.138	4.922.586
Cheques of guarantees received from the suppliers	3.563.554	2.817.884
Cheques of guarantees received from the customers	--	2.356
	29.655.327	**26.507.024**

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

The collaterals/pledges/mortgages ("CPM") given by the Group as of 30 June 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 294.031.

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

11. COMMITMENTS AND CONTINGENCIES (continued)

c) Guarantees given

30 June 2026	TL Equivalent	TL	USD	EURO	Polish Zloty	Qatar Rial
A. Total amount of CPM given on behalf of the legal entity						
-Collateral	38.604.782	5.257.553	420.861	190.213	294.490	250
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	212.380	--	--	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						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	**38.817.162**	**5.257.553**	**420.861**	**194.213**	**294.490**	**250**

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

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	37.863.336	3.553.776	365.883	196.905	--	250
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
B. Total amount of CPM given on behalf of the subsidiaries included in full consolidation						
-Collateral	237.651	--	--	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	234.653	--	4.649	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover						
-Collateral	--	--	--	--	--	--
-Pledge	--	--	--	--	--	--
-Mortgage	--	--	--	--	--	--
Total	**38.335.640**	**3.553.776**	**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 234.653 is the collateral amount pertaing to guarantee letter given on behalf of the entity's joint venture ASELSAN Bilkent.

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

12. EMPLOYEE BENEFITS

a) Short-term provisions for employee benefits

	30 June 2026	31 December 2025
Provision for vacation pay and overtime	2.845.211	2.628.153
Bonus provision	--	4.314.988
	2.845.211	**6.943.141**

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

	2026	2025
Opening balance	2.628.153	1.748.029
Provision for the period	942.655	1.314.067
Provision paid during the period	(287.103)	(243.688)
Provision realized during the period	(42.167)	(27.880)
Monetary gain/(loss)	(396.327)	(249.812)
Closing balance	**2.845.211**	**2.540.716**

b) Long-term provisions for employee benefits

	30 June 2026	31 December 2025
Provision for severance pay	2.132.827	2.116.301
	2.132.827	**2.116.301**

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

	2026	2025
Opening balance	2.116.301	1.620.532
Actuarial loss/gain	274.165	32.136
Interest cost	23.328	20.290
Service cost	97.172	75.465
Payments	(58.999)	(35.349)
Monetary gain/(loss)	(319.140)	(231.592)
Closing balance	**2.132.827**	**1.481.482**

Provision for severance pay:

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

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

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 June 2026 severance payments are calculated on the basis of 30 days' pay, limited to a ceiling of TL 73.729,87[1] (31 December 2025: TL 64.948,77[1])

As of 1 July 2026, the ceiling for the severance payments is TL 73.729,87.

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 June 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

Shareholders	Share (%)	30 June 2026	Share (%)	31 December 2025
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		39.768.135		39.768.135
Inflation adjusted capital		**44.328.135**		**44.328.135**

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.

[1] Amounts are shown in original Turkish Lira values.

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.

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

14. REVENUE AND COST OF SALES

a) Revenue	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Domestic sales	73.279.282	41.599.637	62.974.094	35.007.690
Export sales	15.214.970	10.182.606	7.981.910	4.031.024
	88.494.252	**51.782.243**	**70.956.004**	**39.038.714**

Revenue Recognized Regarding Performance Obligation	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Over time	48.944.162	28.896.990	49.121.865	24.528.062
Point in time	39.550.090	22.885.253	21.834.139	14.510.652
	88.494.252	**51.782.243**	**70.956.004**	**39.038.714**

b) Cost of Sales (-)	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Cost of raw materials and supplies (-)	37.742.281	20.519.961	29.215.087	13.363.273
Cost of merchandise goods sold (-)	854.622	486.208	1.569.116	1.171.167
Cost of services sold (-)	20.577.627	13.124.497	16.637.140	10.825.009
Cost of other sales (-)	1.223.031	831.195	827.808	525.389
	60.397.561	**34.961.861**	**48.249.151**	**25.884.838**

15. OTHER OPERATING INCOME AND EXPENSES

a) Other Operating Income	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Foreign currency exchange differences from operations	16.373.994	9.916.391	20.518.968	7.793.107
Amortized cost effect of trade payables	1.555.234	(166.572)	1.387.354	241.885
Other income	1.220.961	629.132	1.824.708	1.371.048
	19.150.189	**10.378.951**	**23.731.030**	**9.406.040**

b) Other Operating Expense (-)	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Foreign currency exchange differences from operations (-)	13.167.370	8.327.300	13.066.589	4.844.047
Amortized cost effect of trade receivables (-)	1.317.149	(174.916)	893.238	10.897
Other expense and losses (-)	1.029.474	529.131	1.531.709	1.122.448
	15.513.993	**8.681.515**	**15.491.536**	**5.977.392**

16. FINANCIAL INCOME

	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Interest income	1.492.303	532.800	2.465.481	1.326.332
Foreign currency exchange gains from bank loans	150.837	12.126	60.246	16.363
	1.643.140	**544.926**	**2.525.727**	**1.342.695**

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

17. FINANCIAL EXPENSES

	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Foreign currency exchange losses from bank loans (-)	2.672.030	1.658.865	8.282.903	4.456.102
Interest cost of borrowings (-)	3.853.193	2.007.719	1.955.241	1.168.425
Interest cost related with employee benefits (-)	23.328	23.328	20.290	20.290
	6.548.551	**3.689.912**	**10.258.434**	**5.644.817**

18. GAIN/(LOSS) ON NET MONETARY POSITION

As of 30 June 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 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Balance Sheet Items	**(5.318.270)**	**295.143**	**(17.367.078)**	**(7.781.199)**
Inventories	9.072.347	4.100.502	50.927	(142.710)
Prepaid expenses	5.099.906	2.173.920	3.411.263	1.278.784
Property, plant and equipment	13.819.793	6.077.969	7.464.473	5.100.611
Intangible assets	9.013.948	3.784.835	5.081.205	(305.228)
Equity accounted investments and financial investments	6.709.528	2.674.764	2.652.314	955.463
Deferred income	(3.032.598)	(201.825)	(5.094.132)	(3.524.003)
Share capital	(6.684.718)	(2.640.232)	(6.335.022)	(2.282.080)
Share premiums	(4.882.306)	(1.928.342)	(4.626.899)	(1.666.759)
Other comprehensive income / (expense) that will not be reclassified to profit or (loss)	(4.256.939)	(1.681.343)	(735.869)	(265.084)
Other comprehensive income / (expense) that will be reclassified to profit or (loss)	(3.140.159)	(1.240.254)	107.914	38.874
Restricted reserves	(1.254.136)	(495.340)	(1.097.618)	(395.398)
Retained earnings	(25.782.936)	(10.329.51)	(18.245.634)	(6.573.669)
Statement of Profit or Loss Items	**(1.078.333)**	**(579.345)**	**(1.109.493)**	**(856.004)**
Revenue	(3.467.802)	(2.126.549)	(3.736.061)	(2.997.106)
Cost of sales (-)	2.296.468	1.434.491	2.376.172	1.946.828
General administrative expenses (-)	112.300	70.677	148.312	118.166
Marketing expenses (-)	86.861	54.510	92.474	75.457
Research and development expenses (-)	48.120	31.776	86.394	70.282
Other operating ıncome	(863.932)	(475.917)	(1.570.966)	(1.250.824)
Other operating expenses (-)	603.305	361.374	1.113.065	833.921
Income from investing activities	(100.910)	(60.467)	(6.558)	(6.013)
Financial income	(68.886)	(34.778)	(132.789)	(104.777)
Financial expense (-)	276.143	165.538	520.464	458.062
Net Monetary Gain/ (Losses)	**(6.396.603)**	**(284.202)**	**(18.476.571)**	**(8.637.203)**

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 June 2026 and 2025 earnings per share calculations are as follows:

	1 January-30 June 2026	1 April-30 June 2026	1 January-30 June 2025	1 April-30 June 2025
Number of shares outstanding (in thousands)	4.560.000	4.560.000	4.560.000	4.560.000
Net profit	14.439.306	8.511.467	8.461.244	5.275.482
Earnings per 100 shares (Kuruş)	**316,65**	**186,65**	**185,55**	**115,69**
Diluted Earnings per 100 shares (Kuruş)	**316,65**	**186,65**	**185,55**	**115,69**

20. FINANCIAL LIABILITIES

Financial Liabilities

		30 June 2026	31 December 2025
Short-term financial liabilities	Unsecured loan	25.396.937	15.359.325
Other short-term financial liabilities	Unsecured loan	1.236	97.485
Current portion of long-term financial liabilities	Unsecured loan	39.308.899	29.324.421
Total short-term financial liabilities		**64.707.072**	**44.781.231**
Other long-term financial liabilities	Unsecured loan	8.586.218	5.921.301
Total long-term financial liabilities		**8.586.218**	**5.921.301**
Total financial liabilities		**73.293.290**	**50.702.532**

As of 30 June 2026, TL 3.230.284 of the financial debts included in short-term borrowings consists of EUR Rediscount Foreign Currency Loans, which have maturity dates due between December 2026 and April 2027 and the interest rates between 2,62 percent and 2,94 percent. As of 30 June 2026, TL 19.922.137 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between August 2026 and January 2027 and the interest rates between 19,82 percent and 20,32 percent. As of 30 June 2026, TL 135.565 of the financial debts included in short-term borrowings consists of working capital loans, which have maturity dates due November 2026 and the interest rates between 23,05 percent and 27,55 percent. As of 30 June 2026, TL 2.108.951 of the financial debts included in short-term borrowings consists of TL and USD investment loans, which have maturity dates due between September 2026 and April 2027 and the interest rates between 1,80 percent and 15,55 percent.

As of 30 June 2026, TL 1.236 of other short-term financial liabilities were taken within the scope credit card debts.

As of 30 June 2026, TL 4.003.101 of financial debts included in the current portion of long-term borrowings consists of EUR Spot Loans, which have maturity dates due between August 2026 and January 2027 and the interest rates between 4,50 percent and 4,95 percent.

20. FINANCIAL LIABILITIES (continued)

Financial Liabilities (continued)

As of 30 June 2026, TL 21.880.897 of financial debts included in the current portion of long-term borrowings consists of USD Spot Loans, which have maturity dates due between August 2026 and July 2027 and the interest rates between 4,50 percent and 5,90 percent. As of 30 June 2026, TL 11.974.546 of financial debts included in the current portion of long-term borrowings were taken within the scope of investment loans, which have maturity dates due between December 2026 and June 2027 and the interest rate between 4,95 percent and 5,20 percent. As of 30 June 2026, TL 1.450.355 of financial debts included in the current portion of long-term borrowings were taken within the scope of working capital loans, which have maturity dates due between January 2027 and June 2027 and the interest rate between 20,69 percent and 23,05 percent.

As of 30 June 2026, TL 8.087.247 of financial debts included in the long-term borrowings were taken within the scope of investment loans, which have maturity dates due between March 2028 and January 2036 and the interest rate is between 8,25 percent and 23,00 percent. As of 30 June 2026, TL 498.971 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.

As of 31 December 2025, TL 999.049 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 and 4,74 percent. As of 31 December 2025, TL 12.865.062 of financial debts within short-term borrowings consist of TL Rediscount Foreign Currency Loans, which have maturity dates due between January 2026 and March 2026 and the interest rates between 19,93 percent and 20,32 percent. As of 31 December 2025, TL 1.495.214 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 and 49,00 percent.

As of 31 December 2025, TL 433 of other short-term financial liabilities were taken within the scope credit card debts. As of 31 December 2025, TL 27.747 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 69.305 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 11.406.227 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 and 5,10 percent. As of 31 December 2025, there are TL 17.918.194 Spot USD Loans within the short-term borrowings, which have maturity dates due between January 2026 and January 2027, and the interest rates between 5,20 percent and 5,90 percent.

As of 31 December 2025, TL 3.847.790 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 1.720.311 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 and 23,00 percent. As of 31 December 2025, TL 353.200 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.

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

21. FOREIGN EXCHANGE POSITION

FOREIGN EXCHANGE POSITION						
30 June 2026	**TL Equivalent (Functional currency)**	**USD**	**TL equivalent by using closing rates**	**EURO**	**TL equivalent by using closing rates**	**Other[1]**
1. Trade receivables	39.690.024	596.443	27.779.172	224.366	11.910.852	--
2a. Monetary financial assets (including cash, bank)	19.952.647	312.484	14.553.861	101.611	5.394.165	4.621
2b. Non- monetary financial assets	26.789.806	261.894	12.197.635	169.456	8.995.835	322.470
3. Other	1.479.523	31.475	1.465.923	246	13.081	519
4. Current assets (1+2+3)	**87.912.000**	**1.202.296**	**55.996.591**	**495.679**	**26.313.933**	**327.610**
5. Trade receivables	69.161.819	686.526	31.974.754	700.498	37.187.065	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	378.441	2.639	122.895	3.227	171.294	454
7. Other	983.625	15.595	726.344	4.716	250.364	6.917
8. Long-term assets (5+6+7)	**70.523.885**	**704.760**	**32.823.993**	**708.441**	**37.608.723**	**7.371**
9. Total assets (4+8)	**158.435.885**	**1.907.056**	**88.820.584**	**1.204.120**	**63.922.656**	**334.981**
10. Trade payables	18.144.416	261.589	12.205.365	96.710	5.143.254	795.797
11. Financial liabilities	44.284.596	635.670	29.659.464	275.000	14.625.132	--
12a. Other monetary financial liabilities	764.358	16.328	761.852	47	2.499	7
12b. Other non-monetary financial liabilities	32.319.428	651.553	30.400.531	138.800	7.381.678	--
13. Current liabilities (10+11+12)	**95.512.798**	**1.565.140**	**73.027.212**	**510.557**	**27.152.563**	**795.804**
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	62.211	1.333	62.211	--	--	--
16a. Other monetary financial liabilities	7.059	148	6.900	3	159	--
16b. Other non-monetary financial liabilities	51.935.536	584.672	27.230.946	461.851	24.562.283	3.641.686
17. Non-current liabilities (14+15+16)	**52.004.806**	**586.153**	**27.300.057**	**461.854**	**24.562.442**	**3.641.686**

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

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

21. FOREIGN EXCHANGE POSITION (continued)

FOREIGN EXCHANGE POSITION						
30 June 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)	**147.517.604**	**2.151.293**	**100.327.269**	**972.411**	**51.715.005**	**4.437.490**
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)	**10.918.281**	**(244.237)**	**(11.506.685)**	**231.709**	**12.207.651**	**(4.102.509)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**65.541.850**	**680.385**	**31.611.995**	**654.715**	**34.721.038**	**(791.183)**
22. Fair value of derivative financial instruments used in foreign currency hedge	**--**	**--**	**--**	**--**	**--**	**--**
23. Hedged foreign currency assets	**--**	**--**	**--**	**--**	**--**	**--**
24. Hedged foreign currency liabilities	**--**	**--**	**--**	**--**	**--**	**--**
25. Exports	**15.214.970**	**215.493**	**9.568.587**	**49.377**	**2.149.863**	**3.496.520**
26. Imports	**25.301.750**	**333.272**	**15.549.996**	**136.938**	**7.282.659**	**2.469.095**

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 June 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[1]**
1. Trade receivables	36.185.828	570.624	28.790.387	124.890	7.395.441	--
2a. Monetary financial assets (including cash, bank)	7.537.728	122.970	6.204.356	22.424	1.327.840	5.532
2b. Non- monetary financial assets	20.089.501	177.257	8.943.375	141.420	8.374.285	299.726
3. Other	62.722	1.151	58.084	69	4.072	566
4. Current assets (1+2+3)	**63.875.779**	**872.002**	**43.996.202**	**288.803**	**17.101.638**	**305.824**
5. Trade receivables	84.889.829	723.649	36.511.173	816.991	48.378.656	--
6a. Monetary trade receivables	--	--	--	--	--	--
6b. Non-monetary trade receivables	332.797	1.788	90.205	2.260	133.812	32.746
7. Other	128.859	1.473	74.315	902	53.430	1.114
8. Long-term assets (5+6+7)	**85.351.485**	**726.910**	**36.675.693**	**820.153**	**48.565.898**	**33.860**
9. Total assets (4+8)	**149.227.264**	**1.598.912**	**80.671.895**	**1.108.956**	**65.667.536**	**339.684**
10. Trade payables	20.954.059	312.492	15.794.934	73.886	4.383.106	776.019
11. Financial liabilities	29.697.585	356.336	18.011.080	197.000	11.686.505	--
12a. Other monetary financial liabilities	35.642	626	31.644	67	3.990	8
12b. Other non-monetary financial liabilities	29.525.010	478.694	24.195.648	181.161	10.746.894	--
13. Current liabilities (10+11+12)	**80.212.296**	**1.148.148**	**58.033.306**	**452.114**	**26.820.495**	**776.027**
14. Trade payables	--	--	--	--	--	--
15. Financial liabilities	3.858.280	76.333	3.858.280	--	--	--
16a. Other monetary financial liabilities	7.652	148	7.474	3	178	--
16b. Other non-monetary financial liabilities	38.491.084	522.543	26.412.001	288.479	17.113.192	--
17. Non-current liabilities (14+15+16)	**42.357.016**	**599.024**	**30.277.755**	**288.482**	**17.113.370**	**--**

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

(Amounts are expressed in Thousand Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 June 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)	**122.569.312**	**1.747.172**	**88.311.061**	**740.596**	**43.933.865**	**776.027**
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)	**26.657.952**	**(148.260)**	**(7.639.166)**	**368.360**	**21.733.671**	**(436.343)**
21. Net foreign currency asset / liability position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	**74.060.167**	**671.308**	**33.802.504**	**693.349**	**41.028.158**	**(770.495)**
22. Fair value of derivative financial instruments used in foreign currency hedge	**--**	**--**	**--**	**--**	**--**	**--**
23. Hedged foreign currency assets	**--**	**--**	**--**	**--**	**--**	**--**
24. Hedged foreign currency liabilities	**--**	**--**	**--**	**--**	**--**	**--**
25. Exports	**32.419.966**	**298.849**	**14.188.601**	**76.673**	**4.136.052**	**14.095.313**
26. Imports	**45.907.220**	**593.480**	**29.943.573**	**205.569**	**12.172.909**	**3.790.738**

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 June 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 June 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)	3.161.200	(3.161.200)	3.161.200	(3.161.200)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**3.161.200**	**(3.161.200)**	**3.161.200**	**(3.161.200)**
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	3.472.104	(3.472.104)	3.472.104	(3.472.104)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	**3.472.104**	**(3.472.104)**	**3.472.104**	**(3.472.104)**
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/ (liabilities)	(79.118)	79.118	(79.118)	79.118
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	**(79.118)**	**79.118**	**(79.118)**	**79.118**

[1] Comprises of profit/loss effect.

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

21. FOREIGN EXCHANGE POSITION (continued)

Foreign currency sensitivity (continued)

Foreign currency sensitivity table				
31 December 2025				
	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)	3.380.250	(3.380.250)	3.380.250	(3.380.250)
2- Hedged amount against USD risk (-)	--	--	--	--
3- Net effect of USD (1+2)	**3.380.250**	**(3.380.250)**	**3.380.250**	**(3.380.250)**
Change of EURO against TL by 10%:				
4- EURO denominated net assets/(liabilities)	4.102.816	(4.102.816)	4.102.816	(4.102.816)
5- Hedged amount against EURO risk (-)	--	--	--	--
6- Net effect of EURO (4+5)	**4.102.816**	**(4.102.816)**	**4.102.816**	**(4.102.816)**
Change of other currencies against TL by 10%:				
7- Other currencies denominated net assets/ (liabilities)	(77.050)	77.050	(77.050)	77.050
8- Hedged amount against other currencies risk (-)	--	--	--	--
9- Net effect of other currencies (7+8)	**(77.050)**	**77.050**	**(77.050)**	**77.050**

22. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, the Group have signed contracts amounting to USD 1.915 Million.

In accordance with the decision registered and announced in the Trade Registry Gazette on 9 July 2026; Company's share in Ulak Haberleşme Anonim Şirketi has increased from 51% to 61% due to the capital increase.

[1] Comprises of profit/loss effect.