SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 DECEMBER 2024
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
(ORIGINALLY ISSUED IN TURKISH)

TABLE OF CONTENTS **PAGE**

Independent Auditors Report........1-7

Balance Sheet………........8-9

Statements of Profit Or Loss........10

Statements of Other Comprehensive Income........11

Statements of Changes In Equity........12

Statement of Cash Flows........13-14

Notes To The Consolidated Financial Statements........15-97

Note 1 - Group's Organization And Nature Of The Operations........15-20
Note 2 - Basis Of The Consolidated Financial Statements........21-45
Note 3 - Shares In Other Companies And Business Combinations........46-50
Note 4 - Related Party Disclosures........51-53
Note 5 - Cash And Cash Equivalents........54
Note 6 - Financial Investments........55
Note 7 - Financial Borrowings........56-57
Note 8 - Trade Receivables And Payables........57-58
Note 9 - Other Receivables And Payables........59
Note 10 - Employee Benefits Obligations........60
Note 11 – Inventories…........60
Note 12 - Other Current Assets........61
Note 13 - Prepaid Expenses........61
Note 14 - Deferred Income........62
Note 15 - Right Of Use Assets........63
Note 16 - Tangible Fixed Assets........64
Note 17 - Intangible Fixed Assets........65
Note 18 - Investments Valued by Equity Method........66-67
Note 19 - Government Incentives And Grants........67-68
Note 20 - Provisions, Contingent Liabilities And Assets........68-69
Note 21 - Employee Benefits........70-71
Note 22 - Derivative Instruments........71
Note 23 – Capital, Reserves And Other Equity Items........72-75
Note 24 - Revenue And Cost Of Sales........75-76
Note 25 - General Administrative Expenses, Marketing Expenses And Research and Development Expenses........77
Note 26 - Expenses By Nature........77-78
Note 27 - Other Income / (Expenses) From Operating Activities........78-79
Note 28 - Income / (Expenses) From Investment Activities........79
Note 29 - Finance Income / (Expenses)........80
Note 30 – Monetary Gain / (Loss),net........81
Note 31 – Tax Assets and Liabilities........82-86
Note 32 – Earnings / (Loss) Per Share........86
Note 33 – Exposure to Financial Risks Due to Financial Instrument........87-95
Note 34 – Financial Instruments........95-97
Note 35 – Fees for Services Provided by Independent Audit Firms........97
Note 36 - Subsequent Events After The Financial Position Statement Date........97

Ram Bağımsız Denetim ve Danışmanlık A.Ş.
Maslak Mahallesi Taşyoncası Sokak No:1
Maslak 1453 Sitesi T4 A Blok D:40
P.K. 34398 Sarıyer / İstanbul / Türkiye
Tel: +90 212 803 36 60 - Fax: +90 212 809 51 01
Ticaret Sicil No: 187644-5
Mersis No: 0734172672300001
www.ramdenetim.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
SDT Uzay ve Savunma Teknolojileri Anonim Şirketi
Ankara, Türkiye

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of SDT Uzay ve Savunma Teknolojileri Anonim Şirketi (referred as "Parent Company" and/or "the Company"), its subsidiaries and joint operations ("the Group"), which comprise the consolidated statements of financial position as at 31 December 2024 and the consolidated statements of profit or loss, the consolidated statements other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of SDT Uzay ve Savunma Teknolojileri Anonim Şirketi, its subsidiaries and joint operations as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

We conducted our audit in accordance with the standards on auditing issued by Capital Markets Board ("CMB") and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RAM GLOBAL

3.Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Recoverability Of Trade Receivables As of 31 December 2024, trade receivables constitute a significant portion of total assets with the amount of TRY 357.878.370. However, the impairment provisions calculated for commercial receivables are accounted for as a result of estimates made taking into account collateral from customers, customers' past payment performance and creditworthiness information, and maturity analyses of credit balances. These estimates are highly sensitive to future market conditions. For these reasons, the recoverability of such receivables is an important issue in terms of our independent audit. Explanations about the Group's accounting policies and amounts related to trade receivables are found in Note 2.c, 8 and 33.	During our independent audit process, the following audit procedures regarding the recoverability of trade receivables have been implemented; - Understanding the process related to collection follow-up of the Group's trade receivables, evaluating the operational efficiency of the internal controls included in the process, - Analytical review of the aging work and comparison of the collection turnover rate with the previous year, - To investigate whether there is any dispute or litigation situation regarding the collection and to get information about the follow-up receivables from legal advisors, - Testing trade receivable balances by sending confirmation letters by sampling method and/or using alternative verification methods. - Testing the collections made in the following period by sampling method, - Evaluation of the adequacy of the disclosures in the financial statements for the recoverability of trade receivables. As a result of the studies which are stated as above, on the recoverability of trade receivables, we have not found any significant findings.

Key audit matter	How the matter was addressed in our audit
Capitalization of Development Costs In the Group's consolidated financial statements dated 31 December 2024, there are development costs that are accounted for in the intangible assets account item and whose net book value is TRY 78.371.375. The Group takes into consideration TAS 38 "Intangible Assets" standard when capitalizing the costs incurred in relation to development costs. For projects for which feasibility studies have been completed and which it thinks will provide cash flow in the future, the Group capitalizes the costs of its personnel, generally related to software development processes, and the costs of external consultancy received in this context, within the scope of development activities. Capitalization is made by calculating the rates determined within the framework of the estimates and assumptions regarding future income expectations made by the management and project managers and the time spent by the personnel on development activities. Capitalization calculations were determined as a key audit matter because they are significant in terms of consolidated financial statements and include management's estimates on this subject. Explanations regarding the Group's accounting policies and amounts regarding development costs are included in Notes 2.c and 17.	Our audit procedures in this area include the following: - Understanding how the criteria in the TAS 38 "Intangible Assets" standard are met by meeting with the senior managers of the Group and the details of the projects and the feasibility studies carried out regarding the economic benefits that the projects will provide in the future by meeting with the project managers, -Controlling intangible assets with the movement table by obtaining project-based expense details regarding capitalized costs, -To test the personnel costs associated with the projects, analytically testing each project by taking its breakdown on the basis of personnel and capitalized costs, -Selecting the personnel subject to activation by sampling method, conducting interviews with them and understanding the development activities they carry out within the scope of the projects they are involved in, -Conducting analytical investigations to detect the existence of unusual transactions. We did not have any significant findings as a result of these studies we carried out regarding the capitalization of development costs.

Key audit matter	How the matter was addressed in our audit
Recording of Revenue The main revenue elements of the Group are generally; It consists of sales of defence electronics and software products and services.	Our audit procedures in this area includes the followings;
Revenue is recognized in the financial statements on an accrual basis, based on the fair value of the amount received or to be received, upon delivery, probability of determining the amount of income reliably and the economic benefits associated with the transaction. Net sales are offered by deducting returns, discounts and commissions from sales of goods.	-Evaluating the effectiveness of key internal controls for revenue recognition in consolidated financial statements, - Evaluating the compliance of the revenue with the accounting policies and its inclusion in the consolidated financial statements in the appropriate financial reporting period by examining the risk and return transfers through the sales documents received for the sales transactions selected by the sampling method,
Recognition of the revenue and profit amount for the accounting period in which the product and service is sold depends on appropriate evaluation of whether the product and service are linked to the sales contract. Due to the nature of the Group's activities, there may be situations where the product and service are completed and invoiced to the customer, but the risks and returns are not transferred to the customer because the obligation regarding the commercial delivery method has not yet been fulfilled. In accordance with the principle of periodicity of sales, evaluations must be made about recording the revenue of such products in the correct period. Due to the complexity of commercial contracts, revenue recognition has been determined as a key audit matter, as selecting the accounting basis for each case and reflecting the revenue in the correct period in the consolidated financial statements requires significant judgment.	-By examining the provisions regarding commercial terms in contracts made with customers; Evaluating the timing of recognition of commercial goods and software revenues in the financial statements in terms of different regulations, -Sending reconciliation for trade receivables selected by sampling method and checking their compatibility with the consolidated financial statements, -Performing analytical examinations in order to detect the existence of unusual transactions,
For the accounting of revenue, see Note 2 Revenue for details of the accounting policies used and the significant accounting estimates and assumptions used.	As a result of the studies which are stated as above, regarding the accounting of the revenue, we have not found any significant findings on the subject.

Key audit matter	How the matter was addressed in our audit
TAS 29 "Financial Reporting in High Inflation Economies"Reporting Application	
Since the Group's functional currency (Turkish Lira) is considered to be the currency of the high-inflation economy as of December 31, 2024, the Group has started to apply the "TAS 29 Financial Reporting in High-Inflation Economies" ("TAS 29") standard (Note 2).	Our audit procedures in this area include the following: -Understanding the process regarding the TAS 29 application designed and implemented by the group management, examining and evaluating the controls,
TAS 29 requires that current and prior period financial statements be rearranged according to the current purchasing power at the end of the reporting period. For this reason, transactions in 2024 and non-monetary balances at the end of the period have been rearranged to reflect the current price index as of 31 December 2024 statement of financial position date. The Group has also rearranged the financial position statements dated 31 December 2023 and the profit or loss statements, other comprehensive income statements, changes in equity and cash flow statements for the accounting period ending 31 December 2023, which it presents as comparative information, within the framework of TAS 29.	-Checking whether the distinction between monetary and non-monetary items made by the group management is made in accordance with TAS / IFRS, -Providing detailed lists of non-monetary items and testing the original cost and purchase dates by comparing them with supporting documents, -Evaluating the appropriateness of the judgments used by group management by comparing them with valid practices and checking whether they are used consistently in each period.,
In accordance with the guidelines of TAS 29, the Group used Turkish consumer price indices to prepare inflation-sensitive financial statements. The principles applied for inflation adjustment are explained in Note 2. Considering that TAS 29 has a widespread and significant impact on the financial statements and includes various management estimates, the implementation of TAS 29 was considered a key audit matter. Explanations regarding the Group's accounting policies regarding "TAS 29 Financial Reporting in Economies with High Inflation" stated above are included in Note 2.a.	-By checking the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Türkiye published by the Turkish Statistical Institute; By checking the general price index rates used in the calculations with the coefficients obtained from the Consumer Price Index in Türkiye published by the Turkish Statistical Institute; testing the preparation of non-monetary items, consolidated profit or loss statement and consolidated cash flow statement in terms of inflation effects and mathematical accuracy, -Evaluation of the adequacy of the disclosures in the footnotes of the financial statements regarding the application of TAS 29 in accordance with TFRS, We did not have any significant findings as a result of these studies we carried out regarding the application of TAS 29 "Financial Reporting in High Inflation Economies".

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with standards on auditing issued by Capital Markets Board ("CMB") and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards /TAS published by the Public Oversight Accounting and Auditing Standards Authority ("POA"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Türkiye and IAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on auditing as issued by the Capital Markets Board of Türkiye and IAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. In cases where the legislation does not allow the disclosure of the matter to the public, or in exceptional cases where the negative consequences of public disclosure are reasonably expected to exceed the public interest arising from the disclosure, we may decide not to disclose the relevant matter in our independent auditor's report.

B. Report on Other Legal and Regulatory Requirements

1- In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January – 31 December 2024 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

2- In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

3- Auditors' report on Risk Management and Risk Committee prepared in accordance with paragraph 4 of Article 398 of TCC is submitted to the Board of Directors of the Company on 11 March 2025.

The engagement partner who conducted and concluded this independent audit is Ömer Çekiç.

Ram Bağımsız Denetim ve Danışmanlık Anonim Şirketi
Member firm of ShineWing International

Ömer Çekiç
Managing Partner

T.C. BAĞIMSIZ DENETÇİ 1923

11 March 2025
İstanbul, Türkiye

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

	Footnote References	**Current Period Audited 31.12.2024**	**Prior Period Audited 31.12.2023**
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalent	5	645.551.966	362.445.586
Financial Investments	6	-	550.073.844
Trade Receivables	8	357.878.370	705.555.244
- Trade receivables from related parties		*1.989.573*	*5.611.148*
- Trade receivables from other parties		*355.888.797*	*699.944.096*
Other Receivables	9	8.100.995	26.616.840
- Other receivables from related parties		-	-
- Other receivables from other parties		*8.100.995*	*26.616.840*
Inventories	11	1.222.079.399	1.044.234.845
Prepaid Expenses	13	121.864.533	137.542.913
Current Period Tax Related Assets	31	5.440.543	-
Other Current Assets	12	15.693.910	40.205.567
TOTAL CURRENT ASSETS		**2.376.609.716**	**2.866.674.839**
NON-CURRENT ASSETS			
Other Receivables	9	525.262	787.706
- Other receivables from related parties		-	-
- Other receivables from other parties		*525.262*	*787.706*
Financial Investments	6	9.188.661	21.284.863
Investments Valued by Equity Pick-up Method	18	7.714.973	2.795.008
Right of Use Assets	15	27.259.776	15.322.828
Tangible Fixed Assets	16	163.922.390	51.861.750
Intangible Fixed Assets	17	80.836.602	75.921.762
Prepaid Expenses	13	101.519.757	87.910.107
Deferred Tax Assets	31	111.245.232	71.934.709
TOTAL NON-CURRENT ASSETS		**502.212.653**	**327.818.733**
TOTAL ASSETS		**2.878.822.369**	**3.194.493.572**

The accompanying notes are an integral part of these financial statements.

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

	Footnote References	Current Period Audited 31.12.2024	Prior Period Audited 31.12.2023
LIABILITIES			
CURRENT LIABILITIES			
Financial Borrowings	7	140.484.083	146.425
Current Installment of Long Term Financial Borrowings	7	184.568.459	16.322.634
Trade Payables	8	91.453.070	212.890.727
- Trade payables to related parties		*522.747*	*226.259*
- Trade payables to other parties		*90.930.323*	*212.664.468*
Employee Benefit Liabilities	10	37.163.968	34.871.691
Other Payables	9	16.513.438	8.399.859
- Other payables to related parties		-	-
- Other payables to other parties		*16.513.438*	*8.399.859*
Deferred Income	14	425.220.563	697.268.266
Current Tax Liabilities	31	-	31.396.062
Short Term Provisions		38.413.555	56.412.551
- Provisions for employee benefits	21	*34.973.566*	*43.478.294*
- Other short term provisions	20	*3.439.989*	*12.934.257*
Derivative Instruments	22	6.131.331	-
TOTAL CURRENT LIABILITIES		**939.948.467**	**1.057.708.215**
NON-CURRENT LIABILITIES			
Financial Borrowings	7	11.285.131	434.615
Deferred Income	14	61.176.635	128.984.568
Long Term Provisions		22.209.571	20.558.051
- Provision for employee benefits	21	*20.245.790*	*15.625.163*
- Other Long-Term Provisions	20	*1.963.781*	*4.932.888*
TOTAL NON-CURRENT LIABILITIES		**94.671.337**	**149.977.234**
TOTAL LIABILITIES		**1.034.619.804**	**1.207.685.449**
SHAREHOLDERS' EQUITY			
Parent Company's Equity		**1.844.202.565**	**1.986.808.123**
Paid In Capital	23.1	58.000.000	58.000.000
Adjustment to Share Capital	23.1	169.598.954	169.598.954
Premiums/Discounts Related to Shares	23.5	515.654.085	515.654.085
Other Comprehensive Income or Loss Not to Be Reclassified Under Profit or Loss		891.335	251.173
Remeasurement Gains (Loss)		*891.335*	*251.173*
- Actuarial gains/losses on defined benefit plans	23.4	*891.335*	*251.173*
Restricted Reserves	23.2	26.639.430	28.309.720
Retained Earnings or Losses	23.3	1.063.498.558	749.552.311
Net Profit or Loss for the Period	32	9.920.203	465.441.880
Minority Interests		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY		**1.844.202.565**	**1.986.808.123**
TOTAL LIABILITIES AND EQUITY		**2.878.822.369**	**3.194.493.572**

The accompanying notes are an integral part of these financial statements.

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

	Footnote References	Current Period Audited 01.01.- 31.12.2024	Prior Period Audited 01.01.- 31.12.2023
PROFIT OR LOSS			
Revenue	24.1	1.833.671.204	1.646.420.445
Cost of Sales	24.2	(1.404.191.920)	(958.759.238)
GROSS PROFIT / (LOSS)		**429.479.284**	**687.661.207**
General Administrative Expenses	26.1	(161.158.134)	(156.526.624)
Marketing Expenses	26.2	(56.668.288)	(42.670.274)
Research and Development Expenses	26.3	(14.982.206)	(23.411.891)
Other Income from Operation Activities	27.1	228.474.832	54.627.807
Other Expense from Operation Activities	27.2	(163.135.873)	(104.476.946)
PROFIT/ (LOSS) FROM OPERATING ACTIVITIES		**262.009.615**	**415.203.279**
Income From Investment Activities	28.1	94.430.019	400.872.572
Expense From Investment Activities	28.2	(849.119)	(423.838)
Income / (Loss) From Investments Accounted By Equity Method	18	4.919.965	(2.294.343)
OPERATING INCOME BEFORE FINANCIAL INCOME/ (EXPENSE)		**360.510.480**	**813.357.670**
Financial Income	29.1	157.489.183	192.759.383
Financial Expenses	29.2	(138.280.677)	(148.181.740)
Monetary Gain / (Loss)	30	(409.300.523)	(369.019.564)
PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**(29.581.537)**	**488.915.749**
Operating Activity Tax Income/ (Expense)		**39.501.740**	**(23.473.869)**
Current Tax (Expense) / Income	31	-	(94.757.568)
Deferred Tax (Expense) / Income	31	39.501.740	71.283.699
NET PROFIT / (LOSS) FOR THE YEAR		**9.920.203**	**465.441.880**
Profit / (Loss) Distribution	32	**9.920.203**	**465.441.880**
Minortiy Interests			
Parent Company's Share		**-**	**-**
Earnings Per Share	32	9.920.203	465.441.880
PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	32	**0,17**	**8,11**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED AT 31 DECEMBER 2024 AND 2023

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

	Footnote References	Current Period Audited 01.01.- 31.12.2024	Prior Period Audited 01.01.- 31.12.2023
NET PROFIT / (LOSS) FOR THE YEAR		**9.920.203**	**465.441.880**
OTHER COMPREHENSIVE INCOME / (LOSS)			
Not To Be Reclassified Under Profit or Loss		**640.162**	**350.734**
Gains / (Losses) on Remeasurement of Defined Benefit Plans	21	831.379	455.498
Taxes in Other Comprehensive Income Not to Be Reclassified to Profit or Loss			
- Current Tax Expense/Income		(191.217)	(104.764)
- Deferred Tax Expense/Income		-	-
	31	*(191.217)*	*(104.764)*
OTHER COMPREHENSIVE INCOME / (EXPENSE)		**640.162**	**350.734**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**10.560.365**	**465.792.614**
Distribution of Total Comprehensive Income /(Expense)			
Minortiy Interests		-	-
Parent Company Shares		10.560.365	465.792.614

The accompanying notes are an integral part of these financial statements.

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

					Other Comprehensive Income Not to be Reclassified Under Profit and Loss		Retained Earnings				
	Footnote References	Paid in Share Capital	Capital Adjustment Differences	Premiums Related to Shares	Gain/(Losses) on Remeasurement on Defined Benefit Plans	Restricted Reserves	Retained Earnings or Losses	Retained Earnings or Losses	Parent Company's Equity	Minority Interests	Total Shareholder's Equity
Balances at 01 January 2022 (Beginning of the period)		**50.000.000**	**159.753.705**	**-**	**(99.561)**	**9.242.043**	**744.181.762**	**163.483.365**	**1.126.561.314**	**-**	**1.126.561.314**
Transfer	23.2 - 23.3	-	-	-	-	19.067.677	144.415.688	(163.483.365)	-	-	-
Capital Increase									-	-	-
- Transfer	23.1	8.000.000	9.845.249	-	-	-	-	-	**17.845.249**	-	**17.845.249**
Premiums/Discounts Related to Shares	23.5	-	-	515.654.085	-	-	-	-	**515.654.085**	-	**515.654.085**
Dividends	23.3	-	-	-	-	-	(139.045.139)	-	**(139.045.139)**	-	**(139.045.139)**
Total Comprehensive Income (Expense)		-	-	-	350.734	-	-	465.441.880	**465.792.614**	-	**465.792.614**
- Profit (Loss) for the Period	32	-	-	-	-	-	-	*465.441.880*	***465.441.880***	-	***465.441.880***
- Other Comprehensive Income (Loss)	23.4	-	-	-	*350.734*	-	-	-	***350.734***	-	***350.734***
Balances at 31 December 2023 (End of the period)		**58.000.000**	**169.598.954**	**515.654.085**	**251.173**	**28.309.720**	**749.552.311**	**465.441.880**	**1.986.808.123**	**-**	**1.986.808.123**
Balances at 31 December 2023 (Beginning of the period)		**58.000.000**	**169.598.954**	**515.654.085**	**251.173**	**28.309.720**	**749.552.311**	**465.441.880**	**1.986.808.123**	**-**	**1.986.808.123**
Transfer	23.2 - 23.3	-	-	-	-	(1.670.290)	467.112.170	(465.441.880)	-	-	-
Dividends	23.3	-	-	-	-	-	(153.165.923)	-	**(153.165.923)**	-	**(153.165.923)**
Total Comprehensive Income (Expense)		-	-	-	640.162	-	-	9.920.203	**10.560.365**	-	**10.560.365**
- Profit (Loss) for the Period	32	-	-	-	-	-	-	*9.920.203*	***9.920.203***	-	***9.920.203***
- Other Comprehensive Income (Loss)	23.4	-	-	-	*640.162*	-	-	-	***640.162***	-	***640.162***
Balances at 31 December 2024 (End of the period)		**58.000.000**	**169.598.954**	**515.654.085**	**891.335**	**26.639.430**	**1.063.498.558**	**9.920.203**	**1.844.202.565**	**-**	**1.844.202.565**

The accompanying notes are an integral part of these financial statements.

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

	Footnote References	Current Period Audited 01.01.-31.12.2024	Prior Period Audited 01.01.-31.12.2023
CASH FLOW FROM OPERATING ACTIVITIES		**507.035.862**	**(121.544.681)**
Net Profit (Loss) For the Period	32	9.920.203	465.441.880
- Operating Activity Profit (Loss) For the Period		*9.920.203*	*465.441.880*
Adjustments Related to Reconciliation of Profit / (Loss)			
Adjustments to Depreciation and Amortization Expenses	15 - 16 - 17	51.735.144	49.337.557
Adjustments to Impairment (Cancellation)		45.372	6.430.323
-Adjustments to Impairment (Cancellation) in Receivables	27.2	*15.720*	*6.430.323*
- Corrections Regarding Stock Impairment (Cancellation)	27.2	*29.652*	-
Adjustments to Provisions		(7.011.369)	(3.123.412)
-Adjustments to Employee Benefit Provisions (Cancellation)	21	*5.452.006*	*(3.853.712)*
- Corrections Regarding Warranty Provisions (Cancellation)	20	*(12.463.375)*	*730.300*
Adjustments to Interest (Income) and Expense	29	(25.430.919)	(2.681.320)
- Adjustments to Interest Income		*(17.856.358)*	*(14.928.407)*
- Adjustments to Interest Expense		*(7.574.561)*	*12.247.087*
- Adjustments of discount on trade payables	27.2	*14.521.847*	*18.230.436*
- Adjustments of discount on trade receivables	27.1	*(22.096.408)*	*(5.983.349)*
Adjustments to Tax (Income) and Expense	31	(39.501.740)	(71.283.699)
Adjustments for Monetary Gain/(Loss)	30	227.406.344	384.470.178
Changes in Operating Capital			
Decrease (Increase) in Financial Investments	6	562.170.046	(354.933.215)
Changes in Trade Receivables	8	369.757.562	(492.676.484)
- Changes in Trade Receivables From Related Parties		*3.621.575*	*(5.611.148)*
- Changes in Trade Receivables From Other Parties		*366.135.987*	*(487.065.336)*
Changes in Other Receivables Related to Operating Activities	9	18.778.289	(18.821.020)
- Changes in Other Receivables From Related Parties		-	-
- Changes in Other Receivables From Other Parties		*18.778.289*	*(18.821.020)*
Adjustments for Decreases (Increases) in Stocks	11	(177.874.206)	(618.480.432)
Changes in Prepaid Expenses	13	2.068.730	(52.109.351)
Changes in Other Assets Related Activities	12	19.071.114	(34.555.566)
Increase (Decrease) in Other Liabilities Related to Activities	20	3.162.224	(2.106.934)
Changes in Trade Payables	8	(135.959.504)	137.879.901
- Changes in Trade Payables to Relates Parties		*296.488*	*(330.609)*
- Changes in Trade Payables to Other Parties		*(136.255.992)*	*138.210.510*
Changes in Employee Benefit Payables	10	2.292.277	12.566.842
Changes in Other Payables Related the Operating Activities	9	(33.738.069)	4.799.490
- Changes in Other Payables Related the Operating Activities to Related Parties		-	-
- Changes in Other Payables Related the Operating Activities to Other Parties		*(33.738.069)*	*4.799.490*
Changes in Deferred Income	14	(339.855.636)	468.300.581

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

	Footnote References	Current Period Audited 01.01.- 31.12.2024	Prior Period Audited 01.01.- 31.12.2023
CASH FLOWS FROM INVESTING ACTIVITIES		**(152.660.820)**	**(37.679.894)**
Cash Outflow from Purchases of Tangible and Intangible Asset		(153.144.754)	(37.708.020)
- Cash Outflow from Purchases of Tangible Asset	16	*(127.500.620)*	*(25.417.724)*
- Cash Outflow from Purchases of Intangible Asset	17	*(25.644.134)*	*(12.290.296)*
Cash Inflows from the Sale of Tangible and Intangible Assets		483.934	28.126
- Cash Inflows from the Sale of Tangible and Intangible Assets	16	*483.934*	*28.126*
CASH FLOW FROM FINANCING ACTIVITIES		**105.511.265**	**384.273.101**
Dividends Paid	23.3	(153.165.923)	(139.045.139)
Capital increase	23.1	-	17.845.249
Cash Inflows from Share Issuance	23.5	-	515.654.085
Cash Inflows from Borrowing		390.171.540	-
- Cash inflows from loans	7	*390.171.540*	-
Cash Outflows Related to Debt Payments		(149.350.711)	(25.109.501)
- Cash Outflows Related to Loan Repayments	7	*(149.350.711)*	*(25.109.501)*
Interest Paid	29.2	(21.270.143)	(1.062.134)
Interest Received	29.1	39.126.501	15.990.541
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		**459.886.306**	**225.048.526**
INFLATION EFFECT ON CASH	**(176.779.926)**	**(384.220.345)**	**(384.220.345)**
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	**283.106.380**	**(159.171.819)**	**(159.171.819)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**362.445.586**	**521.617.405**	**521.617.405**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**645.551.966**	**362.445.586**	**362.445.586**

The accompanying notes are an integral part of these financial statements.

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

NOTE 1 – GROUP'S ORGANIZATION AND NATURE OF THE OPERATIONS

SDT Uzay ve Savunma Teknolojileri Anonim Şirketi, its subsidiaries and joint operations will be referred to as "Group" in the footnotes of the consolidated financial statements. Information regarding the activities of the Company and joint operations included in the consolidation is as follows:

SDT Uzay ve Savunma Teknolojileri Anonim Şirketi (Referred as "Company" and/or "SDT Uzay")

The company, SDT Uzay ve Savunma Teknolojileri Bilişim Üretim Danışmanlık Ticaret Anonim Şirketi was established in Ankara / Türkiye on February 11, 2005, and started to use its current title by changing its title as of July 13, 2017.

The main activity of the company is the production, import and export of all kinds of electrotechnical, electronic, electromechanical and mechatronic products related to space and defense technologies.

Shares of SDT Uzay ve Savunma Teknolojileri Anonim Şirketi started to be traded on Borsa Istanbul Star Market as of 4 January 2023, with the code of " SDTTR " and the continuous transaction method.

As of 31 December 2024, the ongoing research, development and production phase projects are as follows:

Project Name	Project Description
ACMI DL	Datalink Prototype Development Project for Air Combat Maneuvering Instrumentation Pod
AGAMA GOREVSAYAR 12P (AGS12)	Manufacturing of a Mission Computer System for Land Vehicle
AKÜ KB SERİ ÜRETİM	Production of Control Unit for the Fire Control Unit of the Medium-Range Anti-Tank Weapon System
ANKA_S GVKS	ANKA UAV Data Recording System
ARTUK	Product on Detection, Reporting, Scanning and Application Catalogue Development
ASELSAN FASON ÜRETİM	Contracted Production: Fibre Optic, LCD, Card, and Mission Computer
ASELSAN HGK-3	Entire Supply of Guidance Electronics for ASELSAN Precision Guidance Kit Type-3 (HGK-3)
ASFAT HGK	Entire Supply of Guidance Electronics for ASFAT- Precision Guidance Kit Type-3 (HGK-3)
ATAK -VKS	ATAK Helicopter Data Recording System Project
ATLAS Elektronik Kart Üretimi	Atlas Kart (Inertial Measurement Unit) Manufacturing
AVCI	Integrated Mini/Micro UAV Detection and Interception System Project
Aselpod VKS	Aselpod Data Recorder
CBUGS	Cloud Based User Ground Segment Project
Çanta Tipi Sinyal Karıştırıcı Sistem	Handbag Type RF Jammer
Çekirge	Ground Station Integration
EMI/EMC	EMI/EMC Test Services
ETR	Electronic Scanning Radar (ESR) Development Project
F16_MEP	Serial Production of ACMI System
FESİM	Missile Training Simulator Project
Flutter Excitation System (FES)	Flutter Excitation System Project for Aerial Platform
GlGS_U	Booster Contract Productions
GÖKÇE KART	National Precision Guidance Kit Production
GKB	Image Coding Unit
GKT-1 Bakım	Göktürk-1 Satellite System Maintenance and Operation Service Contract
Görgüç Ürünleştirme	Image Evaluation and Target Detection (Görgüç) Product

Project Name (in continuation)	Project Description (in continuation)
GÖRÜ	Competition for Detection and Identification of Naval Targets on Synthetic Aperture Radar Imagery Project
GVKS	Mission Data Recording System Production
GK-Y	Göktürk-Y Ground System Development Project
Görevsayar	Mission Computer Production
HAKBD	Anka UAV Ground Control Computer Hardware Product
HBB	Air Unit Computer Product
HETS	Helicopter Obstacle Detection System Project
HÜRKUŞ-B DVKS	HÜRKUŞ-B Digital Data Recording System
HGK-84	Production of Precision Guidance Kit Electronics
ILK	Infrared Launcher Kit Production
KAŞİF-FASON	Production of Precision Guidance Kit (HGK-82)
Kaşif Kartları	Electronic Card Production for Kaşif Project
Kaşif Hibrit	Production of Global Positioning Devices
KI2S	Production of Bone-Conduction Headsets
KLAVYE	Production of Ruggedized Keyboards
KONSOL	Production of Consoles
KÖ-ATESİM	Small Scale Infantry Shooting Training Simulator Development
LAB Kartları	Production of Electronic Cards for Laser Seeker
Lançer Yönetim Bilgisayarı-Lyb	Launcher Management Computer Project
Lcd/Fo/Görevsayar/Konsol (Lfgk)	Production of LCDs, Fibre Optics, Anti-Mission Systems, and Consoles
LSS	Life Support System Project for KAAN Aircraft
LTO-7	Upgrade of Göktürk Ground Station Offline Storage Unit
LNA Kartı	Production of Antenna Cards
MCT ARAYUZ BIRIMI_KONSOL	Production of Consoles
MHYS - SAKARYA	Geospatial Map Management System Project
MİLLİ HGK	Entire Supply of National Precision Guidance Kit (Type-1) Guidance Electronics
miniCOMINT	MiniCOMINT System Development Project
MMU: IBCF & SAR/ISAR GIF	KAAN Aircraft's SAR/ISAR Image Based Classification Function Set Project
MSTTS UKB	Production of Remote Command Units for Identification Friend or Foe Systems
MUHAREBESİM	Naval Combat Training Simulator Project
Nijerya Sırt Tipi Jammer Temini	Production of ManpackType RF Jammers forNigerian Armed Forces
NİŞANCI ARAYÜZÜ BİRİMİ	Gunner Interface Unit for KAPLAN-10, New Generation Armoured Combat Fighting Vehicle (STA) Project
OMTAS GÖREV BİRİMİ	Medium Range Anti-Tank System Task Mission System Project
ÖZGÜR VKS	Production of ÖZGÜR(F-16) Data Recording Systems
PAF_ACMI	Air Combat Maneuvering System for Pakistan Air Force (PAF) Project
PSFE	Payload Stream Frontend Development
RF Jammer and Detection (RFJD)	RF Jammer and Detection (RFJD) Production
SGS Faz-2	Synthetic Aperture Radar (SAR) Ground Station Imaging System Project
SİGMA	Seismic Processing Visualization Module Infrastructure Development Project
Sırt Tipi Mobil Jammer Projesi	Production of Manpack Jammer

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

Project Name (in continuation)	Project Description (in continuation)
SSS	Ruggedized servo production
TKY InSAR	Interferometric SAR Development Project
TÜFEK TİPİ JAMMER	Rifle type RF Jammer
UAEK	Remote sensing licence distribution
UDS	Aircraft arresting systems
UKGA	Remote command transmit/receive
YTDA	New type submarine subsystem
32 ADET LCD (TUŞSUZ)	LCD Production
Yedek Parça ve Aksesuar Satışı	Spare Parts and Accessories Sales
Hava Telsiz - UKB	Air Radio – VHF (Very High Frequency)
Gözde GEB	Guidance Electronics System Integration Project

The average personnel number of the Company for the period ended at 31 December 2024 is 266 (31 December 2023: 244).

The capital structure of the Company as of December 31, 2024 and 2023 is presented in Note 23.1.

The company's headquarters and branch addresses are as follows:

Centre: Üniversiteler Mahallesi İhsan Doğramacı Bulvarı No:37/1 Çankaya / Ankara / Türkiye
Met 2 Şubesi: Mustafa Kemal Mahallesi 2082 Caddesi No: 54 A Çankaya / Ankara / Türkiye
SDT - ASO Teknopark Şubesi: Ahi Evran OSB Mahallesi Erkunt Caddesi No:3/16 Sincan / Ankara / Türkiye

Tamgör – SDT Business Partnerships ("Joint operations")

Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi with SDT Uzay ve Savunma Teknolojileri Anonim Şirketi, established business partnerships for the production of vehicle and backpack type frequency mixers.

A new business partnership has been established for each project and/or tender, and there are a total of 12 business partnerships as of December 31, 2024 (31 December 2023: 15 pieces).

As of 31 December 2024, and 2023, summary information about joint operations is as follows;

Title	Year of Establishment	Project Name	Capital Amount	Partnership Rate
TAMGÖR - SDT İş Ortaklığı (ST 01) (a)	2018	Manpack RF Jammer Project	5.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 02) (e)	2018	2.Generation Manpack RF jammer Project	5.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 03) (c)	2018	Vehicle type RF Jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 04) (b)	2018	TSA-2A BMC Vehicle type RF Jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 05)	2018	TSS-3A Projesi Manpack RF Jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 06)	2018	528 Unit Manpack RF Jammer For Turkish Army Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 07)	2019	148 Unit Vehicle Type RF Jammer project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 08) (f)	2019	91 Unit Vehicle Type RF Jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 09)	2019	Vehicle Type RF Jammer for Mini / Micro UAVs Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 10) (d)	2019	Anti mine vehicle type jammer project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 11) (g)	2020	Wheeled armoured vehicle RF jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 12)	2020	Wheeled armoured vehicle RF jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 13) (h)	2020	Jammer JBO283AT Project	400.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 14) (ı)	2021	6985 TTA-2 KKS 2021 12 Unit Vehicle Type RF Jammer project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 15)	2022	Maintenance contract for Turkish Land Forces jammer systems	400.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 16)	2023	Gendarmariere maintenance project	300.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 17)	2024	6978 Turkish Armed Forces Jammer Supply (III.Package) Project	2.000	50%

(a) The relevant business partnership was closed on May 16, 2023.
(b) The relevant business partnership was closed on June 20, 2023.
(c) The relevant business partnership was closed on November 02, 2023.
(d) The relevant business partnership was closed on December 20, 2023.

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

(e) The relevant business partnership was closed on 31 January 2024.
(f) The relevant business partnership was closed on 15 May 2024.
(g) The relevant business partnership was closed on 23 December 2024.
(h) The relevant business partnership was closed on 11 November 2024.
(ı) The relevant business partnership was closed on 11 October 2024.

As of December 31, 2024 and 2023, the personnel numbers of joint operations are as follows;

Title	31 December 2024	31 December 2023
TAMGÖR - SDT İş Ortaklığı (ST 01)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 02)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 03)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 04)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 05)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 06)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 07)	-	1
TAMGÖR - SDT İş Ortaklığı (ST 08)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 09)	-	1
TAMGÖR - SDT İş Ortaklığı (ST 10)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 11)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 12)	1	1
TAMGÖR - SDT İş Ortaklığı (ST 13)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 14)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 15)	2	2
TAMGÖR - SDT İş Ortaklığı (ST 16)	5	3
TAMGÖR - SDT İş Ortaklığı (ST 17)	9	-
Total	17	8

Thales – SDT Business Partnership ("Joint operations")

Thales Italy SpA with SDT Uzay ve Savunma Teknolojileri Anonim Şirketi, A business partnership agreement was signed on 14 December 2016 for the purpose of performing and completing the "8 ILS/DME System Supply and Installation" work, which was put out to tender by the General Directorate of State Airports Authority.

Title	Year of Establishment	Project Name	Capital Amount	Partnership Rate
Thales – SDT İş Ortaklığı	2016	Procurement and Installation of 8 ILS/DME Systems	5.000	19%

As of December 31, 2024 and 2023, the joint operation has no personnel.

SDT Azerbaycan MMC ("Subsidiary" and/or "SDT Azerbaycan)

SDT Azerbaijan LLC was established on January 11, 2023, in Baku, Azerbaijan. The main activity of the company is to engage in new business activities in the region where it was established, in line with the activities of its main shareholder, SDT Uzay ve Savunma Teknolojileri Anonim Şirketi. As of December 31, 2024 and 2023, SDT Azerbaijan does not have any personnel. As of December 31, 2024 and 2023, the main shareholder of SDT Azerbaijan is SDT Uzay ve Savunma Teknolojileri Anonim Şirketi.

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

Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi ("Subsidiary" and/or "Cey Savunma)

Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi ("Company"), was established on January 26, 2016 in Ankara / Türkiye.

Cey Savunma's main field of activity is; To establish and operate the electronic, electromechanical and mechanical manufacturing industry for military and civilian needs, and to design and manufacture related to its subject. In addition, it includes software design and manufacturing and trading in all these subjects.

As of December 31, 2024 Cey Savunma does not have any personnel. (31 December 2023: 18).

The shareholder structure of Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi as of December 31, 2024 and 2023 are as follows;

	31 December 2024		31 December 2023	
Shareholders	Share Ratio	Share Amount	Share Ratio	Share Amount
SDT Uzay ve Savunma Teknolojileri Anonim Şirketi	100,00%	11.670.000	100,00%	11.670.000
Total	100,00%	11.670.000	100,00%	11.670.000

On July 4, 2023, SDT Uzay ve Savunma Teknolojileri Anonim Şirketi acquired all shares of Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi (equivalent to 7.256.325 TRY based on the purchasing power as of December 31, 2024) from unrelated party for a total of 4.000.000 TRY.

Cey Savunma's headquarters address is as follows:

Kızılırmak Mahallesi
1443 Cad. Dış Kapı No: 25/A
No: 92
Çankaya/Ankara

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

The information regarding the activities of the Company included in the consolidation under the equity method is as follows;

Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi ("Affiliates" and/or "Sirius)

Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi ("Company"), was established on September 14, 2023 with the title of " Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi".

The company's scope of activity includes the production and commercial activities of all kinds of electronic, electromechanical, and mechanical equipment, as well as their spare parts, related to aviation, defense, and space technologies. Additionally, it engages in trading activities related to all types of systems, hardware, algorithms, modeling, technical support, and software development within its scope of activity.

During the accounting period ending on December 31, 2024, Sirius's average number of personnel is 8. (31 December 2023: 5).

The partnership structure of Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi as of December 31, 2024 and 2023 is as follows;

	31 December 2024		31 December 2023	
Shareholders	Share Ratio	Share amount	Share Ratio	Share Amount
SDT Uzay ve Savunma Teknolojileri Anonim Şirketi	40,00%	500.000	40,00%	500.000
Mehmet Dora	20,00%	250.000	20,00%	250.000
Osman Başoğlu	10,00%	125.000	10,00%	125.000
Önder Yazlık	9,00%	106.500	9,00%	106.500
Görkem Kandemir	9,00%	106.500	9,00%	106.500
Furkan Koltuk	6,00%	81.000	6,00%	81.000
Kenan Bozdaş	6,00%	81.000	6,00%	81.000
Total	100,00%	1.250.000	100,00%	1.250.000

The head office address of the Company is as follows:

İvedik OSB Mahallesi
2224 Caddesi
No:1 İç Kapı No:116
Yenimahalle/Ankara

NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENT

2.a Basis of Presentation

Compatibility Statement

The Parent Company prepares its statutory financial statements in accordance with the principles of CMB, Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and presents in Turkish Liras (“TRY”). A subsidiary operating abroad prepares its accounting records and legal books in accordance with the laws and regulations of the country in which it operates.

The financial statements of Group have been prepared in accordance with the communiqué numbered II-14, 1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (the Communiqué”) announced by the Capital Markets Board (“CMB”) (here in after will be referred to as “the CMB Reporting Standards”) on 13 June 2013 which is published on Official Gazette numbered 28676 and required adjustments and reclassifications are reflected. In addition, it is presented in accordance with the formats determined in the "Announcement on TMS Taxonomy" published by the POA on 04 October 2022 and the Financial Statement Samples and User Guide published by the CMB.

The attached consolidated financial statements of the Group have been prepared in accordance with the CMB's "Announcement on Financial Statement and Footnote Formats" dated 07 June 2013 and its decision numbered 14/382 dated 07 March 2024. In addition, the attached consolidated financial statements are presented in accordance with the 2016 TAS Taxonomy, which was developed by the POA based on paragraph (b) of Article 9 of the Decree Law No. 660 ("Decree Law") and approved by the Board decision No. 30 dated 02 June 2016..

Based on the announcement made and published by the KGK on 23 November 2023 with the decision of the CMB dated 28 December 2023 and numbered 81/1820 and the "Implementation Guide on Financial Reporting in High Inflation Economies", issuers and capital companies subject to financial reporting regulations applying TAS / UFRS It has been decided that market institutions will apply inflation accounting by applying the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of December 31, 2023.

The consolidated financial statements are based on the group's legal records and expressed in TRY and have been prepared by subjecting the Company to a number of corrections and classification changes in order to properly present the company's situation according to the Turkish Accounting Standards published by the POA.

Translation of Financial Statements of Subsidiary Who Operate in Foreign Country

The financial statements of subsidiary who operates in foreign country are prepared by the regulations of residing country and organized by reflection of required adjustments and reclassifications in order to be convenient to the accounting policy of consolidated financial statements of the Group. The assets and liabilities of foreign subsidiary are converted to Turkish Lira with the balance sheet date foreign exchange rate. The incomes and expenses of foreign subsidiary are converted to Turkish Lira with average foreign exchange rate. The foreign exchange differences occurred after the re-conversion of beginning net asset and using average foreign exchange rate; pursued under foreign currency conversion account.

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

Consolidated Financial Statements Correction in High Inflation Period

Businesses applying TAS / TFRS began implementing inflation accounting as of the financial statements for the annual reporting period ending on or after 31 December 2023. This transition was initiated in accordance with "TAS 29 Financial Reporting Standard in Economies with High Inflation," as per the decision of the Capital Markets Board (SPK) dated 28 December 2023, with reference number 81/1820, and the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on 23 November 2023. TAS 29 is applicable to entities whose functional currency is that of a high-inflation economy, encompassing their financial statements, including consolidated financial statements.

The attached consolidated financial statements are prepared on a historical cost basis. All comparative amounts for previous periods in these consolidated financial statements have been adjusted in accordance with TAS 29 to reflect changes in the general purchasing power of the Turkish Lira and ultimately expressed in terms of the purchasing power of the Turkish Lira as of 31 December 2024.

In applying TAS 29, the Group utilized adjustment coefficients obtained from the Consumer Price Index (CPI) published by the Turkish Statistical Institute, as directed by the Public Oversight Accounting and Auditing Standards Authority (KGK). Since the discontinuation of the definition of the Turkish Lira as the currency of a high-inflation economy as of 1 January 2005, the adjustment coefficients corresponding to the current and past periods based on the CPI are as follows:

Year-end	Index	Index%	Correction Factor
31.12.2005	122,65	7,72	21,88789
31.12.2006	134,49	9,65	19,96096
31.12.2007	145,77	8,39	18,41634
31.12.2008	160,44	10,06	16,73242
31.12.2009	170,91	6,53	15,70739
31.12.2010	181,85	6,40	14,76244
31.12.2011	200,85	10,45	13,36594
31.12.2012	213,23	6,16	12,58993
31.12.2013	229,01	7,40	11,72241
31.12.2014	247,72	8,17	10,83703
31.12.2015	269,54	8,81	9,95975
31.12.2016	292,54	8,53	9,17669
31.12.2017	327,41	11,92	8,19935
31.12.2018	393,88	20,30	6,81565
31.12.2019	440,50	11,84	6,09432
31.12.2020	504,81	14,60	5,31794
31.12.2021	686,95	36,08	3,90793
31.12.2022	1.128,4	64,27	2,37897
31.12.2023	1.859,38	64,77	1,44379
31.12.2024	2.684,55	44,38	1,00000

In accordance with TAS 29, assets and liabilities were initially segregated into monetary and non-monetary categories to facilitate necessary adjustments in the consolidated financial statements. Non-monetary assets and liabilities were further segregated into those measured at current value and those measured at cost value. Monetary items (excluding those linked to an index) along with non-monetary items measured at their current values at the end of the reporting period were not subjected to inflation adjustment as they were already expressed in terms of the current measurement unit as of 31 December 2024. However, non-monetary items not expressed in terms of the measurement unit as of 31 December 2024 were subjected to inflation adjustment using the respective coefficients. Where the recoverable amount or net realizable value of non-monetary items adjusted for inflation exceeded, the relevant TAS/IFRS was applied, resulting in a reduction in book value. Additionally, inflation adjustments were made to all items in the equity statement, income statement, and other comprehensive income statement. All items in the income statement and other comprehensive income statement except for cost of sales, depreciation and amortization, gain or loss on asset sales, and fair value adjustments were adjusted using the respective correction factors. Cost of sales, depreciation and amortization, gain or loss on asset sales, and fair value adjustments were recalculated based on adjusted consolidated financial position statement items using the respective correction factors. All items in the cash flow statement are expressed in the measurement unit prevailing at the end of the reporting period..

Non-monetary items acquired or assumed before January 1, 2005, when the Turkish Lira ceased to be defined as the currency of a high-inflation economy, as well as equity items put into operation or formed before this date, have been adjusted based on the changes in the Consumer Price Index (CPI) from January 1, 2005, to December 31, 2024.

The implementation of TAS 29 necessitated adjustments, presented in the income statement's gain or loss section, due to the decrease in purchasing power of the Turkish Lira. Unless the value of monetary assets or liabilities is dependent on changes in an index, during inflationary periods, businesses holding a higher amount of monetary assets experience a decrease in purchasing power, while those holding a higher amount of monetary liabilities experience an increase in purchasing power. Net monetary position gains or losses were derived from differences in adjustments of non-monetary items, equity items, items in the income statement, and other comprehensive income statements, and indexed monetary assets and liabilities.

Additionally, in the reporting period when TAS 29 was initially applied, the standard provisions were applied assuming persistent high inflation in the relevant economy. Therefore, for subsequent reporting periods, the consolidated financial position statement dated 1 January 2022, was adjusted for inflation to serve as the basis for comparison with the earliest comparative period. The inflation-adjusted amount of profits/losses from previous years in the consolidated financial position statement dated 1 January 2022, was derived from the balance sheet's equity after adjusting other items in the statement for inflation.

Amounts relating to the previous reporting period were reclassified by applying the general price index to ensure presentation in the measurement unit prevailing at the end of the reporting period. Information disclosed for prior periods is also presented in terms of the measurement unit prevailing at the end of the reporting period.

"Equity-accounted investees not reporting in currencies of high-inflation economies are subject to TAS 21 provisions. In this context, TAS 29 was applied only to equity-accounted investees resident in Türkiye, while other equity-accounted investees were assessed and accounted for under TAS 21.

Rounding Degree of Amounts Offered in Currency and Financial Statements

The functional and reporting currency of the Parent Company, subsidiary (located in Turkey) and joint operations is TRY for comparative periods. The functional currency of the subsidiary (located in Azerbaijani) is Azerbaijani New Manat (“AZN”) and its reporting currency is also TRY.

Financial information presented in TRY has been rounded to the nearest full TRY value.

Approval of Consolidated Financial Statements

Consolidated financial statements of the Group are approved by the Board of Directors at 11 March 2025. Consolidated financial statements will be finalized upon approval at the General Assembly of the Parent Company. The Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

Basis of Consolidation

The companies are subject to “Complete Consolidation Method” if direct TRY or indirect TRY 50% or more than 50% of their shares or over 50% of their voting rights or the controlling rights regarding to companies’ operations are belonging to the Parent Company. Parent Company has controlling rights if it is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The companies which have continuous relationship on management and power to govern Parent Company’s policies and/or which have direct or indirect capital and management relationship or which have voting share of Parent Company between the rates 20-50% are accounted by using equity pick-up method.

Principles of Complete Consolidation

The principles of consolidation followed in the preparation of the accompanying financial statements are as follows:

- The financial statements of the consolidated subsidiaries have been equipped according to the accounting principles of the Parent Company.
- The share of the Parent Company in the shareholders equity of subsidiaries is eliminated from the financial of subsidiaries these are adjusted according to the accounting principles of financials of the Parent Company.
- All significant intercompany transactions and balances between the Parent Company and the subsidiaries have been comparatively eliminated.
- The minority part of shareholders’ equity including paid capital of the companies subject to consolidation is classified as “Non-controlling Interests” in accompanying financial statement.
- Shares of the Parent Company owned by the subsidiaries within the scope of consolidation, if any, have been mutually eliminated with the capital of the Parent Company.
- The income statements of the Parent Company and the subsidiaries are consolidated a line by line basis and the transaction between companies are eliminated mutually. Consolidation of income statements of subsidiaries held in an audit period are based on the investment date and the items after the holding date are included.
- The portion of the third parties other than consolidated companies in the net income or losses of the subsidiaries are classified as “Non-controlling Interests” in the income statements.

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

As of 31 December 2024 and 2023, the Parent Company has applied the "full consolidation method" to the following companies in which it directly or indirectly owns 50% or more of the shares, holds more than 50% of the voting rights, or has control over their operations;

	Ownership of the Parent through the Equity Affiliates		Non-controlling Interest
Subsidiaries	(Direct)	(Direct+ Indirect)	Ratio
SDT Azerbaycan (a)	%100,00	%100,00	-
Cey Savunma (b)	%100,00	%100,00	-

(a) The Parent Company acquired 100% shares of the Company titled SDT Azerbaijan MMC, which was established in Azerbaijan on January 11, 2023, as a founding partner on January 11, 2023.

On July 4, 2023, SDT Uzay ve Savunma Teknolojileri Anonim Şirketi acquired all shares of Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi (equivalent to 7.256.325 TRY based on the purchasing power as of December 31, 2024) from unrelated party for a total of 4.000.000 TRY.

Detailed information about the Group's subsidiaries is presented in Note 1 and Note 3.

Equity Method

The acquisition cost of the Parent Company's shares in the capital of the subsidiary subject to the equity method is brought to the value represented in the equity capital of the financial position statement of these subsidiaries adapted to the Parent Company's accounting policies, and the difference in the previous years is called "Prior Years Loss or Past Years" The difference in "Profits" in the current period is shown in the "Shares of Profits and Losses of Investments Valued by Equity Method" account.

If the Parent Company's share of the subsidiary's losses is equal to or greater than the balance sheet value of the subsidiary, it continues to be accounted in the records with the subsidiary trace price.

As of December 31, 2024 and 2023, the Parent Company maintains a continuous connection in terms of participating in management and determination of business policies, or has a direct or indirect capital and management relationship, with companies where it holds twenty percent or more but less than fifty percent of their capital or has the right to participate in management at this percentage. These companies are as follows;

	Ownership of the Parent through the Equity Affiliates		Non-controlling Interest
Investment	(Direct)	(Direct+ Indirect)	Ratio
Sirius	%40	%40	%60

Detailed information about the Group's subsidiaries is presented in Note 1 and Note 3.

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

Partnerships Within the Scope of Joint Operations

Partnerships within the scope of joint operations refer to partnerships formed within the scope of a contract to undertake an economic activity, to be jointly managed by the Group and one or more entrepreneurial partners. A joint operation is a joint arrangement in which the parties having joint control of the arrangement have rights to the assets and obligations regarding the debts related to the arrangement. The Group provides these joint operations by benefiting from the shares and/or contracts it owns directly or indirectly. The accounting policies applied by joint operations are aligned with the accounting policies of the Group. The financial statements of partnerships within the scope of joint operations are included in the financial statements of the Group, taking into account the share ratios of the Group. Assets, liabilities, equity, income and expenses included in the financial statements of partnerships within the scope of joint operations are processed with the effective partnership rates owned by the Group. Liabilities and expenses arising from jointly controlled assets are accounted for on an accrual basis. The Group's share of the income obtained from the use of assets of jointly controlled partnerships or the sale of such assets is recorded if it is probable that the relevant economic benefits will flow to the Group and their amounts can be measured reliably. Balances and unrealized profits and losses arising from transactions between the Group and its jointly controlled enterprises are eliminated in proportion to the Group's share in the jointly controlled enterprise.

As of December 31, 2024, the Group's joint operations are as follows;

	Group's Share Ratio in Joint Operation		Non-Owned Share Ratio
Joint Operation	(Direct)	(Direct+ Indirect)	Ratio
TAMGÖR - SDT İş Ortaklığı (ST 02) (a)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 05)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 06)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 07)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 08) (b)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 09)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 11) (e)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 12)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 13) (d)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 14) (e)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 15)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 16)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 17)	%50,00	%50,00	%50,00
Thales - SDT İş Ortaklığı	%19,00	%19,00	%81,00

(a) The relevant business partnership was closed on, 31 January 2024.
(b) The relevant business partnership was closed on, 15 May 2024.
(c) The relevant business partnership was closed on, 11 October 2024.
(d) The relevant business partnership was closed on, 11 October 2024.
(e) The relevant business partnership was closed on, 23 December 2024.

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

As of December 31, 2023, the Group's joint operations are as follows;

	The Group's Share In Joint Operations		Non-Owned Share Ratio
Joint Operation	(Direct)	(Direct+ Indirect)	Ratio
TAMGÖR - SDT İş Ortaklığı (ST 01) (a)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 02)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 03) (c)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 04) (b)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 05)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 06)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 07)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 08)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 09)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 10) (d)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 11)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 12)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 13)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 14)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 15)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 16)	%50,00	%50,00	%50,00
Thales - SDT İş Ortaklığı	%19,00	%19,00	%81,00

(a) The relevant business partnership was closed on 16 May 2023 tarihinde kapatılmıştır.
(b) The relevant business partnership was closed on, 20 June 2023 tarihinde kapatılmıştır.
(c) The relevant business partnership was closed on, 02 November 2023 tarihinde kapatılmıştır.
(d) The relevant business partnership was closed on 20 December 2023 tarihinde kapatılmıştır.

Detailed information about the Group's joint operations is presented in Note 1 and Note 3.

Standard Accounting Policy

Consolidated financial statements are prepared by adopting consistent accounting policies for similar transactions and other events under similar conditions. If the financial statements of any entity included in the consolidated financial statements are prepared using different accounting policies for similar transactions and other events under similar conditions, necessary adjustments are made to the financial statements of that entity during the preparation of the consolidated financial statements.

The investor's financial statements are prepared using consistent accounting policies for similar transactions and other events under similar conditions. If an investee uses accounting policies different from those of the investor for similar transactions and other events under similar conditions, necessary adjustments are made to align the investee's accounting policies with those of the investor for applying the equity method in the investor's financial statements.

Assumption of Continuity of Business

The consolidated financial statements presented herein have been prepared on the assumption of the continuity of business, under which it is assumed that the Group will derive benefits from its assets and fulfill its obligations in the natural course of its activities in the coming year.

Offsetting

Financial assets and liabilities are presented on a net basis when there is a legal right to offset, an intention to settle the asset and liability on a net basis, or when the asset is realized and the liability is settled simultaneously.

Comparative Information and Correction of Previous Period Financial Statements

To allow for the assessment of consolidated financial position and performance, the Group's financial statements are prepared on a comparative basis with the previous period. Accordingly, the Group has prepared the consolidated financial statements as of December 31, 2024, in comparison with the financial statements as of December 31, 2023, and has also prepared the consolidated statement of income or loss, consolidated statement of comprehensive income, consolidated statement of cash flows, and consolidated statement of changes in equity for the period from January 1 to December 31, 2024, on a comparative basis with the period from January 1 to December 31, 2023. When deemed necessary to ensure the appropriateness of presenting the current period's consolidated financial statements, comparative information is reclassified and significant differences are explained.

Aside from the adjustments made due to the application of the TAS 29 standard as detailed in the section "Correction of Consolidated Financial Statements in High Inflationary Periods," there were no corrections made to the financial statements as of December 31, 2023.

2.b Changes in Accounting Policies

A company can only change its accounting policies under the following circumstances:

- • If required by a standard or interpretation, or
- • If the effects of transactions and events on the company's financial position, performance, or cash flows need to be presented in the financial statements in a more appropriate and reliable manner.

Users of consolidated financial statements should have the ability to compare the company's financial position, performance, and cash flows over time. Therefore, unless a change in accounting policy meets one of the conditions stated above, the same accounting policies should be applied consistently in each interim period and fiscal year.

Changes and Errors in Accounting Estimates

The preparation of the consolidated financial statements in compliance with TAS/IFRS requires certain estimates to be made by Management regarding the carrying values of certain assets and liabilities, potential liabilities disclosed, and the amounts of income and expenses reported. Actual amounts may differ from these estimates. These estimates are reviewed periodically and any differences are reported in the income statement as of the periods known.

The assumptions and assessments made, taking into account significant interpretations that could significantly impact the amounts reflected in the consolidated financial statements, as well as important assumptions and evaluations based on the main sources of estimates existing at the date of the financial position statement or that may occur in the future, are as follows:

Provisions for doubtful receivables

However, it reflects the amounts it believes to cover future losses from receivables at risk of non-collection under the current economic conditions. While evaluating whether the receivables are impaired or not, the past performances of borrowers other than the related institution and permanent customers, their credibility in the market and the performance of the consolidated financial statements until the approval date of the consolidated financial statements are also taken into consideration. As of the statement of financial position, the provisions for doubtful receivables are reflected in Note 8.

Provision for stock impairment

Regarding stock impairment, the physical and past history of stocks are examined, their usability is determined in line with the opinions of technical personnel, and provisions are made for items that are estimated to be unusable (Note 11).

Deferred finance income/expense

In calculating the effective interest rate for the amortized cost of trade receivables and payables, expected collection and payment dates based on current information related to receivables and payables are taken into account.

Useful lives of tangible and intangible fixed assets

The Group depreciates its tangible and intangible fixed assets based on the useful lives and residual values stated in Note 2.c. Explanations regarding the useful lives are provided in Note 2.c.

Development costs

Research findings or other information applied to a plan prepared to produce new, unique, and significantly improved products, processes, systems, or services are defined as development, and the costs incurred for these activities are capitalized by the Group. In capitalizing the salaries of personnel directly involved in creating the asset, the Group management considers the amount of time each person spends on research and development activities. Personnel costs related to research activities are recognized as an expense when incurred.

Provision for litigation

While reserving provisions for litigation, the probability of losing related lawsuits and the results to be incurred in case of loss are evaluated in line with the opinions of the Group's legal counsel. Explanations regarding the provisions that the Group Management deems necessary in accordance with the best estimations made by using the available data are included in Note 20.

Warranty expense provision

Warranty provisions generally include expenses related to labor, spare parts, and similar costs incurred without charging the customer for products and services sold. For sales recorded as revenue in the current period, the Group accounts for future service costs that may arise in subsequent years based on estimates derived from management's experience, distinguishing between short-term and long-term provisions for warranty expenses in the relevant period (Note 20).

Retirement pay provision

The severance pay liability is determined by actuarial calculations based on a number of assumptions, including discount rates, future salary increases and employee turnover rates. As these plans are long term, these assumptions contain significant uncertainties. Details on provisions for employee benefits are included in Note 21.

Deferred tax

The Group accounts for deferred tax assets and liabilities for temporary timing differences arising from differences between tax-based legal financial statements and financial statements prepared in accordance with TAS/IFRS. These differences arise from the fact that some income and expense items are included in different periods in the financial statements prepared in accordance with TAS/IFRS and financial statements. The Group has deferred tax assets consisting of deductible temporary differences that may occur in the future. Partially or fully recoverable amount of deferred tax assets are estimated under current conditions. During the evaluation, future profit projections, losses in current periods, unused losses and other tax assets can be used. As a result of the evaluations, as of 31 December 2024 and 2023, temporary differences arising from tax deductions can be foreseen and deferred tax assets will be deemed to be deemed to be deemed to be available within the framework of tax laws within the period that the tax reduction right can continue. Details on deferred tax calculations as of the relevant statement of financial position are provided in Note 31.

The New International Financial Reporting Standards, Amendments

As of 31 December 2024, adopted in the preparation of financial statements for the end of the accounting period of the accounting policies summarized below as of 1 January 2024 applies to new and changed Türkiye Accounting Standards ("TAS") / IFRS and IAS / IFRS review except as consistent with those used in the previous year It was applied. The effects of these standards and interpretations on the financial position and performance of the Group are explained in the related paragraphs.

New and amended IFRS Standards that are effective for the current year:

TFRS 16 - Sale and Leaseback Transactions:

Effective for annual reporting periods beginning on or after January 1, 2024. These amendments include the sale and leaseback provisions that explain how an entity accounts for a sale and leaseback transaction in TFRS 16 after the transaction date. It is likely that sale and leaseback transactions comprising variable lease payments not dependent on an index or rate will be affected.

TAS 1, Long-Term Obligations with Changes in Contractual Terms amendments:

Effective for annual reporting periods beginning on or after January 1, 2024. These changes clarify how an obligation's classification is affected by conditions that the entity must meet within twelve months after the reporting period.

Changes related to supplier finance arrangements in TAS 7 and IFRS 7:

Effective for annual reporting periods beginning on or after January 1, 2024. These amendments require enhanced disclosure to provide transparency about the impacts of supplier finance arrangements on an entity's obligations, cash flows, and liquidity risks. The disclosure requirements are a response to concerns raised by the IASB (International Accounting Standards Board) that some companies' supplier finance arrangements were not sufficiently transparent, hindering investors' analysis.

TSRS 1 General Provisions on Disclosure of Financial Information Related to Sustainability:

Effective for annual reporting periods beginning on or after January 1, 2024. This is subject to the standards being endorsed by local laws or regulations. This standard encompasses the fundamental framework for disclosing all significant risks and opportunities related to sustainability that a company faces within its value chain.

TSRS 2 "Climate-related Disclosures":

Effective for annual reporting periods beginning on or after January 1, 2024. This is subject to the standards being endorsed by local laws or regulations. This standard is the first to establish disclosure requirements for companies regarding climate-related risks and opportunities.

b) New and Amended Turkish Financial Reporting Standards in issue but not yet effective

TFRS 17 Insurance Contracts:

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2025.

Amendments to TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

Effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Annual improvements to IFRS – Volume 11:

Annual improvements are limited to changes that either clarify the wording in an Account Standart or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standarts. The 2024 amendments are to the following standarts:

- IFRS 1 First-time Adoption for International Financial Reporting Standards,
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7,
- IFRS 9 Financial Instruments,
- IFRS 10 Consolidated Financial Statements; and,
- IAS 7 Statement of Cash Flows.

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures:

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

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

These changes are not expected to have a significant impact on the financial position and performance of the Group.

2.c Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value. The carrying amount of these assets approximates their fair value.

Financial Instruments

According to TFRS 9, when a financial asset is initially recognized in the financial statements, it is classified as follows: debt instruments measured at amortized cost, equity instruments or debt instruments measured at fair value through other comprehensive income (OCI), or debt instruments measured at fair value through profit or loss (FVL). The classification of financial assets under TFRS 9 is generally based on the business model used by the entity for managing financial assets and the characteristics of the contractual cash flows of the financial asset. The requirement to separate embedded derivatives from the financial asset has been removed under the standard, and the classification of a hybrid contract as a whole should be evaluated.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows and,

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and,

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized for the FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized for the at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in TAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets measured at amortized cost and contract assets, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances will be measured on either the following bases:

- 12 months ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date and,

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

Financial liabilities

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument. An equity instrument is ant contract that evidences a residual interest in the asset of the Group after deducting all of its liabilities.

Financial liabilities at fair value reflected as profit or loss classified as financial liabilities or other financial liabilities.

Financial liabilities at fair value through other comprehensive income

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Financial assets carried at fair value through profit or loss include "derivative instruments" items in the statement of financial position. Derivative instruments are recognized as assets when their fair value is positive, and as liabilities when it is negative. Although the Group uses derivative instruments during the relevant reporting periods, there are no derivative instruments held by the Group at the end of the periods.

Other financial liabilities

Other financial liabilities, including financial liabilities, are initially recognized at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Trade Receivables

Trade receivables arising from the provision of products or services to the buyer are recognized from the amortized value of the receivables recorded from the original invoice value in the subsequent periods with the effective interest method. Short-term receivables with no determined interest rates are shown in the invoice amount if the effect of the original effective interest rate is not very large.

The "simplified approach" is applied within the scope of impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (with a maturity of less than 1 year). With this approach, in cases where trade receivables are not impaired for

certain reasons (except for the impairment losses incurred), the provisions for losses related to trade receivables are measured at an amount equal to "lifelong expected credit losses".

In the event that all or some of the amount of the receivable that is impaired is collected following the provision for impairment, the amount collected is deducted from the provision for impairment and recorded in other income from the main activities.

Maturity difference income / expenses related to commercial transactions and exchange rate profit / loss are recognized in the statement of "Other Income / Expense from Main Operations" in the profit or loss statement.

Financial Liabilities

Financial liabilities are measured at fair value at initial recognition. Transaction costs directly attributable to the burden of the related financial liability are also added to the fair value.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period.

Trade payables

Trade payables are the payments to be made in relation to the goods and services provided from the suppliers within the ordinary activities. Trade payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method. Income/expenses related to term differences in commercial transactions and foreign exchange gains/losses are accounted for within the "Other Income/Expenses from Core Operations" account in the income statement.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes all costs of purchase, costs of conversion (direct labour and production overhead) and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated by weighted average cost formula for trade goods. The cost of software programs made to order is calculated according to the real lot cost method. In cases where the revenue related to the service provided (order software projects) is not reflected as income in the financial statements, the related expenses are reflected to the inventory account. The cost of inventories of project-style software programs mainly includes the labor and other costs of personnel directly involved in the delivery of the service, including the personnel performing the control operations, and the overheads that may be associated with them. Labor fees and other related expenses of sales and general management personnel are not included in the cost of the service, that is, in the inventory. These expenses are recognized as expense in the period in which they are incurred.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory impairment provision amounts that reduce inventories to their net realizable value and losses related to inventories are recognized as expense in the period in which the reduction and losses occur. The amount of the inventory impairment loss canceled due to the increase in the net realizable value is accounted for in a way that reduces the accrued selling cost of the period in which the cancellation occurred. Net realizable value is reviewed for each financial statement period. In cases where the conditions that previously caused the inventories to be reduced to net realizable value no longer apply or an increase in net realizable value is proven due to changing economic conditions, the reserve for impairment is reversed (the amount canceled is limited to the amount of impairment previously allocated).

Tangible Fixed Assets

Tangible fixed assets are shown by deducting accumulated depreciation from the acquisition cost, if any, after deducting the scrap value. Assets subject to depreciation are subject to pro-rata depreciation based on their estimated economic lives over their cost amounts, using the straight-line method of depreciation, taking into account the date they are active. The economic life and depreciation method are regularly reviewed, and accordingly, it is checked whether the method and the depreciation period are in line with the economic benefits to be obtained from the relevant asset, and adjustments are made when necessary. The land is not subject to depreciation as its useful life is considered indefinite.

The cost value of the property, plant and equipment; The purchase price, import duties and non-refundable taxes consist of expenses incurred to prepare the property, plant and equipment for use. Expenses such as repair and maintenance that occur after the use of tangible fixed assets are recognized in the profit or loss statement in the period in which they are incurred. If the expenditures provide an economic value increase in the future use of the related property, plant and equipment, these expenditures are added to the cost of the asset.

Leasehold improvements include the expenses incurred for the leased property and are depreciated over the useful life of the leased property where the useful life is longer than the lease term, and over the useful life if it is short.

The depreciation rates for property, plant and equipment, which approximate the useful economic lives of these assets, are as follows:

	Useful life
Machinery, plant and equipment	3-10 years
Vehicles	4-10 years
Office equipment	3-10 years
Leasehold improvements	Rent period

Maintenance and repair expenses are recorded in the income statement in the period in which they are incurred. Costs related to the primary renewals are added to this cost of assets in the expected condition that providing economical profit with the better performance than the situation before renewals. Expenses which were made after the activation added to the cost of assets are put to amortization pursuant to economical lifetime of related assets. Group, value of the part that was changed in the range of expenses which was made after activation removes from income statement regardless to put the amortization independently to the other part.

Right of Use Assets

The Group accounts for its use right assets on the date of the financial lease contract (for example, as of the date when the related asset is suitable for use). The right of use assets are calculated by deducting the accumulated depreciation and impairment losses from the cost value.

The cost of the right of use asset includes:

(a) the first measurement of the lease obligation,
(b) the amount obtained from all lease payments made before or before the lease actually started, by deducting all lease incentives received, and
(c) All initial costs incurred by the Group.

Unless the transfer of the ownership of the underlying asset to the Group is reasonably finalized at the end of the lease term, the Group is subject to depreciation of the right to use until the end of the useful life of the underlying asset. Right of use assets are subject to impairment assessment.

The depreciation rates for right of use assets, which approximate the useful economic lives of these assets, are as follows:

	Useful Life
Buildings	3-5 years
Motor vehicles	1-3 years

Lease Obligations

The Group measures the lease obligation based on the present value of the lease payments that were not paid on the date the lease actually began.

The lease payments included in the measurement of the lease obligation at the date of the lease actually consist of the following payments to be made for the right of use of the underlying asset during the lease period and not paid at the date when the lease actually started:

(a) Fixed payments,
(b) Variable lease payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,
(c) Amounts expected to be paid by the Group within the scope of residual value commitments
(d) the price of use of this option if the Group is reasonably sure that it will use the purchase option; and
(e) if the rental period indicates that the Group will use an option to terminate the lease, penalties for termination of the lease.

Variable lease payments that do not depend on an index or rate are recorded as expenses in the period when the event or condition that triggered the payment occurred. If the Group can easily determine the revised discount rate for the remainder of the lease term and the implied interest rate on the lease; In case it cannot be determined easily, it determines the alternative borrowing interest rate on the date of the Group's re-evaluation.

The Group measures the lease obligation after the lease actually starts as follows:

(a) Increases the carrying amount to reflect the interest on the lease obligation, and
(b) Reduces the carrying value to reflect the rent payments made

In addition, in the event of a change in lease duration, a change in substance of fixed lease payments, or a change in the assessment of the option to purchase an underlying asset, the value of financial lease liabilities is re-measured.

Extension and early termination options

A lease obligation is determined by considering the extension of the contracts and early termination options. Most of the extension and early termination options included in the contracts consist of options that are jointly applicable by the Group and the lessor. However, if such extension and early termination options are at the Group's discretion in accordance with the contract and the use of the options is reasonably certain, the lease term shall be determined by taking this issue into account. If there is a significant change in the conditions, the evaluation is reviewed by the Group.

Facilitating Practices

The Group applies the short-term lease registration exemption to short-term machinery and equipment and low-value real estate lease agreements (i.e., assets with a rental period of 12 months or less starting from the start date and which do not have a purchase option). At the same time, it applies the exemption for the recognition of lower-value assets to the fixed assets, which are considered to be of low value. Short-term lease agreements and leases of lower-value assets are accounted for as expense on a straight- line basis over the term of the lease.

A single discount rate is applied to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar asset class in a similar economic environment)..

Intangible Assets

Intangible Assets Acquired

Intangible assets acquired include acquired usage rights, information systems and other identifiable rights. Intangible assets with finite lives are presented at cost less their residual value, if any, less accumulated amortization and accumulated impairment losses. These assets are amortized using the straight-line method over their expected useful lives (useful lives not exceeding 10 years). The expected useful life and depreciation method are reviewed annually to determine the possible effects of changes in estimates and changes in estimates are accounted for prospectively.

Computer Software

Purchased computer software is capitalized over the costs incurred during its purchase and during the period from purchase until it is ready for use.

Research and Development Costs

Planned activities to obtain new technological information or findings are defined as research and research expenses incurred at this stage are recorded as expense when incurred.

The application of research findings or other information to a plan prepared to produce new or significantly improved products, processes, systems or services is defined as development and is recognized as intangible assets resulting from development if all of the following conditions are met.

Internally generated intangible assets resulting from development activities (or the development phase of an internal project) are recognized only when all the following conditions are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,

- Its intention to complete the intangible asset and use or sell it,

- Its ability to use or sell the intangible asset. How the intangible asset will generate probable future economic benefits,

- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and

- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount of intangible assets created internally is the total amount of expenses incurred since the intangible asset meets the above-mentioned recognition conditions. When internally generated intangible assets cannot be recognized, development expenditures are recorded as expense in the period in which they are incurred. After initial recognition, internally generated intangible assets, like separately purchased intangible assets, are carried at cost less accumulated depreciation and accumulated impairment losses. The useful lives of development costs are evaluated on a case-by-case basis and range from 2 to 12 years.

Sale of Intangible Assets

An intangible asset is derecognised when it is disposed of or when future economic benefits are not expected from its use or sale. The profit or loss resulting from the derecognition of an intangible asset is calculated as the difference between the net proceeds from the disposal of the assets and their carrying amount, if any. This difference is recognized in profit or loss when the related asset is taken out of the balance sheet.

Impairment of Assets

At each reporting date, Group assesses whether there is an impairment indication for the assets, except for the deferred income tax asset that are stated at revalued amounts as of reporting date. When an indication of impairment exists, Group estimates the recoverable amounts of such assets. An impairment loss is recognized for the amount by which the carrying amount of the asset or any cash generating unit of that asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. All impairment losses are accounted for in the statement of comprehensive income.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor,
- A breach of contract, such as a default or delinquency in interest or principal payments,
- For economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization,
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets.

Mergers and Goodwill

Business merger and acquisition is combining of two separate legal entities or organizations into an entity that makes reporting. Business merger is accounted based on acquisition method within the context of IFRS 3.

Acquisition cost contains the fair value of assets given in purchase date; issued capital instruments, assumed and realized payables due to change, the costs that can be associated with additional acquisition. If the business merger agreement includes articles that foresees that cost can be adjusted according to the future actions, this adjustment is probable, and this adjustment is include into merger cost that formed on the day of acquisition when the value is detected. Purchase-related costs are expensed in the period in which they are incurred. Goodwill arising from the acquisition of subsidiaries, acquisitions of associates and establishment of joint ventures is the portion of the consideration paid in excess of the fair value of the Group's net identifiable assets, liabilities and contingent liabilities in the acquiree and its non-controlling interest in the acquiree.

The difference between the acquisition cost coming from purchase of an organization and fair value of identifiable asset, liability and conditioned liabilities is accounted as goodwill in consolidated financial statements. If real value of acquired assets, liability and contingency liabilities exceeds the business merger cost, then the difference is accounted in the consolidated income statements as goodwill.

For impairment testing, goodwill is allocated to cash-generating units. Distribution is made to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arises. Each unit or group of units to which the goodwill is distributed is the smallest asset group of the entity in which the goodwill is monitored for internal managerial purposes. Goodwill is monitored on the basis of operating segments. Impairment reviews of goodwill are performed annually or more frequently when events or changes in circumstances indicate the possibility of impairment. The higher of the carrying amount of the goodwill, its value in use and its fair value less costs to sell, is compared with its recoverable value. In case of any impairment, the loss is recognized immediately and is not reversed in the following period.

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3. Therefore, goodwill is not calculated in such mergers. In addition, transactions between parties in legal mergers are subject to adjustments during the preparation of the consolidated financial statements.

Partial share purchase and sale transactions with minority interests

The Group considers the purchase and sale transactions of the shares of minority interests and the partnerships that it currently controls as transactions between the equity holders of the Group. Accordingly, in the purchase of additional shares from minority interests, the difference between the acquisition cost and the book value of the company's net assets in proportion to the purchased shares is accounted for under equity. In the sale of shares to minority interests, losses or gains resulting from the difference between the sales price and the book value of the company's net assets in proportion to the sold share are also accounted for under equity.

Fair Value Measurement

Determination of fair values, fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Fair value, according to valuation techniques used is classified into the following levels:

Level 1: For identical assets or liabilities in active markets (unadjusted) prices;
Level 2: Other than quoted prices in level 1 and asset or liability, either directly (as prices) or indirectly (i.e. derived from prices) observable data;
Level 3: Asset or liability is not based on observable market data in relation to the data (no observable data).

Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred. There are no capitalized borrowing costs for the periods ended at 31 December 2024 and 2023.

Taxation

Taxes on income for the period comprise current tax and the change in the deferred taxes..

Current tax provision

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. Taxable profit differs from profit as reported in the income statement because it excludes terms of income or expense that taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases use in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductable temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arisen from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences. It associates with investments in subsidiaries and associates and interests in joint ventures, except where the company is able to control the reversal of the temporary differences. It is probable that the temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amounts of deferred tax assets is reviewed at each balance sheet date and reduce to extent that is no longer probable that sufficient taxable profits will be available to allow all part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and the tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax affect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets liabilities and contingent liabilities over cost.

Provisions, Contingent Liabilities and Assets

Provisions

Provisions are recognized when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Contingent Liabilities and Assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

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

Related Parties

In the presence of one of the following criteria, parties are considered as related to Group:

(a) Directly, or indirectly through one or more intermediaries, the party,

(i) Controls, is controlled by, or is under common control with, Group (this includes parents, subsidiaries and fellow subsidiaries);
(ii) Has an interest in Group that gives it significant influence over the Company; or
(iii) Has joint control over Group.

(b) The party is an associate of Group,
(c) The party is a joint venture, in which Group is a venture,
(d) The party is member of the key management personnel of Group or its parent,
(e) The party is a close member of the family of any individual referred to in (a) or (d),
(f) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e)
(g) The party has a defined benefit plan for the employees of the Group or a related party of the Group.

Transactions with related parties are transfer of resources or obligations between related parties, regardless of whether a price is charged. Group interacts with its related parties within the frame of ordinary business activities (Note 4).

Foreign Currency Assets and Liabilities

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange profit and loss are reflected to the income statements. The Group carried out the measurements in accordance with the announcement of the Public Oversight, Accounting and Auditing Standards Authority, dated 15 March 2021, "About the Next Measurement of Foreign Currency Monetary Items According to Turkish Accounting Standards".

The exchange rates used for the amounts classified in the assets section of the financial position statement at the end of the periods are as follows:

	31.12.2024	31.12.2023
USD	35,2803	29,4382
EURO	36,7362	32,5739
GBP	44,2073	37,4417

The exchange rates used for the amounts classified in the liabilities section of the financial position statement at the end of the periods are as follows:

	31.12.2024	31.12.2023
USD	35,3438	29,4913
EURO	36,8024	32,6326
GBP	44,4378	37,6369

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Reporting Consolidated Financial Information by Segment

A business segment is distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the result of all segments in profit or the result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group operates its activities in the same geographical region and industry sector. Therefore, reporting by segments has not been performed.

Employee Benefits / Severance Pay Provision

Severance Pay

Under Turkish Labor Law, Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. As of 31 December 2023 payments are calculated on the basis of 30 days’ pay limited to a maximum of TRY 41,828 (31 December 2023: TRY 23.490) per year of employment at the rate of pay applicable at the date of retirement.

Group calculates provisions for severance pay in the attached consolidated financial statements in consideration of previous year’s experiences on deserving severance pay and also, discount rate generated from effective interest rate and inflation on balance sheet period was included in calculations. All of profits and losses except calculated actuarial profit / (loss) were shown in statements of income, actuarial profit / (loss) was shown in statements of changes in equity.

The rates of basic assumptions used at balance sheet date are as follows:

	31.12.2024	31.12.2023
Real discount rate	3,05%	2,30%

Social Insurance Premium

Group pays social security contribution to social security organization compulsorily. As long as group pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

Dividends

Dividends receivables are recognized as income in the period when they are declared and dividends payables are recognized as an appropriation of profit in the period in which they are declared.

Paid in Capital

Common stocks are classified to equity. Costs related to new shares and option issued, are shown in equity by deducting the collected amounts whose tax effect was deducted.

Government Incentive and Grants

It is a procedure to assist the companies that are unable to achieve certain businesses. It is to stimulate the businesses with the incentives. Government incentives, including those followed at their fair values will be included in the financial statements only if there is reasonable assurance that the Company will fulfill all required conditions and acquire the incentive.

Government incentives, including non-monetary grants at fair value, are included in the financial statements only if there is reasonable assurance that the Company will fulfill all required conditions and acquire the incentive

Events After Reporting Period

Although post balance sheet events arise after the explanation of the financial information to the public or any announcement related to profitability, it encloses all the events with balance sheet date and authorization date for the diffusion of the balance sheet.

Group adjusts the amounts in the combined financial statements if there exist any events necessitates adjustment. Subsequent events are stated in the combined notes to financial statements, if they do not need adjustments.

Earnings / (Loss) Per Share

Earnings / (loss) per share in the combined income statements are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year. In Türkiye, companies can increase their share capital by making distribution of "bonus shares" to existing shareholders from inflation adjustment difference in shareholder's equity. For the purpose of the earnings / (loss) per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of "bonus shares" issued without corresponding change in resources by giving them retroactive effect for the period in which they were issued and each earlier period.

Revenue

The Company has started to use the following five-step model in accounting for revenue in line with TFRS 15 "Revenue from Customer Contracts Standard", which entered into force as of 01 January 2018.

• Identification of contracts with customers
• Identification of performance obligations in contracts
• Determination of transaction value in contracts
• Distribution of transaction costs to performance obligations
• Accounting of revenue

According to this model, firstly, the committed goods or services are evaluated in each contract with customers and each commitment made to transfer the said goods or services is determined as a separate performance obligation. Afterwards, it is determined whether performance obligations will be fulfilled over time or at a certain time. If the Group transfers control of a good or service over time and therefore fulfills its performance obligations related to the sales, it takes the revenue to the financial statements over time by measuring the progress towards the fulfillment of the performance obligations in question.

The Group generates revenue as a result of sales of defense electronics and software products and services. Revenue related to performance obligations in the nature of a commitment to transfer goods or services; It is recognized when control of goods or services comes to customers.

When evaluating the transfer of control of the goods or services sold to the customer,

a) the Company has the right to collect goods related to the goods or services,
b) the ownership of the legal property of the goods or services,
c) the transfer of the possession of the goods or services,
d) the ownership of the customer's goods or services. ownership of significant risks and returns arising from ownership,
e) takes into account the conditions for the customer to accept the goods or services.

The Company does not make any adjustments to the effect of a significant financing component in the promised price at the beginning of the contract, if the period between the transfer date of the goods or service it promises to the customer and the date when the customer pays the price of this goods or service will be one year or less. On the other hand, if there is an important financing element in the revenue, the revenue value is determined by reducing the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from the main activities on an accrual basis.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest income and foreign exchange income from commercial transactions are recognized as other income from operating activities.

Dividend income from stock investments is reflected in the financial statements when shareholders have the right to receive dividends. Dividend debts are reflected in the financial statements as a liability after the approval of the general assembly as an element of profit distribution.

Cash Flow Statement

The Group prepares statement of cash flows to inform users of financial statements about changes in net assets and ability to direct financial structure, amounts and timing of cash flows according to changing situations. In the statement of cash flows, current period cash flows are grouped according to operating, financing, and investing activities. Operating cash flows resulting from activities in scope of Group's main operating scope. Cash flows related to investing activities are cash flows resulting from investing activities (fixed investments and financial investments) of the group. Cash flows related to financing activities comprise of funds used in financing activities of the Group and their repayments. Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant change in value.

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

NOTE 3 – SHARES IN OTHER COMPANIES AND BUSINESS COMBINATIONS

Shares in Other Companies

As of 31 December 2024 and 2023, the summary information regarding the equity interests of the Parent Company in other entities and the relevant Company to which the interests are held is as follows:

Subsidiaries

	Ownership of the Parent through the Equity Affiliates		Non-controlling Interests
	(Direct)	(Direct+ Indirect)	Ratio
SDT Azerbaycan MMC	%100,00	%100,00	-
Cey Savunma	%100,00	%100,00	-

As of 31 December 2024, the summarized financial information of the Parent Company's subsidiaries is as follows:

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period
SDT Azerbaycan MMC (a)	Defense industry	20	20	-	-
Cey Savunma	Defense industry	11.277.026	4.776.252	10.929.934	(4.669.672)

As of 31 December 2023, the summarized financial information of the Parent Company's subsidiaries is as follows:

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period
SDT Azerbaycan MMC (a)	Defense industry	20	20	-	-
Cey Savunma (b)	Defense industry	20.645.464	9.445.926	11.572.182	(4.950.856)

(a) Currency of relevant amounts is AZN.
(b) Currency of relevant amounts is TRY. The net amount of profit / (loss) for the period consists of the amounts for the period after the acquisition date of Cey Savunma.

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

Affiliates

	Ownership of the Parent through the Equity Affiliates		Non-controlling Interests
Affiliates	(Direct)	(Direct+ Indirect)	Ratio
Sirius	%40	%40	%60

As of 31 December 2024, the summarized financial information of the Parent Company's participation is as follows:

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period
Sirius	Defense industry	36.784.347	19.287.432	16.587.868	12.313.846

As of 31 December 2023, the summarized financial information of the Parent Company's participation is as follows:

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period)
Sirius	Savunma Sanayi	12.045.815	6.987.520	-	(1.440.264)

Joint operations

As of 31 December 2024, the Parent Company's shares in its joint operations and summary information about the relevant joint operations in which it has shares are as follows:

Title	Year of Establishment	Project Name	Partnership Rate
TAMGÖR - SDT İş Ortaklığı (ST 02) (a)	2018	2.Generation Manpack RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 05)	2018	TSS-3A Projesi Manpack RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 06)	2018	528 Unit Manpack RF Jammer For Turkish Army Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 07)	2019	148 Unit Vehicle Type RF Jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 08) (b)	2019	91 Unit Vehicle Type RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 09)	2019	Vehicle Type RF Jammer for Mini / Micro UAVs Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 11) (e)	2020	Wheeled armoured vehicle RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 12)	2020	Wheeled armoured vehicle RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 13) (c)	2020	Jammer JBO283AT Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 14) (d)	2021	6985 TTA-2 KKS 2021 12 Unit Vehicle Type RF Jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 15)	2022	Maintenance contract for Turkish Land Forces jammer systems	50%
TAMGÖR - SDT İş Ortaklığı (ST 16)	2023	Gendarmariere maintenance project	50%
TAMGÖR - SDT İş Ortaklığı (ST 17)	2024	Procurement and Installation of 8 ILS/DME Systems	50%
Thales – SDT İş Ortaklığı (Thales – SDT)	2016	8 Unit ILS/DME Project	19%

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

(a) The relevant business partnership was closed, 31 January 2024.
(b) The relevant business partnership was closed, 15 May 2024.
(c) The relevant business partnership was closed, 11 October 2024.
(d) The relevant business partnership was closed, 11 October 2024.
(e) The relevant business partnership was closed, 23 December 2024.

As of 31 December 2023, the Group's shares in joint operations and summary information about the relevant joint operations in which it has shares are as follows:

Title	Year of Establishment	Project Name	Partnership Rate
TAMGÖR - SDT İş Ortaklığı (ST 01) (a)	2018	Manpack RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 02)	2018	2.Generation Manpack RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 03) (c)	2018	Vehicle type RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 04) (b)	2018	TSA-2A BMC Vehicle type RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 05)	2018	TSS-3A Projesi Manpack RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 06)	2018	528 Unit Manpack RF Jammer For Turkish Army Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 07)	2019	148 Unit Vehicle Type RF Jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 08)	2019	91 Unit Vehicle Type RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 09)	2019	Vehicle Type RF Jammer for Mini / Micro UAVs Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 10)(d)	2019	Anti mine vehicle type jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 11)	2020	Wheeled armoured vehicle RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 12)	2020	Wheeled armoured vehicle RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 13)	2020	Jammer JBO283AT Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 14)	2021	6985 TTA-2 KKS 2021 12 Unit Vehicle Type RF Jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 15)	2022	Maintenance contract for Turkish Land Forces jammer systems	50%
TAMGÖR - SDT İş Ortaklığı (ST 16)	2023	Gendarmariere maintenance project	50%
Thales – SDT İş Ortaklığı (Thales – SDT)	2016	8 Unit ILS/DME Project	19%

(a) The relevant business partnership was closed on May 16, 2023.
(b) The relevant business partnership was closed on June 20, 2023.
(c) The relevant business partnership was closed on November 02, 2023.
(d) The relevant business partnership was closed on December 20, 2023.

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

Summary solo financial information of the Group's joint operations, as of 31 December 2024, is as follows:

Joint operations	Activity area	Assets	Equity	Reevenue	Profit / Loss for the period
ST 05	Frequency mixer system production	92.197	(84.171)	-	15.504
ST 06	Frequency mixer system production	3.715.879	295.113	923.395	1.014.932
ST 07	Frequency mixer system production	4.786.010	118.043	755.327	(681.073)
ST 08	Frequency mixer system production	118.760	119.140	564.656	174.514
ST 09	Frequency mixer system production	2.014.118	(795.010)	557.693	427.958
ST 11	Frequency mixer system production	944.994	943.834	1.880.192	794.684
ST 12	Frequency mixer system production	4.550.370	(2.649.961)	1.244.299	(1.572.150)
ST 13	Frequency mixer system production	526.950	525.739	1.028.749	(422.711)
ST 14	Frequency mixer system production	9.074	(35.915)	812.033	(361.213)
ST 15	Frequency mixer system production	12.265.442	1.896.140	4.661.488	(557.926)
ST 16	Frequency mixer system production	13.246.034	7.195.772	14.142.891	3.927.313
ST 17	Frequency mixer system production	114.348.932	12.814.554	29.907	12.801.013
Thales - SDT	ILS/DME System	123.105	(136.521)	-	(70.807)

Summary solo financial information of the Group's joint operations, as of 31 December 2023, is as follows:

Joint operations	Activity area	Assets	Equity	Reevenue	Profit / Loss for the period
ST 01	Frequency mixer system production	-	-	-	120.432
ST 02	Frequency mixer system production	122.673	(71.231)	40.728	15.613
ST 03	Frequency mixer system production	225.212	186.078	978.100	720.164
ST 04	Frequency mixer system production	-	-	155.819	(20.086)
ST 05	Frequency mixer system production	157.978	(129.145)	-	43.963
ST 06	Frequency mixer system production	4.194.758	45.996	507.969	1.473.255
ST 07	Frequency mixer system production	17.858.204	17.357.134	24.718.633	17.972.902
ST 08	Frequency mixer system production	2.375.965	537.630	15.515	430.458
ST 09	Frequency mixer system production	2.884.437	(1.363.344)	337.077	758.041
ST 10	Frequency mixer system production	509.228	429.517	670.112	474.788
ST 11	Frequency mixer system production	3.266.897	912.036	174.681	819.547
ST 12	Frequency mixer system production	7.573.251	(27.257)	8.013.433	997.353
ST 13	Frequency mixer system production	3.920.370	984.078	441.747	(622.561)
ST 14	Frequency mixer system production	4.231.919	606.678	75.246	235.629
ST 15	Frequency mixer system production	19.646.839	9.949.099	12.620.735	8.223.239
ST 16	Frequency mixer system production	9.219.549	8.276.956	11.470.069	7.038.507
Thales - SDT	ILS/DME System	318.858	(65.713)	-	91.104

The above-mentioned solo financial statements of the partnerships within the scope of joint operations are included in the attached financial statements of the Parent Company, taking into account the share ratios of the Parent Company. Other information regarding joint operations is presented in Footnote 1.

Business Combinations

No business combination occurred in the accounting period ending on 31 December 2024.

Details of the business combinations occurred during the fiscal year ending on 31 December 2023, are as follows

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

Acquisition of SDT Azerbaijan Shares

The Parent Company acquired 100% shares of the Company titled SDT Azerbaijan MMC, which was established in Azerbaijan on 11 January 2023, as a founding partner on 11 January 2023.

Acquisition of Cey Savunma Shares

The Parent Company acquired all the shares of Cey Defense and Simulation Systems Industry and Trade Inc. from a non-related party on 04 July 2023, for TRY 4,000,000 (TRY 7,256,325 on a purchasing power basis as of 31 December 2024). In this transaction, which was accounted for under the scope of 'TFRS 3 Business Combinations,' since the net assets acquired due to the acquisition transaction were TRY 2,458,409 higher than the acquisition price, the relevant amount was reported as 'Profit from Bargain Purchase' in the attached consolidated profit or loss statement. The reconciliation of the relevant amount is as follows:

	Pre-merger book values	Fair value adjustments	Fair value
Current assets	1.955.455	(69.020)	1.886.434
Non - current assets	14.159.747	(3.323.396)	10.836.352
Total Assets	16.115.202	(3.392.416)	12.722.786
Short-term liabilities	1.334.676	1.126.050	2.460.728
Long-term liabilities	-	547.324	547.324
Total Liabilities	1.334.676	1.673.374	3.008.052
Equity			9.714.734
Acquisition rate			100,00%
Equity amount of the Parent Company (a)			9.714.734
Acquisition amount (b)			7.256.325
Profit resulting from bargain purchases (a - b) (Note 28.1)			2.458.409

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

NOTE 4 - RELATED PARTY DISCLOSURES

i) Receivables and payables from related parties:

a) The details of receivables from related parties classified under other short-term receivables are as follows (Note 8):

	31.12.2024	31.12.2023
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	1.847.062	-
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	142.511	-
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	-	5.611.148
	1.989.573	5.611.148

b) The details of advances given to related parties classified under the prepaid expenses account item are as follows (Note 13):

	31.12.2024	31.12.2023
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	23.973.715	1.856.870
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	-	4.331.363
	23.973.715	6.188.233

c) The details of payables to related parties classified under the short-term trade payables account item are as follows (Note 8):

	31.12.2024	31.12.2023
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	501.478	91.246
Gate-Tamgör Elektronik Sanayi Ticaret Limited Şirketi	21.269	135.013
	522.747	226.259

d) Details of deposits and guarantees received from related parties classified under other short-term payables account item are as follows (Note 9):

	31.12.2024	31.12.2023
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	-	31.134
	-	31.134

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

ii) Sales, purchases and transactions to related parties:

a) The details of sales to related parties classified in the revenue are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	15.522.891	4.896.824
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	1.715.019	17.289.271
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	2.627.023	-
	19.864.933	22.186.095

b) The details of purchases from related parties classified within the cost of sales account are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	3.604.351	-
Gate-Tamgör Elektronik Sanayi Ticaret Limited Şirketi	2.263.972	2.083.113
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	561.464.019	161.567.038
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	1.645.422	17.289.271
	568.977.764	180.939.422

c) The details of other income obtained from related parties classified under the other income from main activities account item are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	564.656	1.031.069
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	1.146.837	-
	1.711.493	1.031.069

d) The details of tangible fixed assets purchased from related parties classified under the tangible fixed assets account item are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	118.202	1.031.884
	118.202	1.031.884

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

e) The details of intangible fixed assets purchased from related parties classified under the intangible fixed assets account item are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	1.512.500	-
	1.512.500	-

f) The details of other expenses obtained from related parties classified under the other expenses from main activities account item are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	-	423.073
	-	423.073

g) The details of other expenses arising from related parties, classified under expenses from investment activities, are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	485.118	-
	485.118	-

h) The details of remuneration and similar benefits provided to senior manager are as follows:

	01.01-31.12.2024	01.01-31.12.2023
Remuneration and similar benefits provided to senior manager	24.181.715	41.567.687
	24.181.715	41.567.687

The Group has determined the members of the board of directors, the General Manager and assistant general managers as senior managers.

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

NOTE 5 – CASH AND CASH EQUIVALENTS

As of 31 December 2024 and 2023, the details of cash and cash equivalents are listed below;

	31.12.2024	31.12.2023
Cash	44.768	53.533
Banks		
Time deposits	95.634.342	53.461.887
Demand deposits	13.384.739	50.863.869
Liquid funds	536.488.117	258.066.297
	645.551.966	362.445.586

As of 31 December 2024 and 2023 the Group's bank deposits consist of time and demand deposits. As of 31 December 2024 and 2023, there is no blockage over Group's deposits. Liquid funds consist of cash equivalents that can be converted into cash over their book values.

As of 31 December 2024, the details of the maturities of time deposits are presented below:

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TRY	83.967.377	%0,01 - %50,00	3 - 35 days	83.967.377
USD	330.475	%0,5 - %3,50	7 - 35 days	11.659.250
EURO	210	%0,001 - %0,001	35 days	7.715
				95.634.342

As of 31 December 2023, the details of the maturities of time deposits are presented below;

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TRY	47.424.735	%12.00 - %18.85	1 - 18 days	47.424.735
USD	131.486	%0,01 - %4,00	2 - 35 days	5.588.466
EURO	9.540	%3,00 - %3,00	35 days	448.686
				53.461.887

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

NOTE 6 – FINANCIAL INVESTMENTS

As of 31 December 2024 and 2023, the details of financial investments are as follows:

Short term financial investments

	31.12.2024	31.12.2023
Exchange rate protected deposits	-	550.073.844
	-	550.073.844

As of December 31, 2023, detailed information about exchange rate protected deposits is as follows;

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TRY	550.073.844	30,00% - 35,00%	11 - 50 gün	550.073.844
				550.073.844

Exchange rate protected deposits accounts was accounted in the "Financial Investments" account item, based on the "Announcement on the Accounting of Foreign Exchange / Gold Converted Exchange Rate / Price Protected TRY Deposit Accounts" of the Public Oversight Accounting and Auditing Standards Authority dated 01 March 2022. Income from the relevant deposits is accounted for in the "Income from Investing Activities" account item in the accompanying profit and loss statement (Note 28.1).

Long term financial investments

	31.12.2024	31.12.2023
Financial investments to fair value through profit or loss	-	20.538.927
Other Financial Investments (a)	9.188.661	745.936
	9.188.661	21.284.863

(a) Other financial investments arise from long-term fund purchases acquired by the Group within the scope of the "Regulation on Amendments to the Implementation and Audit Regulation on Support of Research, Development and Design Activities No. 5746".

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

NOTE 7 – FINANCIAL BORROWINGS

As of 31 December 2024 and 2023 the details of financial borrowings are as follows:

	31.12.2024	31.12.2023
Short-term bank loans	140.326.248	-
Other financial liabilities (credit cards)	157.835	146.425
Liabilities from leases (*)	15.044.292	14.047.766
Short-term portion of long-term loans	169.524.167	2.274.868
Total short term financial liabilities	325.052.542	16.469.059
Liabilities from leases (*)	11.285.131	434.615
Total long term financial liabilities	11.285.131	434.615
Total financial liabilities	336.337.673	16.903.674

(*) As of 31 December 2024 and 2023, the related financial liabilities consist of the liabilities within the scope of “TFRS 16 Leases” standard.

As of December 31, 2024 and 2023, the shareholders of the Parent Company have provided personal guarantees in favor of financial institutions to secure all of the Group’s bank loans. Additionally, as of December 31, 2024, the Group has committed to an export obligation of TRY 169,524,167 to the financial institution for the use of credit (December 31, 2023: None) (Note:20).

As of December 31, 2024, the average effective interest rate on bank loans in USD is 8.02% (December 31, 2023: TRY: 9.72%).

The foreign exchange position of financial debts as of 31 December 2024 is presented below:

Currency Type	Foreign Exchange Amount	Exchange rate	TRY Amount
TRY	26.487.273	1,0000	26.487.273
USD	8.766.754	35,3438	309.850.400
Total			336.337.673

The foreign exchange position of financial debts as of 31 December 2023 is presented below:

Currency Type	Foreign Exchange Amount	Exchange rate	TRY Amount
TRY	16.903.674	1,0000	16.903.674
Total			16.903.674

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

As of 31 December 2024 and 2023, the maturity analysis of financial liabilities is as below:

	31.12.2024	31.12.2023
Due in 0 - 1 year	325.052.542	16.469.059
Due in 1 - 2 years	11.285.131	434.615
	336.337.673	16.903.674

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

As of 31 December 2024 and 2023 the details of trade receivables are as below:

Short term trade receivables

	31.12.2024	31.12.2023
Trade receivables	360.107.995	716.000.185
Notes receivables	2.014.723	-
Unearned interest on receivables (-)	(6.091.410)	(16.056.089)
Trade receivables from related parties (Note 4)	1.847.062	5.611.148
Doubtful trade receivables	3.698.954	7.299.037
Provision for doubtful trade receivables (-)	(3.698.954)	(7.299.037)
	357.878.370	705.555.244

The movement schedule of provision for doubtful receivables is as below:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Opening balance	7.299.037	1.806.515
Reversal of unnecessary provision (Note 27.1)	(1.672.244)	(227.652)
Monetary gain / (loss), net	(1.943.559)	(710.149)
Provisions for the period (Note 27.2)	15.720	6.430.323
Closing balance	3.698.954	7.299.037

As of December 31, 2024, the Group has issued performance bonds amounting to TRY 777.443.629 to customers, bidding institutions, and other organizations (December 31, 2023: TRY 1.464.498.993). Additionally, as of December 31, 2024, the Group has issued guarantee notes amounting to TRY 234.274.941 to its customers (December 31, 2023: 171.755.702 TRY) (Note 20).

As of 31 December 2024, there is no guarantee received from customers for trade receivables (31 December 2023: None).

The maturity of the Group's trade receivables varies on a customer-by-customer basis, with an average of 60 - 90 days.

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

Long term trade receivables

None (31 December 2023: None).

The credit risk table of trade receivables is presented in Note 33.

As of 31 December 2024 and 2023 the details of trade payables is as follows:

Short term trade payables

	31.12.2024	31.12.2023
Trade payables	94.704.928	215.562.875
Trade payables to related parties (Note 4)	522.747	226.259
Expense accruals arising from contracts made	606.250	274.318
Discount on payables (-)	(4.380.855)	(3.172.725)
	91.453.070	212.890.727

Details of the Group's contingent assets arising from its trade payables are as follows:

As of December 31, 2024, the Group has received performance bonds amounting to TRY 16.355.933 from its suppliers (December 31, 2023: TRY 13.740.486). As of December 31, 2024, the Group has received guarantee notes amounting to TRY 11.611.000 from its suppliers (December 31, 2023: TRY 118.074.641) (Note 20).

Details of the Group's contingent liabilities arising from its trade payables are as follows:

As of December 31, 2024, the Group has given guarantee bonds amounting to TRY 3.150.228 to its suppliers (December 31, 2023: TRY 4.548.260) (Note 20).

The maturity of the Group's commercial payables varies for each supplier, with an average of 30 - 60 days.

Long term trade payables

None (31 December 2023: None).

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

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

As of 31 December 2024 and 2023 the details of other receivables is as follows:

Other short-term receivables

	31.12.2024	31.12.2023
VAT receivables from the tax office	8.095.334	26.616.840
Other receivables	5.661	-
	8.100.995	26.616.840

Other long-term receivables

	31.12.2024	31.12.2023
Deposits and guarantees given	525.262	787.706
	525.262	787.706

As of 31 December 2024 and 2023 the details of other payables are as follows:

Other short-term payables

	31.12.2024	31.12.2023
Taxes and funds payable	16.000.775	7.628.550
Deposits and guarantees received (a)	512.663	771.309
	16.513.438	8.399.859

(a) As of December 31, 2023, TRY 31,134 of the relevant amount consists of deposits and guarantees received from related parties (December 31, 2024: None) (Note 4).

Other long-term payables

None (31 December 2023: None).

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

NOTE 10 – EMPLOYEE BENEFITS OBLIGATIONS

As of 31 December 2024 and 2023, the details of employee benefits liabilities are as follows:

	31.12.2024	31.12.2023
Payables to employees	26.726.773	18.951.419
Social security premiums payable	10.437.195	15.920.272
	37.163.968	34.871.691

NOTE 11 – INVENTORIES

As of 31 December 2024 and 2023, the details of the inventories are as follows:

	31.12.2024	31.12.2023
Raw materials	561.228.351	757.212.559
Semi-finished goods	554.848.819	303.549.512
Finished goods	143.933.664	21.361.398
Provision for stock impairment (-) (a)	(37.931.435)	(37.888.624)
	1.222.079.399	1.044.234.845

(a) The Group calculates impairment provisions within the scope of the precautionary principle for stocks that have not been active for a long time and that are not certain to be used in current and/or future production projects.

The movement table of stock impairment provision is as follows:

	31.12.2024	31.12.2023
Balance at the beginning of the period	37.888.624	71.685.401
Reversal of unnecessary provision (-)	-	(5.616.948)
Monetary gain /(loss), net	13.159	(28.179.829)
Provision allocated during the period	29.652	-
	37.931.435	37.888.624

The details of the stock impairment provision on a stock basis are as follows:

	31.12.2024	31.12.2023
Raw materials	8.047.329	7.118.149
Semi-finished goods	29.884.106	30.770.475
	37.931.435	37.888.624

As of 31 December, 2024, there is insurance coverage of TRY 951.282.588 on the stocks.

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

NOTE 12 – OTHER CURRENT ASSETS

As of 31 December 2024 and 2023, the detail of other current assets are as follows:

	31.12.2024	31.12.2023
VAT carried forward	15.693.910	40.205.567
	15.693.910	40.205.567

NOTE 13 – PREPAID EXPENSES

As of 31 December 2024 and 2023, the details of prepaid expenses are as follows:

Short-term prepaid expenses

	31.12.2024	31.12.2023
Order advances given	63.355.048	118.022.138
Order advances given to related parties (Note 4)	23.973.715	6.188.233
Prepaid expenses	18.010.601	13.297.285
Advances given	16.492.780	-
Advances given to personnel	32.389	35.257
	121.864.533	137.542.913

Long term prepaid expenses

	31.12.2024	31.12.2023
Advances given for purchases of tangible fixed assets (*)	100.393.119	87.813.626
Prepaid expenses	1.126.638	96.481
	101.519.757	87.910.107

(*) As of December 31, 2024, TRY 61.385.383 of the relevant amount consists of an advance given with the under the 'Land Allocation Agreement' made with the Ankara Space and Aviation Specialized Organized Industrial Zone Directorate (December 31, 2023: TRY 61.385.383).

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

NOTE 14 – DEFERRED INCOME

As of 31 December 2024 and 2023, the details of deferred income are as follows:

Short-term deferred income

	31.12.2024	31.12.2023
Advances received (*)	354.220.781	626.075.925
Deferred income	70.999.782	71.192.341
	425.220.563	697.268.266

(*) As of December 31, 2024, TRY 49.233.913 of the received order advances consists of cash advances received from foreign customers (December 31, 2023: TRY 37.268.488).

Long-term deferred income

	31.12.2024	31.12.2023
Advances received (**)	59.114.759	122.974.250
Deferred income	2.061.876	6.010.318
	61.176.635	128.984.568

(**) As of December 31, 2024 and 2023, all order advances received consist of cash advances received from domestic customers.

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

NOTE 15 – RIGHT OF USE ASSETS

As of 31 December 2024 and 2023, the details and movement schedule of the right of use assets are as follows;

Cost	31 December 2022	Addition	Transfer	31 December 2023	Addition	Disposal	Transfer	31 December 2024
Buildings	40.007.399	26.035.213	-	66.042.612	22.882.699	-	-	88.925.311
Vehicles	6.886.898	3.578.689	-	10.465.587	5.104.053	-	-	15.569.640
Total	46.894.297	29.613.902	-	76.508.199	27.986.752	-	-	104.494.951
Accumulated Depreciation (-)								
Buildings	40.001.709	13.862.154	-	53.863.863	13.132.196	-	-	66.996.059
Vehicles	6.292.112	1.029.396	-	7.321.508	2.917.608	-	-	10.239.116
Total	46.293.821	14.891.550	-	61.185.371	16.049.804	-	-	77.235.175
Net Book Value	600.476			15.322.828				27.259.776

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

NOTE 16 – TANGIBLE FIXED ASSETS

31 December 2024 and 2023, the details and movement schedule of the tangible fixed assets are as following:

Cost	31 December 2022	Addition	Disposal	Business combination effects (a)	31 December 2023	Addition	Disposal	31 December 2024
Machinery, plant and equipment	70.289.423	7.895.802	(865.749)	-	77.319.476	8.009.665	(176.967)	85.152.174
Vehicles	3.105.742	3.437.581	-	-	6.543.323	-	-	6.543.323
Furnitures and fittings	46.354.400	7.123.522	(626.937)	2.737.589	55.588.574	6.430.047	(562.087)	61.456.534
Leasehold improvements	33.781.390	29.273	-	308.490	34.119.153	-	-	34.119.153
Construction in progress	1.149.519	6.931.547	-	-	8.081.066	113.060.908	-	121.141.974
Total	154.680.474	25.417.725	(1.492.686)	3.046.079	181.651.592	127.500.620	(739.054)	308.413.158
Accumulated Depreciation (-)								
Machinery, plant and equipment	45.584.080	8.653.547	(862.438)	-	53.375.189	9.430.200	(135.675)	62.669.714
Vehicles	129.407	525.397	-	-	654.804	654.332	-	1.309.136
Furnitures and fittings	35.778.437	4.968.121	(602.122)	1.655.155	41.799.591	4.741.685	(119.445)	46.421.831
Leasehold improvements	32.798.292	919.892	-	242.074	33.960.258	129.829	-	34.090.087
Total	114.290.216	15.066.957	(1.464.560)	1.897.229	129.789.842	14.956.046	(255.120)	144.490.768
Net Book Value	40.390.258				51.861.750			163.922.390

As of 31 December 2024 and 2023, tangible fixed assets are presented in the accompanying consolidated financial statements by deducting accumulated depreciation (cost method), which is calculated from the acquisition cost by deducting the scrap value, if any. The Group has no tangible fixed assets acquired through financial leasing method. As of the report date, there are no restrictions on tangible assets.

As of December 31, 2024 and 2023, there are no encumbrances on property, plant, and equipment. As of December 31, 2024, the total insurance amount for property, plant, and equipment is TRY 221.399.098

(a) Relevant amounts represent the inflows resulting from the acquisition of subsidiaries, the shares of which were acquired by the Parent Company during the period.

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

NOTE 17 – INTANGIBLE FIXED ASSETS

As of 31 December 2024 and 2023, the details and movement schedule of intangible fixed assets are as following;

Cost	31 December 2022	Addition	Business combination effects (b)	31 December 2023	Addition	Disposal	31 December 2024
Rights	35.597.688	797.615	373.180	36.768.483	426.289	-	37.194.772
Development costs (a)	130.904.974	11.492.681	34.511.258	176.908.913	25.217.845	-	202.126.758
Total	166.502.662	12.290.296	34.884.438	213.677.396	25.644.134	-	239.321.530
Accumulated Amortization (-)							
Rights	29.594.649	2.153.194	683.388	32.431.231	2.298.314	-	34.729.545
Development costs (a)	61.334.315	17.225.856	26.764.232	105.324.403	18.430.980	-	123.755.383
Total	90.928.964	19.379.050	27.447.620	137.755.634	20.729.294	-	158.484.928
Net Book Value	75.573.698			75.921.762			80.836.602

(a) Capitalized development costs consist of the costs of software projects that the Group does not carry out on an order basis. Relevant costs mainly consist of personel costs working for the relevant project.

(b) Relevant amounts represent the inflows resulting from the acquisition of subsidiaries, the shares of which were acquired by the Parent Company during the period.

As of December 31, 2024, the net book value of capitalized development costs is TRY 78.371.375 (December 31, 2023: TRY 71.584.510).

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

NOTE 18 – INVESTMENTS VALUED BY EQUITY METHOD

As of 31 December 2024 and 2023, the details of investments valued by equity method are as follows:

	31.12.2024	31.12.2023
Sirius - Cost amount	5.089.352	5.089.352
Sirius - Adjustment according to equity method	2.625.621	(2.294.344)
	7.714.973	2.795.008

Shares of profit / (loss) of investments valued by the equity method for the accounting periods ending on 31 December 2024, 2023 are as follows;

	01.01. - 31.12.2024	01.01. - 31.12.2023
Shares of Profits / (Loss) of Investments Valued by Equity Method	4.919.965	(2.294.343)
	4.919.965	(2.294.343)

Summary financial information for investments valued using the equity method as of December 31, 2024 and 2023 is as follows;

<u>Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi ("Sirius" or "Company")</u>

<u>Summary Statement of Financial Position</u>

	31.12.2024	31.12.2023
Current Assets	5.209.482	6.440.516
Non - Current Assets	31.574.865	5.605.299
Total Assets	36.784.347	12.045.815
Short-term liabilities	17.277.759	4.964.148
Long-term liabilities	219.156	94.147
Equity	19.287.432	6.987.520
Total Liabilities	36.784.347	12.045.815

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

Summary Profit or Loss Statement

	01.01. - 31.12.2024	01.01. - 31.12.2023
Revenue	16.587.868	-
Gross profit / (loss)		
Operating expenses	(6.085.294)	(1.627.647)
Other income/(expense), net	1.811.272	187.383
Period profit / (loss), net	12.313.846	(1.440.264)

NOTE 19 – GOVERNMENT INCENTIVES AND GRANTS

The details of the incentives obtained by the Group are as follows;

a) The Group's software projects are approved by the relevant official institutions and the Group obtains some tax incentives after approval. The rights the Group has due to these incentives are as follows:

- Incentives within the scope of the Technology Development Zones Law (100% Corporate Tax exemption),
- Incentives within the scope of the research and development law (Social Security Institution incentives, etc.).

Within the scope of the temporary second article of the "Technology Development Zones Law No. 4691", the Group's profits earned by the management companies within the scope of this law and the profits of the income and corporate taxpayers operating in the zone, earned exclusively from software and R&D activities in this zone, as of 31 December In accordance with the article "It is exempt from income and corporate taxes until 2028", the income it will obtain as a result of research and development activities is within the scope of exemption from corporate tax.

In this context, the amount of income exempt from corporate tax for the Group in the fiscal year ending on December 31, 2024, is TRY 194.800.474 (January 1 - December 31, 2023: TRY 407.134.421)..

Additionally, within the scope of the same law; the Group's personnel SSI premium, income, and stamp tax incentive amount for the accounting period ending on 31 December 2024 is TRY 11.625.683 (01 January - 31 December 2023: TRY 38.454.437).

b) The Group benefits from incentives in line with the "Social Insurance and General Health Insurance Law No. 5510" of the Social Security Institution of the Republic of Türkiye ("SGK"). In this context, the incentive amount obtained by the Group in the accounting period ending on 31 December 2024 is TRY 21.400.859 (01 January - 31 December 2023: TRY 17.065.985).

c) Within the scope of the "Decision No. 2017/4 on Support for Participation in Fairs Abroad", the Group obtained incentive income of TRY 187.132 in the accounting period ending on 31 December 2024 (01 January - 31 December 2023: TRY 97.402).

d) Since the Parent Company's shares are offered to the public for at least 20% to be traded on the Borsa Istanbul Stock Market for the first time, corporate tax is reduced by 2 points on corporate earnings for 5 accounting periods, starting from the accounting period in which the Parent Company's shares are first offered to the public is implemented.

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

e) The Parent Company benefits from the discounted corporate tax exemption under Article 32/A of the Corporate Tax Law No. 5520. As of December 31, 2024, the amount of investment discount carried forward to the next period is TRY 27.982.144. The Parent Company's management plans to utilize the relevant tax discount by the end of 2025.

f) The Group has undergone an audit covering software development processes and general organizational processes and has been awarded the CMMI (Capability Maturity Model Integration) certification. In this context, the incentive amount earned by the Group for the fiscal year ended December 31, 2024, is TL 1,387,197 (01 January – 31 December 2023: None).

NOTE 20 – PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

As of 31 December 2024 and 2023, provisions, contingent assets and liabilities are as following;

Short-term liabilities provisions

	31.12.2024	31.12.2023
Warranty service expense provisions	3.439.989	12.934.257
Provision for lawsuits	-	-
	3.439.989	12.934.257

Long-term liabilities provisions

	31.12.2024	31.12.2023
Warranty service expense provisions	1.963.781	4.932.888
	1.963.781	4.932.888

Commitments

As of December 31, 2024, the Group has made an export commitment amounting to TRY 309.850.415 to the financial institution for the use of credit (December 31, 2023: None). As of December 31, 2024, the Group has a purchase commitment of 11.005.521 USD from banks, with a maturity of 1 to 12 months, arising from derivative contracts (December 31, 2023: None) (Note 22).

Contingent Assets

The details of the contingent assets are as follows;

Letters of Guarantees - As of December 31, 2024, the Group has received a letter of guarantee from its suppliers in the amount of TRY 16.355.933 (USD 266.855 – EUR 157.580 – TRY 1.124.957) (December 31, 2023: TRY 13.740.486 (USD 214.480 – EUR 102.330 – TRY 2.098.271)).

Guarantee bonds - As of December 31, 2024, the Group has received a guarantee note from its suppliers in the amount of TRY 11.611.000 (TRY 11.611.000) (December 31, 2023: TRY 118.074.641 (TRY 30.537.262 – USD 2.059.581).

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

Contingent Liability

As of 31 December 2024 and 2023, guarantee / security / mortgage ("GSM") of the Group are as follows:

Given GSM (Guarantee-Security-Mortgage) by Group	31.12.2024	31.12.2023
A. Total Amount of Gsm Given on Behalf of Legal Entity	1.017.564.119	1.648.468.728
B. Total Amount of Gsm Given for Partnerships Which are Included in (a)	1.000.000	1.443.788
C. Total Amount of Gsm Given for the Purpose of Guaranteeing Third Party Loans to Carry The Regular Trade Activities	-	-
D. Total Amount of Other Gsm Given	-	-
i. Total Amount of Gsm Given or the Parent Company	-	-
ii. Total Amount of Gsm Given for Other Group Companies Not Included in B And C Clauses	-	-
iii. Total Amount of Gsm Given for Third Parties Not Included in C Clause	-	-
Total	1.018.564.119	1.649.912.516

(a) The Parent Company has a guarantee of TRY 1.000.000 in favor of financial institutions for its subsidiary. (31 December 2023: 1.443.788 TRY).

The details of the Group's contingent liabilities are as follows:

Letters of Guarantees – As of December 31, 2024, the total amount of letters of guarantee that the Group has received from banks and given to customers, suppliers, institutions organizing tenders, and other organizations is TRY 777,443,629 (TRY 20.029.220 – USD 21.138.835 – EUR 279.537) (December 31, 2023: TRY 1.464.498.993 (TRY 46.489.652 – USD 32.199.783 – EUR 1.126.694)).

Guarantee Bonds - As of December 31, 2024, the Group has issued guarantee notes amounting to TRY 234,274,941 to its customers and suppliers (TRY 52,400,376 – USD 5,145,869) (December 31, 2023: TRY 171,755,702 (TRY 75,635,864 – USD 2,257,438)).

Venture capital fund – The Group has a fund purchase obligation of TRY 5.845.549 until December 31, 2025, within the scope of the "Regulation on Amendments to the Implementation and Audit Regulation on Support of Research, Development and Design Activities No. 5746" (31 December 2023: 12.214.033 TRY).

Lawsuits – From time to time, lawsuits may be filed against the Group regarding its commercial activities. The feasibility of relevant risks is analyzed by the group management and legal consultancies. As a result of the analysis conducted, there is no issue that requires a provision to be set aside by the Group management.

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

NOTE 21 – EMPLOYEE BENEFITS

As of 31 December 2024 and 2023 the provisions for short term and long term employee benefits are as follows:

Short-term provisions for employee benefits

	31.12.2024	31.12.2023
Provisions for unused annual leave	19.795.322	21.544.065
Provisions for personnel wage premium	15.178.244	21.934.229
	34.973.566	43.478.294

Long-term provisions for employee benefits

	31.12.2024	31.12.2023
Severance pay provisions	20.245.790	15.625.163
	20.245.790	15.625.163

The severance pay provision has been calculated as expressed in Note 2. As of 31 December 2024, the liability is calculated on a 30 day wage base with a maximum of TRY 41.828 for each year of service, utilizing the rates on date of retirement or departure (31 December 2023: 23.490 TRY).

For the period ended at 31 December 2024 and 2023, based on mentioned principles above, Group reflected severance pay liabilities which were reduced to the date of balance sheet by the using expected inflation rate and real discount rate to financial statements.

The ratios of the basic assumptions used on the day of the statement of financial position are as follows:

	31.12.2024	31.12.2023
Interest rate	53,55%	44,25%
Inflation rate	49,00%	41,00%
Real discount rate	3,05%	2,30%
Rate that is used for the probability of retirement	89,19%	88,28%

The Group does not provide any benefit to its employees other than severance pay.

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

As of 31 December 2024 and 2023, the movement schedule of provision for employment termination benefits is as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Balance at the beginning of the period	15.625.163	19.934.373
Service cost	10.769.864	16.126.032
Monetary gain / (loss), net	(5.275.335)	(7.836.284)
Interest cost	238.832	262.404
Payments in the period	(281.355)	(12.405.864)
Actuarial gain / (losses)	(831.379)	(455.498)
Closing balance	20.245.790	15.625.163

NOTE 22 – DERIVATIVE INSTRUMENTS

As of December 31,2024, the details of the forward foreign exchange purchase/sale contracts are provided below:

	The amount of foreign currency to be received from the bank (USD)	The TRY equivalent of the foreign currency to be received from the bank as of the balance sheet date	TRY equivalent of the foreign currency to be received from the bank according to the contract	Fair Value Difference (TRY)
USD - TRY Exchange Rate				
Between 1-12 months	11.005.521	388.976.927	382.845.596	6.131.331

As of December 31, 2023 there is no derivative instruments.

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

NOTE 23 – CAPITAL, RESERVES, AND OTHER EQUITY ITEMS

23.1 Paid in Capital

As of 31 December 2024, the Parent Company's capital consists of 58.000.000 shares, each with a nominal value of 1 TRY.

The capital structure of the Parent Company as of 31 December 2024, and 31 December 2023, is as follows:

	31 December 2024		31 December 2023	
	Share Ratio	Share Amount (TRY)	Share Ratio	Share Amount (TRY)
Mehmet Dora	63,11%	36.602.500	73,11%	42.402.500
Mustafa Fatih Ünal	2,32%	1.347.500	2,32%	1.347.500
Public Held	27,57%	15.990.000	21,12%	12.250.000
Others (a)	7%	4.060.000	3,45%	2.000.000
Total	100,00%	58.000.000	100,00%	58.000.000
Capital adjustment differences		169.598.954		169.598.954
Paid in Capital		227.598.954		227.598.954

(a) As of September 5, 2023, Mehmet Dora, one of the shareholders of the Parent Company, transferred 1,060,000 non-listed Class B shares, and Mustafa Fatih Ünal transferred 940.000 non-listed Class B shares, to the investment funds established by Hedef Portföy Yönetimi Anonim Şirketi, under the Wholesale Purchase and Sale Transactions Procedure. On June 28, 2024, Mehmet Dora, one of the shareholders of the Parent Company, transferred 5.800.000 non-listed Class B shares to the investment funds established by Hedef Portföy Yönetimi Anonim Şirketi, under the same procedure. As a result of the share purchase and sale transactions conducted by the relevant portfolio investment company during the period, as of December 31, 2024, the number of shares held by the investment company in the Parent Company's capital is 4.060.000.

The Parent Company's capital was increased from TRY 10.000.000 to TRY 50.000.000 on March 8, 2022, with the entire amount of the increase transferred from retained earnings.

Based on approvals from the Capital Markets Board of Türkiye and Borsa Istanbul Anonim Şirketi, SDT Uzay ve Savunma Teknolojileri Anonim Şirketi's issued capital, originally TRY 50.000.000, was increased to TRY 58.000.000 within the authorized capital ceiling of TRY 750.000.000. This increase was achieved by fully restricting the preemptive rights of existing shareholders. The shares representing the additional nominal capital of TRY 8.000.000, along with shares totaling a nominal value of TRY 4.250.000 for secondary offerings, resulted in a total nominal value of TRY 12.250.000, which were offered to the public at a price of TRY 32 on December 28 - 29, 2022. The shares of the Parent Company, with the ticker symbol "SDTTR," began trading on Borsa Istanbul's Yıldız Market using the continuous trading method as of January 4, 2023.

According to the Parent Company's articles of association, registered on September 14, 2022, the Parent Company's shares are divided into A and B groups. Of the total 58.000.000 shares of the Parent Company, 7.500.000 shares belong to Group A, and all these shares are owned by Mehmet Dora.

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

Capital Adjustment Differences

As of December 31, 2024, capital adjustment differences amounted to TRY 169.598.954 (December 31, 2023: TRY 169.598.954). Capital adjustment differences represent the discrepancy between the total cash and cash-equivalent contributions to paid-in capital, adjusted for inflation, and the amounts prior to inflation adjustments..

Effective from September 14, 2022, the privileges granted to Group A shares are as follows:

Election of board members

According to Article 9 of the Articles of Association titled "Board of Directors and Its Term"; It is stated that the board of directors can consist of at least 5 members, half of the members of the board of directors can be elected from among the candidates nominated by group A shareholders, and if half of the number of board members is a fractional number, the fraction should be rounded down to the nearest whole number.

Voting right

According to Article 12 of the Articles of Association titled "General Assembly"; In ordinary and extraordinary general assembly meetings, each A group share has 5 voting rights and each B group share has 1 voting right.

Effective as of September 14, 2022, there is no privilege granted to Group B shares.

The Group's explanation regarding equity accounts adjusted according to TAS 29, based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows;

	Financial statements according to TPL(VUK)	Financial statements according to TAS / UFRS	Differences to be Followed in Previous Years' Profits / (Loss)
Capital Adjustment Differences	176.186.039	169.598.954	(6.587.085)
Legal Reserves	38.086.812	26.639.430	(11.447.382)

The Group's statement on prior year profits adjusted in accordance with TAS 29, based on the Capital Markets Board Bulletin published on March 7, 2024, is as follows;

Previous Year Profit / (Loss)	Amount before TAS 29	Amount after TAS 29
01 January 2022	287.817.189	876.390.205

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

23.2 Legal Reserves

Under the Turkish Commercial Code, a legal reserve is appropriated at 5% of annual profits until the reserve reaches 20% of the company's paid-in capital. An additional legal reserve is appropriated at a rate of 10% of the total amount distributed to individuals entitled to a share of the profit, after paying a 5% dividend to shareholders. According to the Turkish Commercial Code, the legal reserve may only be used to offset losses, ensure business continuity during adverse times, or take measures to prevent unemployment and mitigate its effects, provided the legal reserve does not exceed half of the capital or issued capital.

As of December 31, 2024, and December 31, 2023, the account for legal reserves appropriated from profits is as follows:

	31.12.2024	31.12.2023
Legal reserves appropriated from profits	26.639.430	28.309.720
	26.639.430	28.309.720

23.3 Retained Earnings / (Accumulated Losses)

As of December 31, 2024, and December 31, 2023, retained earnings / (accumulated losses) are as follows

	31.12.2024	31.12.2023
Retained earnings / (accumulated losses)	1.063.498.558	749.552.311
	1.063.498.558	749.552.311

At the general assembly held on May 30, 2024, the Parent Company approved a dividend payment of TRY 130.192.124 gross (TRY 153.165.923) at constant purchasing power as of December 31, 2024). According to the relevant general assembly decision, the amount will be paid in three installments, with the first installment paid on August 13, 2024, the second installment on November 25, 2024, and the final installment on December 23, 2024.

The movement schedule for retained earnings / (accumulated losses) as of December 31, 2024, and December 31, 2023, is presented in the accompanying statement of changes in equity.

23.4 Remeasurement Gains / (Losses) on Defined Benefit Plans

The Group reflected the calculated severance pay liability, discounted to the financial position statement date using the expected inflation rate and the real discount rate, in its financial statements for the accounting periods ending on December 31, 2024, and December 31, 2023, based on the principles outlined in Note 2. All gains and losses except for actuarial gains / (losses) are presented in the profit or loss statement, while actuarial gains / (losses) are shown in the statement of changes in equity.

	31.12.2024	31.12.2023
Remeasurement gains / (losses) on defined benefit plans	891.335	251.173
	891.335	251.173

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

23.5 Share Premiums

Share premiums consist of cash inflows obtained from the sale of the Parent Company's shares at market prices on Borsa Istanbul's Yıldız Market, along with the costs associated with the public offering process. Share premiums are reported under equity.

A total fund of TRY 256.000.000 was generated from the sale of 8.000.000 shares of the Parent Company, each with a nominal value of TRY 1, through a capital increase on Borsa Istanbul A.Ş. at a unit share price of TRY 32. Of this total, TRY 8.000.000 is reported in the capital account, while the remaining TRY 248.000.000 (TRY 553.202.714 at constant purchasing power as of December 31, 2024) is reported in the share premiums account. The total cost of the public offering for the Parent Company, amounting to TRY 16.832.997 (TRY 37.548.629 at constant purchasing power as of December 31, 2024), has been deducted from the share premiums account.

As of December 31, 2024 and 2023, the details of the premium account for shares are as follows;

	31.12.2024	31.12.2023
Premiums from the sale of shares on Borsa Istanbul A.Ş.	553.202.714	553.202.714
Costs associated with the public offering process	(37.548.629)	(37.548.629)
	515.654.085	515.654.085

NOTE 24 – REVENUE AND COST OF SALES

24.1 Revenue

Details of revenue for the periods ended at 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Domestic Sales	1.450.179.967	1.003.994.695
Exports	396.100.276	648.800.068
	1.846.280.243	1.652.794.763
Sales returns	(12.609.039)	(6.374.318)
Sales Revenues (net)	1.833.671.204	1.646.420.445

The concentration risk analysis for the accounting periods ending 31 December 2024 and 2023 is presented in Note 33.

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

24.2 Cost of Sales

Details of cost of sales for the periods ended at 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
General production expenses	1.645.035.048	987.926.038
Depreciation and amortization	38.806.552	33.415.221
Change in work-in-progress inventory		
1. Work-in-progress at the beginning of the period (+)	303.549.512	182.767.116
2. Work-in-progress at the end of the period (-)	(554.848.819)	(303.549.512)
Cost of goods produced	1.432.542.293	900.558.863
Change in finished goods inventory		
1. Finished goods at the beginning of the period (+)	21.361.398	10.413.528
2. Finished goods at the end of the period (-)	(143.933.664)	(21.361.398)
Cost of finished goods sold	1.309.970.027	889.610.993
Cost of merchandise		
1. Merchandise inventory at the beginning of the period (+)	-	14.280.233
Cost of goods sold	-	14.280.233
Cost of services rendered	94.013.334	54.763.697
Depreciation and amortization	208.559	104.315
Cost of sales, net	1.404.191.920	958.759.238

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

NOTE 25 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

For the periods ended on 31 December 2024 and 2023, general administrative expenses, marketing expenses and research and development expenses are mentioned below:

	01.01. - 31.12.2024	01.01. - 31.12.2023
General administrative expenses	161.158.134	156.526.624
Marketing expenses	56.668.288	42.670.274
Research and development expenses	14.982.206	23.411.891
	232.808.628	222.608.789

NOTE 26 – EXPENSES BY NATURE

26.1 General Administrative Expenses

Details of general administrative expenses for the periods ended on 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Personnel expenses	110.124.622	115.434.180
Consulting and licensing expenses	20.120.833	16.584.782
Depreciation and amortization	6.983.308	4.635.444
Representation and hospitality expenses	5.096.862	6.465.407
Office overheads	4.370.284	8.202.210
Travel and accommodation expenses	4.041.185	2.096.256
Stationery and printing expenses	1.038.013	840.510
Communication expenses	977.897	950.551
Other expenses	8.405.130	1.317.284
	161.158.134	156.526.624

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

26.2 Marketing expenses

For the periods ended on 31 December 2024 and 2023, the details of marketing expenses are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Personnel expenses	33.585.272	24.019.492
Education, seminar, and fair expenses	10.676.741	7.879.710
Travel and accommodation expenses	3.648.366	4.798.010
Advertising and announcement expenses	2.795.865	2.510.367
Depreciation and amortization	790.424	624.435
Other expenses	5.171.620	2.838.260
	56.668.288	42.670.274

26.3 Research and development expenses

For the periods ended on 31 December 2024 and 2023, the details of research and development expenses are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Personnel expenses	9.994.668	12.708.193
Depreciation and amortization	4.946.301	10.558.142
Other expenses	41.237	145.556
	14.982.206	23.411.891

NOTE 27 - OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES

27.1 Other income from operating activities

The details of other income from operating activities for the periods ended on 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Foreign exchange gains from commercial activities	188.802.576	39.779.467
Rediscount income	22.096.408	5.983.349
Reversal of unnecessary provisions (Note 8)	1.672.244	227.652
Other income	15.903.604	8.637.339
	228.474.832	54.627.807

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

27.2 Other expenses from main activities

The details of other expenses from operating activities for the periods ended on 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Foreign exchange losses from commercial activities	136.157.945	73.379.500
Rediscount expense	14.521.847	18.230.436
Provision for inventory impairment	29.652	-
Provision for doubtful receivables (Note 8)	15.720	6.430.323
Other expenses (a)	12.410.709	6.436.687
	163.135.873	104.476.946

NOTE 28 - INCOME / (EXPENSES) FROM INVESTMENT ACTIVITIES

28.1 Income from investment activities

The details of income from investment activities for the periods ended on 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Currency-protected deposit income	57.836.778	261.198.864
Gains from the sale and valuation of financial investments	36.237.545	137.025.727
Profit on sale of fixed assets	355.696	189.572
Bargain purchase gain	-	2.458.409
	94.430.019	400.872.572

28.2 Expense from investment activities

Expenses from investment activities for the accounting periods ending on 31 December 2024 and 2023 are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Loss on sales of financial investments	586.760	401.181
Loss on sale of fixed assets	262.359	22.657
	849.119	423.838

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

NOTE 29 – FINANCIAL INCOME / (EXPENSES)

29.1 Financial incomes

The details of financial income for the periods ended on 31 December 2024 and 2023 are as following:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Foreign exchange gains	118.362.682	159.610.252
Interest income	39.126.501	15.990.541
Derivative instruments income	-	17.158.590
	157.489.183	192.759.383

29.2 Financial expenses

The details of financial expenses for the periods ended on 31 December 2024 and 2023 are as following:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Foreign exchange loses	112.568.438	137.190.594
Loan interest expenses	21.270.143	1.062.134
Letter of guarantee, bank commission and other expenses	4.442.096	9.929.012
	138.280.677	148.181.740

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

NOT 30 – MONETARY GAIN / (LOSS), NET

The details of the net amount of monetary gain / (loss) for the accounting period ending on 31 December 2024, before the consolidation and elimination transactions of the Parent Company, subsidiaries and joint operations, are as follows;

	01.01. - 31.12.2024
Statement of Financial Position Items	
Inventories	129.763.518
Prepaid Expenses	31.318.906
Subsidiaries	4.316.126
Right of Use Assets	4.709.890
Tangible Assets	26.294.290
Intangible Assets	26.266.096
Deferred Tax Assets / (Liabilities)	22.106.922
Deferred Income	(23.054.789)
Paid in Capital	(80.693.807)
Share Premiums / Discounts	(158.500.412)
Other Comprehensive Income or Expenses Will Not Be Reclassified to Profit or Loss	
- Defined Benefit Plan Remeasurement Gains (Losses)	(77.204)
Restricted Reserves	(8.701.768)
Retained Earnings / (Losses) from Previous Years	(345.035.358)
Statement of Profit or Loss Items	
Revenue	(214.726.768)
Cost of Sales	173.528.192
General Administrative Expenses	20.336.796
Marketing Expenses	6.469.308
Research and Development Expenses	3.918.515
Other Income / (Expenses) from Operatig Activities,net	(9.037.624)
Income / (Expenses) from Investment Activities,net	(16.603.205)
Finance Income / (Cost), net	(1.898.147)
Monetary Gain / (Loss), net	(409.300.523)

NOT 31 – TAX ASSETS AND LIABILITIES

Deferred Tax

The Group's deferred tax assets and liabilities are derived from temporary differences between the financial statements prepared under TAS / TFRS and the Group's statutory books. These differences arise due to income and expenses being recognized in different reporting periods under TAS / TFRS and for tax purposes.

According to the existing regulations as of the reporting date, the corporate tax rate for 2024 will be applied as 25% (2023: 25%). As of 31 December 2024 and 2023, in the calculation of deferred tax; in accordance with the provision of the "TMS 12 Income Taxes" standard under the measurement heading, stating that 'deferred tax assets or liabilities are calculated using the tax rates (and tax laws) that are enacted or substantively enacted by the end of the reporting period and are expected to be applicable in the periods when the assets are realized or the liabilities are settled,' the rate of 25% has been taken into account (For the Parent Company: 23%).
As of the consolidated statement of financial position dates, the breakdown of accumulated temporary differences and deferred tax assets and liabilities using the applicable tax rates is as follows:

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

	31 December 2024		31 Decenber 2023	
	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)
Deferred tax Assets:				
Deductible Tax Losses	29.769.254	6.846.928	-	-
Investment Allowance	121.661.496	27.982.144	-	-
Prepaid Expenses Adjustment	3.436.109	793.126	-	-
Derivative Instruments	6.131.331	1.410.206	-	-
Severance pay provision	20.245.790	4.656.532	15.625.163	3.604.464
Receivables discount	6.091.410	1.401.024	16.056.089	3.691.973
Provision for doubtful receivables	3.698.954	850.759	7.299.037	1.678.916
Accrued loan interest	9.256.390	2.128.970	15.560	3.579
Unused vacation provision	19.795.322	4.552.924	21.544.065	4.972.386
Provision for inventory impairment	37.931.435	8.724.230	37.888.624	8.714.384
Indexation and depreciation differences in tangible and intangible fixed assets	252.383.548	58.372.715	192.760.519	44.629.146
Expense accrual	15.784.494	3.630.434	22.645.389	5.208.440
Provision for warranty service expenses	5.403.770	1.242.867	17.867.146	4.108.920
Deferred revenue classification	-	-	43.168.792	9.928.823
Currency difference expenses	449.002	103.365	3.971.050	913.342
Other	-	-	15.543.761	3.575.485
Deferred Tax Assets		122.696.224		91.029.858
Deferred tax liabilities:				
Adjustments related to inventories	(37.923.856)	(8.722.487)	(16.513.162)	(3.756.490)
Revaluation Difference of Property, Plant and Equipment	(58.833)	(13.531)	-	-
Indexation and depreciation differences in tangible and intangible fixed assets	(259.698)	(53.287)	(121.737)	(24.348)
Payables discount	(4.380.855)	(1.007.599)	(3.172.725)	(729.474)
Foreign exchange income	(932.418)	(214.456)	(2.653.939)	(607.820)
Deferred revenue classification	(6.249.067)	(1.438.863)	(57.672.955)	(13.264.664)
Prepaid expenses adjustment	(10.192)	(769)	(3.097.684)	(712.353)
Deferred Tax Liabilities		(11.450.992)		(19.095.149)
Deferred tax assets / (liabilities), net		111.245.232		71.934.709

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

For the periods ended at 31 December 2024 and 2023 tax income / (expense) on income statement are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Corporate Tax Income / (Expense)	-	(94.757.568)
Deferred Tax Income / (Expense)	39.501.740	71.283.699
Tax income / (expense), net	39.501.740	(23.473.869)

For the periods ended at 31 December 2024 and 2023, the movement schedule of corporate tax expense are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Unaudited profit / (loss) before tax	226.632.631	824.401.288
Total additions / deductions to the tax base	(226.632.631)	(601.481.029)
Unaudited taxable profit / (loss)	-	222.920.259
Effective tax rate	23%	23%
Calculated tax	-	51.271.660
Monetary gain / (loss), net	-	6.239.965
Other tax (a)	-	37.245.943
Corporate tax provision in the profit or loss statement	-	94.757.568

(a) Under Law No. 7440, published on 12 March 2023, titled "Restructuring of Some Receivables and Amendments to Some Laws," it was announced that an additional tax of 10% would be levied on the amount of discounts and exemptions utilized under the Corporate Tax Law and other laws, as well as on the reduced corporate tax base according to Article 32/A of the Corporate Tax Law, based on the 2022 Corporate Tax Return. Accordingly, an additional provision of TRY 17.616.746 (TRY 37.245.943 in terms of purchasing power as of 31 December 2024), calculated on the tax credits and exemptions utilized, has been reflected in the consolidated financial statements as of 31 December 2024.

The movement schedule for deferred tax income / (expense) during the accounting periods ending on December 31, 2024, and December 31, 2023, is as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Opening balance at the beginning of the period	(71.934.709)	588.143
Deferred tax recognized in equity	191.217	104.764
Effect of business combination	-	(1.343.917)
Net deferred tax assets / (liabilities)	111.245.232	71.934.709
Deferred tax income / (expense), net	39.501.740	71.283.699

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

For the periods ended at 31 December 2024 and 2023, movements of current period income tax liability is as follows

	31.12.2024	31.12.2023
Current period income tax liability	-	31.396.062
	-	31.396.062

For the periods ended on 31 December 2024 and 2023, movements of current period income tax assets is as follows

	31.12.2024	31.12.2023
Current period income tax assets	5.440.543	-
	5.440.543	-

Corporation Tax

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in Türkiye. Necessary provisions have been made in the accompanying consolidated financial statements for the estimated tax liabilities of the Group regarding the current period operating results.

The corporate tax rate to be accrued on taxable corporate income, the addition of non-deductible expenses from the tax base in the determination of business income, and the deduction of tax-exempt gains, non-taxable incomes and other deductions (past year losses, if any, and investment allowances used if preferred). calculated on. In 2024, the effective tax rate is 25% (2023: 23%).

In Türkiye, provisional tax is calculated and accrued quarterly. The provisional tax rate that must be changed on corporate earnings during the taxation of 2023 corporate earnings as of the provisional tax periods is 25% (2023: 25%). With the regulation in the Corporate Tax Law, corporations whose shares are offered to the public at a rate of at least 20% for the first time in the Borsa Istanbul Equity Market will be subject to a corporate tax of 2 points on their corporate earnings for 5 accounting periods, starting from the accounting period in which their shares are offered to the public for the first time. discount is applied.

There is no absolute and certain confirmation procedure related to tax evaluation in Türkiye. Companies prepare their tax return between 1-25 April coming after the related year's balancing period (for the companies having special account period, between 1st and 25th of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

Income Tax Withholding

In addition to Corporation tax, it is required to calculate withholding tax from the dividends distributed by full pledge taxpayer enterprise and include in its income tax base and except dividends distributed by foreign companies to its subsidiary in Türkiye. Dividend withholding tax rate was reduced from 15% to 10%. Dividends that are not distributed but added to the capital are not subject to income tax withholding

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

NOTE 32 – EARNINGS / (LOSS) PER SHARE

For the periods ended on 31 December 2024 and 2023 profit / (loss) per share whose nominal value is TRY 1 as follows:

	01.01. - 31.12.2024	01.01. - 30.09.2023
Net profit / (loss) for the period	9.920.203	465.441.880
Net profit / (loss) attributable to non-controlling interests	-	-
Net profit / (loss) attributable to the parent company	9.920.203	465.441.880
Total weighted average number of shares (*)	58.000.000	57.407.407
Basic and diluted earnings / (loss) per share (TRY).	0,17	8,11

(*) The number of shares has been calculated using the weighted average method, taking into account capital increase dates.

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

NOTE 33 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENT

Financial Instruments

Credit Risk

The risk that a financial loss will occur to the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligations, refer to credit risk. The Group is subject to credit risk arising from trade receivables related to credit sales and deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash-based sales to customer considered as having a higher risk. Collect ability of trade receivables are evaluated by management depending on their past experiences and current economic condition and presented in the financial statements net of adequate doubtful provision.

As of 31 December 2024, the credit risk of Group in terms of financial instruments is as follows:

	Trade Receivables		**Other Receivables**		**Bank**	
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Deposits**	**Other**
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	**1.989.573**	**355.888.797**	**-**	**8.626.257**	**109.019.081**	**536.488.117**
Portion of the maximum risk secured with collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1.989.573	355.888.797	-	8.626.257	109.019.081	536.488.117
B.Book value of renegotiated financial assets, which would otherwise be considered past due or impaired	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	3.698.954	-	-	-	-
- Impairment (-)	-	(3.698.954)	-	-	-	-
Portion of the net value secured with collateral, etc..	-	-	-	-	-	-
-Not past due (gross book value)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- Portion of the net value secured with collateral, etc	-	-	-	-	-	-
E. Off-balance sheet items with credit risk exposure	-	-	-	-	-	-

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

As of 31 December 2023, the credit risk of Group in terms of financial instruments is as follows:

	Trade Receivables		**Other Receivables**		**Bank**	
	Related Party	**Other Party**	**Related Party**	**Other Party**	**Related Party**	**Other Party**
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	**5.611.148**	**699.944.096**	**-**	**27.404.546**	**654.399.600**	**258.066.297**
Portion of the maximum risk secured with collateral, etc.	-	23.510.648	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	5.611.148	699.944.096	-	27.404.546	654.399.600	258.066.297
B.Book value of renegotiated financial assets, which would otherwise be considered past due or impaired	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	-	-	-	-	-
- Portion secured with collateral, etc.	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	7.299.037	-	-	-	-
- Impairment (-)	-	(7.299.037)	-	-	-	-
Portion of the net value secured with collateral, etc..	-	-	-	-	-	-
-Not past due (gross book value)	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
- Portion of the net value secured with collateral, etc	-	-	-	-	-	-
E. Off-balance sheet items with credit risk exposure	-	-	-	-	-	-

(*) This line represents the total of the rows A, B, C, D and E. Factors mitigating credit risk such as guarantees received have not been taken into consideration.

Interest Rate Risk

Fluctuations may occur due to changes in market prices. These fluctuations may stem from price changes in securities, factors peculiar to security issuing firms or factors that affect all the market.

Although interest rates of financial borrowings with interest may change, financial assets with interest have fixed interest rate and cash flows in future do not change with the extent of these assets. Risk exposure to changing market interest rate of Group, is mostly based on the borrowing liabilities with variable interest rate of Group. The policy of Group is managing interest cost by using borrowings with fixed and variable interest. As of 31 December 2024, and 2023, the Group does not have any floating rate financial liabilities.

Liquidity Risk

Liquidity risk is the possibility of the Group meeting its net funding obligations. The occurrence of events that result in fund outflow, such as disruptions in the markets or lowering of the credit score, still provide the reason for the deterioration of liquidity risk. The Group management manages liquidity risk by distributing the funds and by keeping sufficient cash and cash equivalents resources to cover the current and possible liabilities

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

As of 31 December 2024, liquidity risk table of the Group is as follows.

Contractual maturities in accordance with the agreement	**Book Value**	**Cash outflow according to agreement (=I+II+III)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1-5 years (III)**
Non-derivative financial liabilities					
Financial Payables	336.337.673	**350.970.056**	3.898.497	347.071.559	-
	336.337.673	**350.970.056**	3.898.497	347.071.559	-

Expected maturities	**Book Value**	**Cash outflow according to agreement (=I+II+III)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1- 5 years (III)**
Non-Derivative Financial Liabilities					
Trade payables	91.453.070	**79.937.188**	79.937.188	-	-
Other payables	53.677.406	**53.677.406**	53.164.745	512.661	-
	145.130.476	**133.614.594**	133.101.933	512.661	-

	Book Value	**Cash outflow according to agreement (=I+II+III)**	**Less than 3 months (I)**	**Between 3-12 months (II)**	**Between 1- 5 years (III)**
Derivative Instruments					
Derivative cash inflows	-	**388.976.927**	388.976.927	-	-
Derivative cash outflows	6.131.331	**(382.845.596)**	(382.845.596)	-	-
	6.131.331	**6.131.331**	6.131.331	-	-

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

As of 31 December 2023, liquidity risk table of the Group is as follows.

Expected maturities	Book Value	Cash outflow according to agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Financial Payables	16.903.674	**16.967.174**	4.534.458	11.998.101	434.615
	16.903.674	**16.967.174**	4.534.458	11.998.101	434.615

Expected maturities	Book Value	Cash outflow according to agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-Derivative Financial Liabilities					
Trade payables	212.890.727	**216.063.452**	216.063.452	-	-
Other payables	43.271.550	**43.271.550**	43.271.550	-	-
	256.162.277	**259.335.002**	259.335.002	-	-

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

Currency risk

The effects occurring from exchange rate fluctuation, in case of having foreign currency assets, liabilities, off-balance sheet liabilities, are foreign currency risk. Transactions in foreign currencies during the year have been translated at the exchange rate prevailing at dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognized in the statement of profit/loss.

As of 31 December 2024, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	USD	EURO	CHF	GBP	XAU
1. Trade Receivables	325.170.619	7.251.819	1.887.083	-	-	-
2a. Monetary Financial Assets (including cash, banks)	584.046.674	16.055.923	477.667	675	-	5
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current Assets (1+2+3)	**909.217.293**	**23.307.742**	**2.364.750**	**675**	**-**	**5**
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**909.217.293**	**23.307.742**	**2.364.750**	**675**	**-**	**5**
10. Trade Payables	76.651.116	1.971.199	181.565	-	8.258	-
11. Financial Liabilities	309.850.400	8.766.754	-	-	-	-
12a. Other monetary liabilities	426.494.797	12.065.122	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	**812.996.313**	**22.803.075**	**181.565**	**-**	**8.258**	**-**
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**-**	**-**	**-**	**-**	**-**	**-**
18. Total Liabilities	**812.996.313**	**22.803.075**	**181.565**	**-**	**8.258**	**-**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**388.278.083**	**11.005.521**	**-**	**-**	**-**	**-**
19a. Total Hedged Asset Amount	**388.278.083**	**11.005.521**	**-**	**-**	**-**	**-**
19b. Total Hedged Liabilities Amount	**-**		**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**484.499.063**	**11.510.188**	**2.183.185**	**675**	**(8.258)**	**5**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	96.220.980	504.667	2.183.185	675	(8.258)	5
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	**-**	**-**	**-**	**-**	**-**	**-**
23. Export	**341.397.099**	**8.512.713**	**1.825.815**	**-**	**-**	**-**
24. Import	**679.552.509**	**19.028.304**	**916.994**	**19.681**	**24.684**	**-**

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

As of 31 December 2023, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	**USD**	**EURO**	**CHF**	**GBP**
1. Trade Receivables	449.234.957	15.217.672	38.500	-	-
2a. Monetary Financial Assets (including cash, banks)	75.773.532	1.565.591	898.381	12.057	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	**525.008.489**	**16.783.263**	**936.881**	**12.057**	**-**
5. Trade Receivables	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-
7. Other	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**525.008.489**	**16.783.263**	**936.881**	**12.057**	**-**
10. Trade Payables	192.314.538	5.790.048	637.879	6.536	13.626
11. Financial Liabilities	-	-	-	-	-
12a. Other monetary liabilities	394.330.007	13.361.006	9.088	-	-
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current Liabilities (10+11+12)	**586.644.545**	**19.151.054**	**646.967**	**6.536**	**13.626**
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	70.337.960	2.385.041	-	-	-
17. Non-Current Liabilities (14+15+16)	**70.337.960**	**2.385.041**	**-**	**-**	**-**
18. Total Liabilities	**656.982.505**	**21.536.095**	**646.967**	**6.536**	**13.626**
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	**375.432.991**	**12.200.000**	**500.000**	**-**	**-**
19a. Total Hedged Asset Amount	**375.432.991**	**12.200.000**	**500.000**	**-**	**-**
19b. Total Hedged Liabilities Amount	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	**243.458.975**	**7.447.168**	**789.914**	**5.521**	**(13.626)**
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(61.636.056)	(2.367.791)	289.914	5.521	(13.626)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	**-**	**-**	**-**	**-**	**-**
23. Export	**387.010.205**	**14.491.204**	**204.699**	**-**	**-**
24. Import	**373.544.161**	**10.371.130**	**693.341**	**48.400**	**52.984**

(*) The relevant amount represents the Group's foreign currency-denominated assets within the scope of exchange rate protected deposits.

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

Currency Risk Sensitivity Analysis

As of 31 December 2024, based on the financial position of the foreign currency position, if the Turkish Lira had appreciated / depreciated by 10% against foreign currencies and all other variables remained constant, the net loss resulting from the foreign exchange gain / loss from assets and liabilities in foreign currencies would have been TRY 48.449.906 higher / lower for the accounting period ending on the same date.

	Profit / (Loss)		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of appreciation / depreciation of USD against TRY by 10%			
1-USD net asset / liability	1.635.681	(1.635.681)	1.635.681	(1.635.681)
2- Amount hedged for USD risk (-)	38.827.808	(38.827.808)	38.827.808	(38.827.808)
3-USD net effect (1+2)	40.463.489	(40.463.489)	40.463.489	(40.463.489)
	In case of appreciation / depreciation of EUR against TRY by 10%			
4- EUR net asset / liability	8.018.993	(8.018.993)	8.018.993	(8.018.993)
5- Amount hedged for EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	8.018.993	(8.018.993)	8.018.993	(8.018.993)
	In case of appreciation / depreciation of GBP against TRY by 10%			
7-GBP net asset / liability	(36.697)	36.697	(36.697)	36.697
8- Amount hedged for GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(36.697)	36.697	(36.697)	36.697
	In case of appreciation / depreciation of CHF against TRY by 10%			
10-CHF net asset / liability	2.629	(2.629)	2.629	(2.629)
11- Amount hedged for CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	2.629	(2.629)	2.629	(2.629)
	In case of appreciation / depreciation of XAU against TRY by 10%			
13- XAU net asset / liability	1.491	(1.491)	1.491	(1.491)
14- Amount hedged for XAU risk (-)	-	-	-	-
15- XAU net effect (10+11)	1.491	(1.491)	1.491	(1.491)
TOTAL (3+6+9+12+15)	48.449.906	(48.449.906)	48.449.906	(48.449.906)

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

As of 31 December 2023, based on the financial position of the foreign currency position, if the Turkish Lira had appreciated / depreciated by 10% against foreign currencies and all other variables remained constant, the net loss resulting from the foreign exchange gain / loss from assets and liabilities in foreign currencies would have been TRY 35.150.308 higher / lower for the accounting period ending on the same date.

	Profit / (Loss)		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of appreciation / depreciation of USD against TRY by 10%			
1-USD net asset / liability	(20.366.429)	20.366.429	(20.366.429)	20.366.429
2- Amount hedged for USD risk (-)	51.853.064	(51.853.064)	51.853.064	(51.853.064)
3-USD net effect (1+2)	31.486.635	(31.486.635)	31.486.635	(31.486.635)
	In case of appreciation / depreciation of EUR against TRY by 10%			
4- EUR net asset / liability	1.357.970	(1.357.970)	1.357.970	(1.357.970)
5- Amount hedged for EUR risk (-)	2.351.490	(2.351.490)	2.351.490	(2.351.490)
6- EUR net effect (4+5)	3.709.460	(3.709.460)	3.709.460	(3.709.460)
	In case of appreciation / depreciation of GBP against TRY by 10%			
7-GBP net asset / liability	(73.659)	73.659	(73.659)	73.659
8- Amount hedged for GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(73.659)	73.659	(73.659)	73.659
	In case of appreciation / depreciation of CHF against TRY by 10%			
10-CHF net asset / liability	27.872	(27.872)	27.872	(27.872)
11- Amount hedged for CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	27.872	(27.872)	27.872	(27.872)
TOTAL (3+6+9+12)	35.150.308	(35.150.308)	35.150.308	(35.150.308)

Concentration risk related to sales

For the accounting periods ended at 31 December 2024 and 2023, the concentration risk of the Group's sales consists of sales, which is one of its main activities.

Considering the Group's sales and customers for the accounting periods ended at 31 December 2024 and 2023, it is seen that there is a concentration risk due to the high share of some customers in sales. According to TFRS 8 Operating Segments standard; If revenue from transactions with a single external customer is 10 percent or more of the business's revenue, the entity shall disclose that, the total amount of revenue from each such customer, and which segment or segments are reporting revenues. The entity need not disclose the identity of its major customers or the amount of revenue each segment reports from that customer.

For the accounting periods ending on 31 December 2024 and 2023, customers and their rates that constitute 10% or more of the Group's revenue are as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
Company A	15%	41%
Comapny B	28%	12%
Comapny C	14%	2%

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

Capital risk management

In capital management, the Group's aims at enhancing profitability while keeping a reasonable leverage, on the other hand rendering sustainability in its operations.

The Group follows capital by using debt to equity ratio. This rate is found by dividing net debt to total equity. Net debt is calculated by deducting cash and cash equivalents from total payable amount (as shown in balance sheet total liabilities). Total capital, as shown in balance sheet, is calculated by adding up equity and net debt.

As of 31 December 2024 and 2023, net debt / total equity ratio is as follow:

	31.12.2024	31.12.2023
Total debts	1.034.619.804	1.207.685.449
Less: Liquid assets	645.551.966	912.519.430
Net debt	389.067.838	295.166.019
Total shareholders' equity	1.844.202.565	1.986.808.123
Total capital	2.233.270.403	2.281.974.142
Net Debt/ (Receivable), net / Total Capital ratio	17%	13%

NOTE 34 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER FINANCIAL RISK HEDGING ACCOUNTING)

Fair value represents the price at which a financial instrument can be exchanged in a current transaction between willing parties, excluding situations such as forced sales or liquidations. If available, the quoted market price is the best indicator of a financial instrument's fair value. The Group has estimated the fair values of financial instruments to the extent that relevant and reliable information can be obtained from financial markets in Türkiye. The estimates presented here may not reflect the amounts the Group could obtain in a market transaction. The following methods and assumptions were used in estimating the fair values of the Group's financial instruments.

The following methods and assumptions were used to estimate the fair values of financial instruments for which practical estimation of fair value is possible:

Financial Assets

Monetary assets for which fair value approximates carrying value:

-Balances denominated in foreign currencies are converted at period exchange rates.
-The fair value of certain financial assets carried at cost, including cash and cash equivalents are considered to approximate their respective carrying amounts in the financial statements.
-The carrying value of trade receivables, net of allowances for possible non-recovery of uncollectible are considered to approximate their fair values.

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

Financial Liabilities

Monetary liabilities for which fair value approximates carrying value:

-The fair value of short-term bank loans and other monetary liabilities are considered to approximate their respective due to their short-term nature.
-The fair values of long-term bank borrowings, which are denominated in foreign currencies and converted at period exchange rates, are considered to approximate their carrying values.
-The carrying amount of accounts payable and accrued expenses reported in the financial statements for estimated third party payer settlements approximates its fair values.

Fair Value Measurement Hierarchy Table

The Group classifies fair value measurements for financial instruments presented in the financial statements using a three-level hierarchy based on the source of inputs for each class of financial instruments, as follows:

Level 1: Financial assets and liabilities are valued using quoted prices in active markets for identical assets and liabilities.

Level 2: Financial assets and liabilities are valued using inputs other than the quoted price for identical assets or liabilities in active markets, as indicated in first level. These inputs can include direct or indirect market-observable data used to determine the fair value of the relevant asset or liability.

Level 3: Financial assets and liabilities are valued using inputs that are not based on observable market data.

During the accounting periods ending on December 31, 2024, and December 31, 2023, the Group did not make any transfers between first level and second level, or to and from third level.

As of 31 December 2024, classifications and fair values of financial assets as are follows:

	Financial asset / liabilities at amortized cost	Financial assets as at fair value through profit or loss	Book Value	Note
Financial assets				
Cash and cash equivalents	645.551.966	-	645.551.966	5
Trade receivables	357.878.370	-	357.878.370	8
Financial Investments	-	9.188.661	9.188.661	6
Financial liabilities				
Financial payables	336.337.673	-	336.337.673	7
Trade payables	91.453.070	-	91.453.070	8
Derivative Instruments	-	6.131.331	6.131.331	22

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

As of 31 December 2023, classifications and fair values of financial assets as are follows:

	Financial asset / liabilities at amortized cost	Financial assets as at fair value through profit or loss	Book Value	Note
Financial assets				
Cash and cash equivalents	362.445.586	-	362.445.586	5
Trade receivables	705.555.244	-	705.555.244	8
Financial Investments	-	571.358.707	571.358.707	6
Financial liabilities				
Financial payables	16.903.674	-	16.903.674	7
Trade payables	212.890.727	-	212.890.727	8

NOTE 35 – FEES FOR SERVICES PROVIDED BY INDEPENDENT AUDIT FIRMS

The Group's disclosure on fees related to services provided by independent audit firms, in accordance with relevant resolutions by the Public Oversight Authority (KGK), is as follows:

	01.01. - 31.12.2024	01.01. - 31.12.2023
A - Fee for independent audit services for the reporting period	2.781.983	1.438.359
B - Fees for other services		
- Fees for other assurance services	-	-
- Fees for tax advisory services	-	-
- Fees for other non-audit services	-	-
	2.781.983	1.438.359

NOTE 36 – SUBSEQUENT EVENTS AFTER THE FINANCIAL POSITION STATEMENT DATE

None.