

**SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS**

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024
(*ORIGINALLY ISSUED IN TURKISH*)**

CONTENTS	PAGE
Balance Sheet	1
Statements of Profit Or Loss	2-3
Statements of Other Comprehensive Income	4
Statements of Changes In Equity	5
Statement of Cash Flows	6-7
Notes To The Consolidated Financial Statements	8-87
Note 1 - Group’s Organization And Nature Of The Operations	8-13
Note 2 - Basis Of The Consolidated Financial Statements	14-40
Note 3 - Shares In Other Companies And Business Combinations	40-44
Note 4 - Related Party Disclosures	45-46
Note 5 - Cash And Cash Equivalents.....	47
Note 6 - Financial Investments	48
Note 7 - Financial Borrowings.....	49-50
Note 8 - Trade Receivables And Payables.....	50-51
Note 9 - Other Receivables And Payables	52
Note 10 - Employee Benefits Obligations	52
Note 11 – Inventories	53
Note 12 - Other Current Assets.....	53
Note 13 - Prepaid Expenses	54
Note 14 - Deferred Income	55
Note 15 - Right Of Use Assets.....	56
Note 16 - Tangible Fixed Assets.....	57
Note 17 - Intangible Fixed Assets.....	58
Note 18 - Investments Valued by Equity Method.....	59-60
Note 19 - Government Incentives And Grants.....	60-61
Note 20 - Provisions, Contingent Liabilities And Assets.....	61-62
Note 21 - Employee Benefits.....	63-64
Note 22 - Derivative Instruments.....	64
Note 23 – Capital, Reserves And Other Equity Items.....	65-68
Note 24 - Revenue And Cost Of Sales.....	68-69
Note 25 - General Administrative Expenses, Marketing Expenses And Research and Development Expenses.....	70
Note 26 - Expenses By Nature.....	70-71
Note 27 - Other Income / (Expenses) From Operating Activities	72
Note 28 - Income / (Expenses) From Investment Activities	73
Note 29 - Finance Income / (Expenses).....	73-74
Note 30 - Tax Assets And Liabilities.....	74-77
Note 31 - Earnings/ (Loss) Per Share	77
Note 32 - Exposure To Financial Risks Due To Financial Instrument.....	78-85
Note 33 - Financial Instruments.....	86-87
Note 34 - Subsequent Events After The Financial Position Statement Date.....	87

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS

CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2024 AND 31 DECEMBER 2023

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

	Footnote References	Current Period Unaudited 31.03.2024	Prior Period Unaudited 31.12.2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalent	5	476.599.833	288.853.423
Financial Investments	6	261.573.805	438.385.013
Trade Receivables	8	316.905.756	562.296.950
- Trade receivables from related parties		6.316.474	4.471.842
- Trade receivables from other parties		310.589.282	557.825.108
Other Receivables	9	22.852.877	21.212.468
- Other receivables from related parties		-	-
- Other receivables from other parties		22.852.877	21.212.468
Inventories	11	891.187.013	832.209.914
Prepaid Expenses	13	105.386.002	109.615.741
Other Current Assets	12	30.984.133	32.042.096
TOTAL CURRENT ASSETS		2.105.489.419	2.284.615.605
NON-CURRENT ASSETS			
Other Receivables	9	545.583	627.768
- Other receivables from related parties		-	-
- Other receivables from other parties		545.583	627.768
Financial Investments	6	516.652	16.963.113
Investments Valued by Equity Pick-up Method	18	3.688.926	2.227.501
Right of Use Assets	15	9.265.594	12.211.630
Tangible Fixed Assets	16	49.656.426	41.331.567
Intangible Fixed Assets	17	57.972.236	60.506.354
Prepaid Expenses	13	82.037.680	70.060.544
Deferred Tax Assets	30	69.657.536	57.328.845
TOTAL NON-CURRENT ASSETS		273.340.633	261.257.322
TOTAL ASSETS		2.378.830.052	2.545.872.927

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED BALANCE SHEETS AS OF 31 MARCH 2024 AND 31 DECEMBER 2023

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

	Footnote References	Current Period Unaudited 31.03.2024	Prior Period Unaudited 31.12.2023
LIABILITIES			
CURRENT LIABILITIES			
Short-term Borrowings	7	69.338.892	116.694
Current Installment of Long Term Financial Borrowings	7	7.454.946	13.008.432
Trade Payables	8	114.806.967	169.664.683
- Trade payables to related parties		16.870.320	180.319
- Trade payables to other parties		97.936.647	169.484.364
Employee Benefit Liabilities	10	37.162.954	27.791.226
Other Payables	9	28.330.870	6.694.323
- Other payables to related parties		-	-
- Other payables to other parties		28.330.870	6.694.323
Deferred Income	14	523.002.937	555.692.588
Current Tax Liabilities	30	801.151	25.021.301
Short Term Provisions		35.555.387	44.958.359
- Provision for employee benefits	21	27.177.742	34.650.316
- Other Short Term Provisions	20	8.377.645	10.308.043
Derivative Financial Borrowings	22	2.239.817	-
TOTAL CURRENT LIABILITIES		818.693.921	842.947.606
NON-CURRENT LIABILITIES			
Financial Borrowings	7	-	346.369
Deferred Income	14	58.077.768	102.795.111
Long Term Provisions		18.469.389	16.383.876
- Provision for employee benefits	21	15.687.054	12.452.578
- Other Long Term Provisions	20	2.782.335	3.931.298
TOTAL NON-CURRENT LIABILITIES		76.547.157	119.525.356
TOTAL LIABILITIES		895.241.078	962.472.962
SHAREHOLDERS' EQUITY			
Parent Company's Equity		1.483.588.974	1.583.399.965
Paid In Capital	23.1	58.000.000	58.000.000
Adjustment to Share Capital	23.1	123.386.502	123.386.502
Premiums/Discounts Related to Shares	23.5	410.953.957	410.953.957
Other Comprehensive Income or Loss			
Not to Be Reclassified Under Profit or Loss		(428.362)	200.174
Remeasurement Gains (Loss)		(428.362)	200.174
- Actuarial gains/losses on defined benefit plans	23.4	(428.362)	200.174
Restricted Reserves	23.2	22.561.620	22.561.620
Retained Earnings or Losses	23.3	968.297.712	597.360.706
Net Profit or Loss for the Period	31	(99.182.455)	370.937.006
Minority Interests		-	-
TOTAL SHAREHOLDERS' EQUITY		1.483.588.974	1.583.399.965
TOTAL LIABILITIES AND EQUITY		2.378.830.052	2.545.872.927

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIODS ENDED AT 31 MARCH 2024 AND 2023

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

		Current Period	Prior Period
		Unaudited	Unaudited
	Footnote References	01.01.- 31.03.2024	01.01.- 31.03.2023
PROFIT OR LOSS			
Revenue	24.1	247.783.424	164.897.261
Cost of Sales	24.2	(188.171.150)	(109.718.714)
GROSS PROFIT / (LOSS)		59.612.274	55.178.547
General Administrative Expenses	26.1	(39.272.431)	(36.091.601)
Marketing Expenses	26.2	(10.275.935)	(10.344.152)
Research and Development Expenses	26.3	(3.407.635)	-
Other Income from Operation Activities	27.1	67.468.058	8.678.536
Other Expense from Operation Activities	27.2	(31.388.644)	(14.708.964)
PROFIT/ (LOSS) FROM OPERATING ACTIVITIES		42.735.687	2.712.366
Income From Investment Activities	28.1	38.764.555	58.463.178
Expense From Investment Activities	28.2	(727.025)	-
Income / (Loss) From Investments Accounted By Equity Method	18	1.461.425	-
OPERATING INCOME BEFORE FINANCIAL INCOME/ (EXPENSE)		82.234.642	61.175.544
Financial Income	29.1	37.996.899	10.742.259
Financial Expenses	29.2	(50.265.723)	(14.995.038)
Monetary Gain / (Loss)		(179.314.700)	(68.123.577)
PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(109.348.882)	(11.200.812)
Operating Activity Tax Income/ (Expense)		10.166.427	(45.567.908)
Current Tax (Expense) / Income	30	(1.974.519)	(37.102.203)
Deferred Tax (Expense) / Income	30	12.140.946	(8.465.705)
NET PROFIT / (LOSS) FOR THE YEAR	31	(99.182.455)	(56.768.720)
Profit / (Loss) Distribution			
Minortiy Interests		-	-
Parent Company's Share	31	(99.182.455)	(56.768.720)
Earnings Per Share	31	(1,71)	(1,01)

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED AT 31 MARCH 2024 AND 2023

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

		Current Period	Prior Period
		Unaudited	Unaudited
	Footnote References	01.01.- 31.03.2024	01.01.- 31.03.2023
NET PROFIT / (LOSS) FOR THE YEAR		(99.182.455)	(56.768.720)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Not To Be Reclassified Under Profit or Loss		(628.536)	57.585
Gains / (Losses) on Remeasurement on Defined Benefit Plans	21	(816.281)	71.981
Taxes in Other Comprehensive Income Not to Be Reclassified to Profit or Loss		187.745	(14.396)
- Deferred Tax Expense / Income	30	187.745	(14.396)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		(628.536)	57.585
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		(99.810.991)	(56.711.135)
Distribution of Total Comprehensive Income / (Expense)			
Minortiy Interests		-	-
Parent Company Shares		(99.810.991)	(56.711.135)

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED AT 31 MARCH 2024 AND 31 DECEMBER 2023

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

Prior Period	Footnote References	Paid in Share Capital	Capital Adjustment Differences	Premiums Related to Shares	Other Comprehensive Income Not to be Reclassified Under Profit and Loss Gain/(Losses) on Remeasurement on Defined Benefit Plans	Restricted Reserves	Retained Earnings		Parent Company's Equity	Minority Interests	Prior Period
							Retained Earnings or Losses	Net Profit / (Loss)			
Balances at 31 December 2022 (Beginning of the period)		50.000.000	117.164.612	-	(79.344)	7.365.509	593.080.624	130.289.155	897.820.556	-	897.820.556
Transfer	23.3	-	-	-	-	-	130.289.155	(130.289.155)	-	-	-
Capital Increase									-	-	-
- Transfer	23.1	8.000.000	6.221.889	-	-	-	-	-	14.221.889	-	14.221.889
Premiums/Discounts for shares	23.5	-	-	412.318.603	-	-	-	-	412.318.603	-	412.318.603
Total Comprehensive Income (Expense)		-	-	-	57.585	-	-	(56.768.720)	(56.711.135)	-	(56.711.135)
- Profit (Loss) for the Period	31	-	-	-	-	-	-	(56.768.720)	(56.768.720)	-	(56.768.720)
- Other Comprehensive Income (Loss)	23.4	-	-	-	57.585	-	-	-	57.585	-	57.585
Balances at 31 March 2023 (End of the period)		58.000.000	123.386.501	412.318.603	(21.759)	7.365.509	723.369.779	(56.768.720)	1.267.649.913	-	1.267.649.913
Balances at 31 December 2023 (Beginning of the Period)		58.000.000	123.386.502	410.953.957	200.174	22.561.620	597.360.706	370.937.006	1.583.399.965	-	1.583.399.965
Transfer	23.3	-	-	-	-	-	370.937.006	(370.937.006)	-	-	-
Total Comprehensive Income (Expense)		-	-	-	(628.536)	-	-	(99.182.455)	(99.810.991)	-	(99.810.991)
- Profit (Loss) for the Period	31	-	-	-	-	-	-	(99.182.455)	(99.182.455)	-	(99.182.455)
- Other Comprehensive Income (Loss)	23.4	-	-	-	(628.536)	-	-	-	(628.536)	-	(628.536)
Balances at 31 March 2024 (End of the Period)		58.000.000	123.386.502	410.953.957	(428.362)	22.561.620	968.297.712	(99.182.455)	1.483.588.974	-	1.483.588.974

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED AT 31 MARCH 2024 AND 31 DECEMBER 2023

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

		Current Period	Prior Period
		Unaudited	Unaudited
	Footnote References	01.01.- 31.03.2024	01.01.- 31.03.2023
CASH FLOW FROM OPERATING ACTIVITIES		343.786.114	(152.146.146)
Net Profit (Loss) For the Period	31	(99.182.455)	(56.768.720)
- Operating Activity Profit (Loss) For the Period		(99.182.455)	(56.768.720)
- Discontinued Operations Profit (Loss) For the Period		-	-
Adjustments Related to Reconciliation of Profit / (Loss)			
Adjustments to Depreciation and Amortization Expenses	15 - 16 - 17	10.102.595	8.609.327
Adjustments to Impairment (Cancellation)		7.411	120.282
- Adjustments to Impairment (Cancellation) in Receivables	27.2	7.411	120.282
Adjustments to Provisions		(661.166)	1.792.479
- Adjustments to Employee Benefit Provisions (Cancellation)	21	2.418.195	2.523.370
- Corrections Regarding Warranty Provisions (Cancellation)	20	(3.079.361)	(730.891)
Adjustments to Interest (Income) and Expense	29	(10.556.574)	(4.558.797)
- Adjustments to Interest Income		(5.119.998)	(4.673.677)
- Adjustments to Interest Expense		(5.436.576)	114.880
- Adjustments of discount on trade payables	27.2	9.313.196	2.159.197
- Adjustments of discount on trade receivables	27.1	(14.749.772)	(2.044.317)
Adjustments to Tax (Income) and Expense	30	(12.140.946)	8.465.705
Adjustments for Monetary Gain/(Loss)		211.534.745	40.447.306
Changes in Operating Capital			
Decrease (Increase) in Financial Investments	6	193.257.669	(126.386.186)
Changes in Trade Receivables	8	260.133.555	(22.267.504)
- Changes in Trade Receivables From Related Parties		(1.844.632)	-
- Changes in Trade Receivables From Other Parties		261.978.187	(22.267.504)
Changes in Other Receivables Related to Operating Activities	9	(1.558.224)	2.735.560
- Changes in Other Receivables From Related Parties		-	(18.541)
- Changes in Other Receivables From Other Parties		(1.558.224)	2.754.101
Adjustments for Decreases (Increases) in Stocks	11	(58.977.099)	(43.377.953)
Changes in Prepaid Expenses	13	(7.747.397)	525.822
Changes in Other Assets Related Activities	12 - 22	1.057.963	(1.485.595)
Increase (Decrease) in Other Liabilities Related to Activities	20	1.090.854	452.656
Changes in Trade Payables	8	(64.170.912)	2.972.006
- Changes in Trade Payables to Related Parties		16.690.001	(194.312)
- Changes in Trade Payables to Other Parties		(80.860.913)	3.166.318
Changes in Employee Benefit Payables	10	9.371.728	6.874.293
Changes in Other Payables Related the Operating Activities	9	(10.368.639)	18.624.811
- Changes in Other Payables Related the Operating Activities to Related Parties		-	-
- Changes in Other Payables Related the Operating Activities to Other Parties		(10.368.639)	18.624.811
Changes in Deferred Income	14	(77.406.994)	11.078.362

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS

STATEMENTS OF CASH FLOWS

FOR THE PERIODS ENDED AT 31 MARCH 2024 AND 31 DECEMBER 2023

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

		Current Period	Prior Period
		Unaudited	Unaudited
	Footnote References	01.01.- 31.03.2024	01.01.- 31.03.2023
CASH FLOW FROM INVESTING ACTIVITIES		(12.947.300)	(5.866.303)
Cash Outflow from Purchases of Tangible and Intangible Asset		(13.300.067)	(5.867.604)
- Cash Outflow from Purchases of Tangible Asset	16	(11.663.927)	(5.283.311)
- Cash Outflow from Purchases of Intangible Asset	17	(1.636.140)	(584.293)
Cash Inflows from the Sale of Tangible and Intangible Assets		352.767	1.301
- Cash Inflows from the Sale of Tangible and Intangible Assets	16	352.767	1.301
CASH FLOW FROM FINANCING ACTIVITIES		63.696.003	411.690.594
Capital increase	23.1	-	13.479.630
Cash Inflows from Share Issuance	23.5	-	412.318.603
Cash Inflows from Borrowing		61.895.404	-
- Cash Inflows from Loans	7	61.895.404	-
Cash Outflows Related to Debt Payments		(3.319.399)	(18.781.317)
- Cash Outflows Related to Loan Repayments	7	(3.319.399)	(18.781.317)
Interest Paid	29.2	(877.064)	(84.743)
Interest Received	29.1	5.997.062	4.758.421
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		394.534.817	253.678.145
INFLATION EFFECT ON CASH		(206.788.407)	(40.367.650)
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		187.746.410	213.310.495
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	288.853.423	415.706.465
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	476.599.833	629.016.960

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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 March 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
GIGS_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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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
KAŞIF-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
Laucher 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 BİRİMİ_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 for Nigerian Armed Forces Gunner Interface Unit for KAPLAN-10, New Generation Armoured Combat Fighting Vehicle (STA) Project
NİŞANCI ARAYÜZÜ BİRİMİ	Medium Range Anti-Tank System Task Mission System Project
OMTAS GÖREV BİRİMİ	Production of ÖZGÜR(F-16) Data Recording Systems
ÖZGÜR VKS	Air Combat Maneuvering System for Pakistan Air Force (PAF) Project
PAF_ACMI	Payload Stream Frontend Development
PSFE	RF Jammer and Detection (RFJD) Production
RF Jammer and Detection (RFJD)	Synthetic Aperture Radar (SAR) Ground Station Imaging System Project
SGS Faz-2	Seismic Processing Visualization Module Infrastructure Development Project
SİGMA	Production of Manpack Jammer
Sırt Tipi Mobil Jammer Projesi	

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Project Name (in continuation)	Project Description (in continuation)
SSS	Ruggedized servo production
TKY InSAR	Interferometric SAR Development Project
TÜFEK TIPİ 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

The average personnel number of the Company for the period ended at 31 March 2024 is 240 (31 December 2023: 244).

The capital structure of the Company as of 31 March 2024 and 31 December 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 March 31, 2024. (31 December 2023: 15 piece).

As of 31 March 2024 and 31 December 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)	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)	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)	2020	Jammer JBO283AT Project	400.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 14)	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%

(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.

(e) The relevant business partnership was closed on January 31, 2024.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

Unvan	31 March 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	1
TAMGÖR - SDT İş Ortaklığı (ST 08)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 09)	1	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)	3	3
Total	8	8

Thales – SDT Business Partnerships (“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 Business Partnership	2016	8 Adet ILS/DME Sistemi Temin ve Tesisi	5.000	19%

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

SDT Azerbaijan MMC (“Bağlı Ortaklık” ve/veya “SDT Azerbaijan)

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 March 31, 2024 and December 31, 2023, SDT Azerbaijan does not have any personnel. As of March 31, 2024 and December 31, 2023, the main shareholder of SDT Azerbaijan is SDT Uzay ve Savunma Teknolojileri Anonim Şirketi.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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.

During the accounting period ending on March 31, 2024, the average number of personnel of Cey Savunma is 15 (31 December 2023:18).

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

Shareholders	31 March 2024		31 December 2023	
	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 from an unrelated party for TRY 4.000.000 (TRY 5.782.977 based on purchasing power as of March 31, 2024).

Cey Savunma's headquarters address is as follows:

Üniversiteler Mahallesi
1596 Caddesi Hacettepe Teknokent Sitesi
No:6 A/30
Çankaya/Ankara

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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 March 31, 2023, Sirius's average number of personnel is 5 (31 December 2023:5).

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

Shareholders	31 March 2024		31 December 2023	
	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:

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 9/221 dated February 2024 and 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 March 31, 2024.

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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 2023.

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	17,44370
31.12.2006	134,49	9,65	15,90802
31.12.2007	145,77	8,39	14,67703
31.12.2008	160,44	10,06	13,33502
31.12.2009	170,91	6,53	12,51811
31.12.2010	181,85	6,40	11,76503
31.12.2011	200,85	10,45	10,65208
31.12.2012	213,23	6,16	10,03363
31.12.2013	229,01	7,40	9,34226
31.12.2014	247,72	8,17	8,63665
31.12.2015	269,54	8,81	7,93749
31.12.2016	292,54	8,53	7,31343
31.12.2017	327,41	11,92	6,53453
31.12.2018	393,88	20,30	5,43178
31.12.2019	440,5	11,84	4,85691
31.12.2020	504,81	14,60	4,23817
31.12.2021	686,95	36,08	3,11445
31.12.2022	1.128,45	64,27	1,89594
31.12.2023	1.859,38	64,77	1,15064
31.03.2024	2.139,47	15,06	1,00000

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 March 2024. However, non-monetary items not expressed in terms of the measurement unit as of 31 March 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 March 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."

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Rounding Degree of Amounts Offered in Currency and Financial Statements

The functional and reporting currency of the Parent Company, subsidiary (located in Türkiye) 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 14 June 2024. 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

As of 31 March 2024 and 31 December 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:

Subsidiaries	Ownership of the Parent through the Equity Affiliates		Non-controlling Interests
	(Direct)	(Direct+ Indirect)	Ratio
SDT Azerbaijan (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 from an unrelated party for TRY 4.000.000 (TRY 5.782.977 based on purchasing power as of March 31, 2024).

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 March 31, 2024 and December 31, 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:

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

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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 March 31, 2024, the Group's joint operations are as follows;

Joint Operation	Group's Share Ratio in Joint Operation		Non-Owned Share Ratio
	(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)	% 50,00	% 50,00	% 50,00
TAMGÖR - SDT İş Ortaklığı (ST 09)	% 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 January 31, 2024.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

Joint Operation	The Group's Share In Joint Operations		Non-Owned Share Ratio
	(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 May 16, 2023.

(b) The relevant business partnership was closed on June 20, 2023.

(c) The relevant business partnership was closed on November 2, 2023.

(d) The relevant business partnership was closed on December 20, 2023.

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 March 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 March 31, 2024, on a comparative basis with the period from January 1 to March 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 March 31, 2024 and 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 March 2024 and 31 December 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 30.

The New International Financial Reporting Standards, Amendments

As of 31 March 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:

IFRS 12 deals with changes related to deferred tax arising from a single transaction regarding assets and liabilities.

This is valid for annual reporting periods beginning on or after January 1, 2023. These changes require deferred tax accounting when transactions causing taxable and deductible temporary differences to arise in equal amounts are initially recognized in the financial statements by companies.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Narrow-scope amendments to IFRS 1, IFRS Practice Statement 2, and IFRS 8:

These changes are effective for annual reporting periods starting on or after January 1, 2023. The amendments aim to enhance the disclosure of accounting policies and assist financial statement users in distinguishing between changes in accounting estimates and changes in accounting policies.

TFRS 17 Insurance Contracts:

Effective for annual reporting periods beginning on or after January 1, 2023. This standard replaces IFRS 4, which currently allows for a wide range of practices. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and optional participation features in investment contracts.

Amendment to TFRS 12, International Tax Reform - Pillar Two Model Rules:

Deferred Tax Exception and Disclosure of Application have come into effect. Other disclosure requirements are applicable for annual reporting periods beginning on or after January 1, 2023. These changes provide a temporary exemption for companies from accounting for deferred taxes arising from international tax reform by the Organisation for Economic Co-operation and Development. The amendments also include targeted disclosure requirements for affected companies.

Standards and amendments published as of 31 December 2023, but not yet effective as of that date.

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

Standards and amendments published as of 31 March 2024, but not yet effective as of that date.

TAS 21 Lack of Exchangeability:

Effective for annual reporting periods beginning on or after January 1, 2025. These changes impact a business when it has a transaction or activity in a foreign currency that cannot be converted into another currency at a specific measurement date for a specific purpose. A currency is exchangeable when there is the ability to obtain another currency (with normal administrative delay), and the exchange occurs through a market or exchange mechanism that creates enforceable rights and obligations.

IFRS 18 Presentation and Disclosures in New Financial Statements;

In April 2024, the IASB published the IFRS 18 Standard, which replaced IAS 1. IFRS 18 introduces new requirements regarding the presentation of the statement of profit or loss, including the presentation of certain totals and subtotals. IFRS 18 requires businesses to present all income and expenses in the statement of profit or loss in one of five categories: main activities, investing activities, financing activities, income taxes and discontinued operations. The standard also requires the disclosure of performance measures determined by management, and also introduces new provisions for the aggregation or disaggregation of financial information in accordance with the roles defined for the primary financial statements and footnotes. With the publication of IFRS 18, certain changes have occurred in other financial reporting standards such as IMS 7, IMS 8 and IMS34.

These changes do not have a significant impact on the Group's consolidated financial position and performance.

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Financial Instruments

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

- 12 month 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.

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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:

	<u>Useful life</u>
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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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:

	<u>Useful life</u>
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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 March 2024 and 31 December 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 deductible 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

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:

	31.03.2024	31.12.2023
USD	32,2854	29,4382
EURO	34,8023	32,5739
GBP	40,6665	37,4417

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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:

	31.03.2024	31.12.2023
USD	32,3436	29,4913
EURO	34,8650	32,6326
GBP	40,8786	37,6369

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 March 2024 payments are calculated on the basis of 30 days' pay limited to a maximum of TRY 35.059. (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:

	31.03.2024	31.12.2023
Real discount rate	3,05%	2,30%

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 receivable 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 exists 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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.

NOTE 3 – SHARES IN OTHER COMPANIES AND BUSINESS COMBINATIONS

Shares in Other Companies

As of 31 March 2024 and 31 December 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

<u>Subsidiaries</u>	Ownership of the Parent through the Equity Affiliates		Non-controlling Interests
	(Direct)	(Direct+ Indirect)	Ratio
SDT Azerbaijan MMC	% 100,00	% 100,00	-
Cey Savunma	% 100,00	% 100,00	-

As of 31 March 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 Azerbaijan MMC (a)	Defense industry	20	20	-	-
Cey Savunma	Defense industry	13.924.925	2.088.552	3.673.902	(5.439.439)

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 Azerbaijan MMC (a)	Defense industry	20	20	-	-
Cey Savunma (b)	Defense industry	16.453.540	7.527.994	9.222.528	(3.945.618)

(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.

Affiliates

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

As of 31 March 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	17.028.890	9.222.315	3.725.252	3.653.565

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	Defense industry	9.599.992	5.568.750	-	(1.147.828)

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Joint operations

As of 31 March 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)	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)	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 January 31, 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) (e)	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 2, 2023.

(d) The relevant business partnership was closed on December 20, 2023.

(e) The relevant business partnership was closed on January 31, 2024.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

Joint operations	Activity area	Assets	Equity	Reevenue	Profit / Loss for the period
ST 05	Frequency mixer system production	108.814	(68.957)	-	10.480
ST 06	Frequency mixer system production	3.469.473	(606)	366.864	573.059
ST 07	Frequency mixer system production	4.723.854	(37.030)	131.602	(673.889)
ST 08	Frequency mixer system production	1.771.759	86.098	450.007	131.822
ST 09	Frequency mixer system production	1.853.953	(964.606)	26.387	11.988
ST 11	Frequency mixer system production	2.668.675	433.990	56.971	315.124
ST 12	Frequency mixer system production	4.853.127	(1.202.747)	353.059	(344.603)
ST 13	Frequency mixer system production	2.901.811	748.748	6.893	(7.126)
ST 14	Frequency mixer system production	3.108.686	383.545	2.867	124.296
ST 15	Frequency mixer system production	11.368.690	987.285	777.940	(966.650)
ST 16	Frequency mixer system production	8.097.089	2.286.381	2.401.046	696.905
Thales - SDT	ILS/DME System	214.038	(56.854)	-	(4.483)

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 (a)	Frequency mixer system production	-	-	-	95.979
ST 02	Frequency mixer system production	97.765	(56.768)	32.458	12.443
ST 03 (c)	Frequency mixer system production	179.484	148.296	779.503	573.940
ST 04 (b)	Frequency mixer system production	-	-	124.181	(16.008)
ST 05	Frequency mixer system production	125.901	(102.923)	-	35.037
ST 06	Frequency mixer system production	3.343.040	36.657	404.829	1.174.121
ST 07	Frequency mixer system production	14.232.215	13.832.883	19.699.679	14.323.624
ST 08	Frequency mixer system production	1.893.541	428.468	12.365	343.056
ST 09	Frequency mixer system production	2.298.771	(1.086.526)	268.636	604.125
ST 10(d)	Frequency mixer system production	405.833	342.306	534.051	378.386
ST 11	Frequency mixer system production	2.603.576	726.853	139.213	653.144
ST 12	Frequency mixer system production	6.035.553	(21.723)	6.386.359	794.847
ST 13	Frequency mixer system production	3.124.365	784.268	352.053	(496.154)
ST 14	Frequency mixer system production	3.372.656	483.496	59.968	187.786
ST 15	Frequency mixer system production	15.657.680	7.929.001	10.058.178	6.553.565
ST 16	Frequency mixer system production	7.347.581	6.596.375	9.141.148	5.609.385
Thales - SDT	ILS/DME System	254.116	(52.370)	-	72.606

(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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

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

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 the entire shares of Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi from a non-related party on 04 July 2023, for TRY 4.000.000 (TRY 5.782.977 on a purchasing power basis as of 31 March 2024). In this transaction, which was accounted for within the scope of "TFRS 3 Business Combinations", since the net assets acquired due to the acquisition transaction were TRY 1.959.247 more than the acquisition price, the relevant amount was reported as "Profit as a result of 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	1.558.413	(55.006)	1.503.407
Non - current assets	11.284.705	(2.648.602)	8.636.103
Total Assets	12.843.118	(2.703.608)	10.139.510
Short-term liabilities	1.063.679	897.413	1.961.092
Long-term liabilities	-	436.194	436.194
Total Liabilities	1.063.679	1.333.607	2.397.286
Equity			7.742.224
Acquisition rate			100,00%
Equity amount of the Parent Company (a)			7.742.224
Acquisition amount (b)			5.782.977
Profit resulting from bargain purchases (a - b)			1.959.247

No business combinations have occurred in the accounting period ending on 31 March 2024.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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):

	31.03.2024	31.12.2023
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	6.316.474	4.471.842
	6.316.474	4.471.842

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

	31.03.2024	31.12.2023
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	-	3.451.909
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	-	1.479.844
	-	4.931.753

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

	31.03.2024	31.12.2023
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	16.741.344	-
Gate-Tamgör Elektronik Sanayi Ticaret Limited Şirketi	103.106	107.599
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	25.870	72.719
	16.870.320	180.318

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

	31.03.2024	31.12.2023
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	-	24.812
	-	24.812

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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. - 31.03.2024	01.01. - 31.03.2023
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	6.538.449	-
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	1.065.579	-
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	490.573	57.499
	8.094.601	57.499

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	902.580	707.408
Gate-Tamgör Elektronik Sanayi Ticaret Limited Şirketi	219.926	263.869
	1.122.506	971.277

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. - 31.03.2024	01.01. - 31.03.2023
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	0	299.504
	0	299.504

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	317.519	-
	317.519	-

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Remuneration and similar benefits provided to senior manager	5.397.623	3.601.922
	5.397.623	3.601.922

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 5 – CASH AND CASH EQUIVALENTS

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

	31.03.2024	31.12.2023
Cash	44.530	42.663
Banks		
Time deposits	34.606.957	42.606.807
Demand deposits	67.850.211	40.536.299
Liquid funds	374.098.135	205.667.654
	476.599.833	288.853.423

As of 31 March 2024 and 31 December 2023, the Group's bank deposits consist of time and demand deposits. As of 31 March 2024 and 31 December 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 March 2024, the details of the maturities of time deposits are presented below;

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TL	30.061.741	%40,00 - %45,00	3 - 35 gün	30.061.741
USD	131.850	%0,01 - %4,00	2 - 35 gün	4.234.446
EURO	9.578	%3,00 - %3,00	35 gün	310.770
				34.606.957

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
TL	37.795.459	%40,00 - %45,00	3 - 35 gün	37.795.459
USD	131.486	%0,01 - %4,00	2 - 35 gün	4.453.765
EURO	9.540	%3,00 - %3,00	35 gün	357.583
				42.606.807

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 6 – FINANCIAL INVESTMENTS

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

Short term financial investments

	31.03.2024	31.12.2023
Exchange rate protected deposits	261.573.805	438.385.013
	261.573.805	438.385.013

As of March 31, 2024, detailed information about exchange rate protected deposits is as follows;

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TRY	261.573.805	36,00% - 42,50%	11 - 50 gün	261.573.805
				261.573.805

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	438.385.013	30,00% - 35,00%	11 - 50 gün	438.385.013
				438.385.013

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

	31.03.2024	31.12.2023
Financial investments to fair value through profit or loss (a)	-	16.368.634
Other Financial Investments (b)	516.652	594.479
	516.652	16.963.113

(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".

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 7 – FINANCIAL BORROWINGS

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

	31.03.2024	31.12.2023
Short-Term Bank Loans	69.190.784	-
Liabilities from leases (*)	6.458.778	11.195.460
Short-term portion of long-term loans	996.168	1.812.972
Other financial liabilities (credit cards)	148.108	116.694
Total short term financial liabilities	76.793.838	13.125.126
Liabilities from leases (*)	-	346.369
Total long term financial liabilities	-	346.369
Total financial liabilities	76.793.838	13.471.495

(*) As of 31 March 2024 and 31 December 2023, the related financial liabilities consist of the liabilities within the scope of "IFRS 16 Leases" standard.

As of 31 March 2024 and 31 December 2023, the partners of the Parent Company have personal guarantees in favor of financial institutions in order to guarantee all of the Group's bank loans.

As of 31 March 2024, the average effective interest rate of bank loans in TRY currency is 53,55% (31 December 2023: TRY: 9,72%).

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

Currency Type	Foreign Exchange Amount	Exchange rate	TRY Amount
TRY	76.793.838	1,0000	76.793.838
Total			76.793.838

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	13.471.495	1,0000	13.471.495
Total			13.471.495

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

	31.03.2024	31.12.2023
Due in 0 - 1 year	76.793.838	13.125.126
Due in 1 - 2 years	-	346.369
	76.793.838	13.471.495

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

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

Short term trade receivables

	31.03.2024	31.12.2023
Trade receivables	317.397.769	570.621.115
Unearned interest on receivables (-)	(6.808.487)	(12.796.007)
Trade receivables from related parties (Note 4)	6.316.474	4.471.842
Doubtful trade receivables	3.285.560	5.817.016
Provision for doubtful trade receivables (-)	(3.285.560)	(5.817.016)
	316.905.756	562.296.950

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

	01.01. - 31.03.2024	01.01. - 31.12.2023
Opening balance	5.817.016	1.439.714
Reversal of unnecessary provision (Note 27.1)	(1.777.329)	(181.429)
Monetary gain / (loss), net	(761.538)	(565.958)
Provisions for the period (Note 27.2)	7.411	5.124.689
Closing balance	3.285.560	5.817.016

As of March 31, 2024, the Group has given letters of guarantee amounting to TRY 1.074.596.044 to customers, tender organizing institutions and other organizations (31 December 2023: TRY 1.167.142.255). In addition, the Group has given guarantee bonds amounting to 136.546.203 TRY to its customers as of 31 March 2024 (31 December 2023: 133.257.084 TRY) (Note 20).

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

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Long term trade payables

None (31 December 2023: None).

The credit risk table of trade receivables is presented in Note 32.

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

Short term trade payables

	31.03.2024	31.12.2023
Trade payables	100.464.195	171.794.268
Trade payables to related parties (Note 4)	16.870.320	180.319
Expense accruals for commercial activities	606.250	218.620
Discount on payables (-)	(3.133.798)	(2.528.524)
	114.806.967	169.664.683

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

As of 31 March 2024, the Group has received a letter of guarantee from its suppliers amounting to TRY 11.177.024 (31 December 2023: 10.950.572 TRY). As of 31 March 2024, the Group has received guarantee bonds amounting to TRY 78.383.960 from its suppliers (31 December 2023: 94.100.372 TRY) (Note 20).

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

As of 31 March 2024, the Group has given guarantee bonds amounting to TRY 3.150.228 to its suppliers (31 December 2023: TRY 3.624.767) (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).

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

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

Other short-term receivables

	31.03.2024	31.12.2023
VAT receivables from the tax office	22.852.877	21.212.468
	22.852.877	21.212.468

Other long-term receivables

	31.03.2024	31.12.2023
Deposits and guarantees given	545.583	627.768
	545.583	627.768

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

Other short-term payables

	31.03.2024	31.12.2023
Taxes and funds payable	27.818.208	6.079.624
Deposits and guarantees received (a)	512.662	614.699
	28.330.870	6.694.323

(a) As of 31 December 2023, TRY 24.812 of the relevant amount consists of deposits and guarantees received from related parties. (31 March 2024: None) (Note 4).

Other long-term payables

None (31 December 2023: None).

NOTE 10 – EMPLOYEE BENEFITS OBLIGATIONS

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

	31.03.2024	31.12.2023
Payables to employees	19.556.408	15.103.459
Social security premiums payable	17.606.546	12.687.767
	37.162.954	27.791.226

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 11 – INVENTORIES

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

	31.03.2024	31.12.2023
Raw materials	604.942.202	603.465.592
Semi-finished goods	283.989.737	241.915.805
Finished goods	28.497.591	17.024.108
Provision for stock impairment (-) (a)	(26.242.517)	(30.195.591)
	891.187.013	832.209.914

(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:

	01.01. - 31.03.2024	01.01. - 31.12.2023
Balance at the beginning of the period	30.195.591	57.130.157
Reversal of unnecessary provision (-)	-	(4.476.464)
Monetary gain /(loss), net	(3.953.074)	(22.458.102)
	26.242.517	30.195.591

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

	31.03.2024	31.12.2023
Raw materials	4.930.190	5.672.855
Semi-finished goods	21.312.327	24.522.736
	26.242.517	30.195.591

As of 31 March, 2024, there is insurance coverage of TRY 349.905.067 on the stocks.

NOTE 12 – OTHER CURRENT ASSETS

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

	31.03.2024	31.12.2023
VAT carried forward	30.984.133	32.042.096
	30.984.133	32.042.096

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 13 – PREPAID EXPENSES

As of 31 March 2024 and 31 March 2023, the details of prepaid expenses are as follows;

Short-term prepaid expenses

	31.03.2024	31.12.2023
Order advances given	88.548.208	94.058.529
Order advances given to related parties (Note 4)	-	4.931.753
Prepaid expenses	11.203.165	10.597.360
Advances given	5.615.689	-
Advances given to personnel	18.940	28.099
	105.386.002	109.615.741

Long term prepaid expenses

	31.03.2024	31.12.2023
Advances given for purchases of tangible fixed assets (*)	81.679.393	69.983.654
Prepaid expenses	358.287	76.890
	82.037.680	70.060.544

(*) As of 31 March 2024, TRY 48.921.489 of the relevant amount consists of the advance given within the scope of the "Land Allocation Agreement" made with Ankara Space and Aviation Specialized Organized Industrial Zone Directorate (31 December 2023: TRY 48.921.489).

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 14 – DEFERRED INCOME

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

Short-term deferred income

	31.03.2024	31.12.2023
Advances received (*)	466.265.726	498.955.378
Deferred income	56.737.211	56.737.210
	523.002.937	555.692.588

(*) As of March 31, 2024, TRY 28.309.447 of the order advances received consists of cash advances received from foreign customers (31 December 2023: TRY 29.701.370).

Long-term deferred income

	31.03.2024	31.12.2023
Advances received (**)	54.133.093	98.005.148
Deferred income	3.944.675	4.789.963
	58.077.768	102.795.111

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 15 – RIGHT OF USE ASSETS

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

Cost	31 December 2022	Addition	Disposal	31 December 2023	Addition	Disposal	31 March 2024
Buildings	31.884.163	20.748.940	-	52.633.103	-	-	52.633.103
Vehicles	5.488.557	2.852.060	-	8.340.617	-	-	8.340.617
Total	37.372.720	23.601.000		60.973.720	-	-	60.973.720
Accumulated Depreciation (-)							
Buildings	31.879.629	11.047.536	-	42.927.165	2.426.484	-	45.353.649
Vehicles	5.014.541	820.384	-	5.834.925	519.552	-	6.354.477
Total	36.894.170	11.867.920		48.762.090	2.946.036	-	51.708.126
Net Book Value	478.550			12.211.630			9.265.594

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 16 – TANGIBLE FIXED ASSETS

31 March 2024 and 31 December 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 March 2024
Machinery, plant and equipment	56.017.624	6.292.612	(689.964)	-	61.620.272	932.056	-	62.552.328
Vehicles	2.475.142	2.739.603	-	-	5.214.745	-	-	5.214.745
Furnitures and fittings	36.942.449	5.677.138	(499.642)	2.181.740	44.301.685	1.063.558	(447.960)	44.917.283
Leasehold improvements	26.922.304	23.329	-	245.853	27.191.486	-	-	27.191.486
Construction in progress	916.117	5.524.142	-	-	6.440.259	9.668.313	-	16.108.572
Total	123.273.636	20.256.824	(1.189.606)	2.427.593	144.768.447	11.663.927	(447.960)	155.984.414
Accumulated Depreciation(-)								
Machinery, plant and equipment	36.328.536	6.896.502	(687.326)	-	42.537.712	1.849.038	-	44.386.750
Vehicles	103.132	418.719	-	-	521.851	130.369	-	652.220
Furnitures and fittings	28.513.864	3.959.377	(479.865)	1.319.087	33.312.463	945.546	(95.193)	34.162.816
Leasehold improvements	26.138.817	733.114	-	192.923	27.064.854	61.348	-	27.126.202
Total	91.084.349	12.007.712	(1.167.191)	1.512.010	103.436.880	2.986.301	(95.193)	106.327.988
Net Book Value	32.189.287				41.331.567			49.656.426

As of 31 March 2024 and 31 December 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 31 March 2024 and 31 December, 2023, the total insurance amount for tangible fixed assets is TRY 136.624.009.

(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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 17 – INTANGIBLE FIXED ASSETS

As of 31 March 2024 and 31 December 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 March 2024
Rights	28.369.814	635.664	297.408	29.302.886	77.533	-	29.380.419
Development costs (a)	104.325.591	9.159.169	27.503.977	140.988.737	1.558.607	-	142.547.344
Total	132.695.405	9.794.833	27.801.385	170.291.623	1.636.140	-	171.927.763
Accumulated Amortization (-)							
Rights	23.585.652	1.716.002	544.631	25.846.285	498.084	-	26.344.369
Development costs (a)	48.880.791	13.728.260	21.329.933	83.938.984	3.672.174	-	87.611.158
Total	72.466.443	15.444.262	21.874.564	109.785.269	4.170.258	-	113.955.527
Net Book Value	60.228.962			60.506.354		57.972.236	

(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 personnel 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 31 March 2024, the net book value of capitalized development costs is TRY 54.936.186 (31 December 2023: TRY 57.049.753)

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 18 – INVESTMENTS VALUED BY EQUITY METHOD

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

	31.03.2024	31.12.2023
Sirius - Cost amount	4.055.993	4.055.993
Sirius - Adjustment according to equity method	(367.067)	(1.828.492)
	<u>3.688.926</u>	<u>2.227.501</u>

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Shares of Profits / (Loss) of Investments Valued by Equity Method	1.461.425	-
	<u>1.461.425</u>	<u>-</u>

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

Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi ("Sirius" or "Company")

Summary Statement of Financial Position

	31.03.2024	31.12.2023
Current Assets	5.537.178	5.132.811
Non - Current Assets	11.491.712	4.467.181
Total Assets	<u>17.028.890</u>	<u>9.599.992</u>
Short-term liabilities	7.277.367	3.956.211
Long-term liabilities	529.208	75.031
Equity	9.222.315	5.568.750
Total Liabilities	<u>17.028.890</u>	<u>9.599.992</u>

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Summary Profit or Loss Statement

	01.01. - 31.03.2024	01.01. - 31.12.2023
Revenue	3.725.252	-
Cost of sales	-	-
Gross profit / (loss)	3.725.252	-
Operating expenses	(379.888)	(1.297.164)
Other income/(expense), net	308.201	149.336
Period profit / (loss), net	3.653.565	(1.147.828)

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 Group's income amount exempt from corporate tax for the accounting period ending on 31 March 2024 is TRY 14.188.080 (01 January - 31 December 2023: TRY 324.468.488).

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 March 2024 is TRY 7.694.092 (01 January - 31 December 2023: TRY 30.646.520).

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 March 2024 is TRY 4.391.636 (01 January - 31 December 2023: TRY 13.600.850).

c) Within the scope of the "Decision No. 2017/4 on Support of Fair Participations Abroad", the Group obtained incentive income of TRY 149.136 in the accounting period ending on 31 March 2024 (01 January - 31 December 2023: 77.625).

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 20 – PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

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

Short-term liabilities provisions

	31.03.2024	31.12.2023
Warranty service expense provisions	8.377.645	10.308.043
Provision for lawsuits	-	-
	8.377.645	10.308.043

Long-term liabilities provisions

	31.03.2024	31.12.2023
Warranty service expense provisions	2.782.335	3.931.298
	2.782.335	3.931.298

Contingent Assets

The details of the contingent assets are as follows;

Letters of Guarantees - As of 31 March 2024, the Group has received a letter of guarantee from its suppliers in the amount of TRY 11.177.024 (USD 199.730 – EURO 102.330 – TRY 1.149.310) (31 December 2023: TRY 10.950.572 USD 214.480 EURO 102.330 TRY 1.453.310).

Guarantee bonds - As of 31 March 2024, the Group has received a guarantee bond amounting to TRY 78.383.960 (TRY 11.187.500 – USD 2.077.581) from its suppliers (31 December 2023: TRY 94.100.372 TRY (TRY 21.150.798 – USD 2.059.581)).

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Contingent Liability

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

Given GSM (Guarantee-Security-Mortgage) by Group	31.03.2024	31.12.2023
A. Total Amount of Gsm Given on Behalf of Legal Entity	1.222.752.190	1.314.908.767
B. Total Amount of Gsm Given for Partnerships Which are Included in (a)	1.000.000	1.150.636
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	1.223.752.190	1.316.059.403

(a) The Parent Company has a guarantee of TRY 1.000.000 in favor of financial institutions for its subsidiary.

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

Letters of Guarantees – As of 31 March 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 1.074.596.044 (TRY 32.294.621 – USD 30.957.036 – EURO 1.177.095) (31 December 2023: TRY 1.167.142.225 (TRY 27.964.676 – USD 32.199.783 – EURO 1.126.694)).

Guarantee Bonds - As of 31 March 2024, the Group has given guarantee bonds amounting to TRY 139.696.431 to its customers and suppliers (TRY 46.302.701 – USD 2.887.549) (31 December 2023: TRY 136.881.851 (TRY 52.387.109 – USD 2.257.438)).

Venture capital fund – The Group has a fund purchase obligation of TRY 8.459.715 until December 31, 2024, 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: TRY 9.734.055)

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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 21 – EMPLOYEE BENEFITS

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

Short-term provisions for employee benefits

	31.03.2024	31.12.2023
Provisions for unused annual leave	21.860.492	17.169.686
Provisions for personnel wage premium	5.317.250	17.480.630
	27.177.742	34.650.316

Long-term provisions for employee benefits

	31.03.2024	31.12.2023
Severance pay provisions	15.687.054	12.452.578
	15.687.054	12.452.578

The severance pay provision has been calculated as expressed in Note 2. As of 31 March 2024, the liability is calculated on a 30 day wage base with a maximum of TRY 35.059 for each year of service, utilizing the rates on date of retirement or departure (31 December 2023: TRY 23.490).

For the period ended at 31 March 2024 and 31 December 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:

	31.03.2024	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	89,93%	88,28%

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

	01.01. - 31.03.2024	01.01. - 31.12.2023
Balance at the beginning of the period	12.452.578	15.886.831
Service cost	4.482.535	12.851.748
Monetary gain / (loss), net	(1.682.719)	(6.245.178)
Interest cost	59.555	209.125
Payments in the period	(441.176)	(9.886.936)
Actuarial gain / (losses)	816.281	(363.012)
Closing balance	15.687.054	12.452.578

NOTE 22 – DERIVATIVE INSTRUMENTS

As of March 31, 2024, details of forward foreign exchange purchase / sale contracts are given below:

	Amount of foreign money to be received from the bank (USD)	TRY equivalent of foreign money to be received from the bank as of the date of the statement of financial position	TRY equivalent of foreign money to be received from the bank according to the contract	Fair Value Difference (TL)
<u>USD - TRY Exchange Rate</u>				
Between 1-3 months	5.000.000	161.718.000	163.957.817	(2.239.817)

As of December 31, 2023, the Group does not have a forward foreign exchange purchase/sale contract.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 23 – CAPITAL, RESERVES, AND OTHER EQUITY ITEMS

23.1 Paid in Capital

As of March 31, 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 March 31, 2024, and December 31, 2023, is as follows:

Shareholders	31 March 2024		31 December 2023	
	Share Ratio	Share Amount (TRY)	Share Ratio	Share Amount (TRY)
Mehmet Dora	73,11%	42.402.500	73,11%	42.402.500
Mustafa Fatih Ünal	2,32%	1.347.500	2,32%	1.347.500
Publicly Held Portion	21,12%	12.250.000	21,12%	12.250.000
Others (a)	3,45%	2.000.000	3,45%	2.000.000
Total	100,00%	58.000.000	100,00%	58.000.000
Capital adjustment differences		123.386.502		123.386.502
Paid In Capital		181.386.502		181.386.502

(a) Mehmet Dora transferred 1.060.000 shares, and Mustafa Fatih Ünal transferred 940.000 non-tradable B-group shares, on September 5, 2023, under the Wholesale Purchase and Sale Transactions Procedure.

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 İstanbul 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 İstanbul'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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Capital Adjustment Differences

As of March 31, 2024, capital adjustment differences amounted to TRY 123.386.502 (December 31, 2023: TRY 123.386.502). 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	145.324.254	123.386.502	(21.937.752)
Legal Reserves	25.909.993	22.561.620	(3.348.373)

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 2021	229.377.826	698.445.010

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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 March 31, 2024, and December 31, 2023, the account for legal reserves appropriated from profits is as follows:

	31.03.2024	31.12.2023
Legal reserves appropriated from profits	22.561.620	22.561.620
	22.561.620	22.561.620

23.3 Retained Earnings / (Accumulated Losses)

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

	31.03.2024	31.12.2023
Retained earnings / (accumulated losses)	968.297.712	597.360.706
	968.297.712	597.360.706

At the general assembly held on May 30, 2023, the Parent Company approved a dividend payment of TRY 67.362.637 gross (TRY 110.812.951 at constant purchasing power as of March 31, 2024). The dividends were paid in three installments on June 16, 2023, October 27, 2023, and November 24, 2023, respectively.

The movement schedule for retained earnings / (accumulated losses) as of March 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 March 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.

	31.03.2024	31.12.2023
Remeasurement gains / (losses) on defined benefit plans	(428.362)	200.174
	(428.362)	200.174

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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, at a unit share price of TRY 32 through a capital increase on Borsa Istanbul A.Ş. Of this total, TRY 8.000.000 is reported in the capital account, while the remaining TRY 248.000.000 (TRY 440.878.586 at constant purchasing power as of March 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 29.924.629 at constant purchasing power as of March 31, 2024), has been deducted from the share premiums account.

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

	31.03.2024	31.12.2023
Premiums from the sale of shares on Borsa Istanbul A.Ş.	440.878.586	440.878.586
Costs associated with the public offering process	(29.924.629)	(29.924.629)
	410.953.957	410.953.957

NOTE 24 – REVENUE AND COST OF SALES

24.1 Revenue, net

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Domestic Sales	217.214.058	108.419.236
Exports	30.715.121	56.478.025
	247.929.179	164.897.261
Sales returns	(145.755)	-
Sales Revenues (net)	247.783.424	164.897.261

The concentration risk analysis for the accounting periods ending on March 31, 2024, and December 31, 2023, is presented in Note 32.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

24.2 Cost of Sales

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Direct raw material costs	141.308.108	54.506.410
Direct labor costs	42.604.508	37.366.425
General production expenses	32.404.392	23.069.992
Depreciation and amortization	5.599.603	7.190.416
<u>Change in work-in-progress inventory</u>		
1. Work-in-progress at the beginning of the period (+)	241.915.805	145.657.470
2. Work-in-progress at the end of the period (-)	(283.989.737)	(162.185.949)
Cost of goods produced	179.842.679	105.604.764
<u>Change in finished goods inventory</u>		
1. Finished goods at the beginning of the period (+)	17.024.108	8.299.130
2. Finished goods at the end of the period (-)	(28.497.591)	(16.354.852)
Cost of goods sold	168.369.196	97.549.042
Cost of services rendered	19.758.424	12.137.724
Depreciation and amortization	43.530	31.948
Cost of sales, net	188.171.150	109.718.714

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

For the periods ended at 31 March 2024 and 31 December 2023, general administrative expenses, marketing expenses and research and development expenses are mentioned below;

	01.01. - 31.03.2024	01.01. - 31.03.2023
General administrative expenses	39.272.431	36.091.601
Marketing expenses	10.275.935	10.344.152
Research and development expenses	3.407.635	-
	52.956.001	46.435.753

NOTE 26 – EXPENSES BY NATURE

26.1 General Administrative Expenses

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Personnel expenses	23.198.679	23.234.236
Consulting and licensing expenses	5.404.426	2.835.523
Depreciation and amortization	2.911.513	1.368.134
Office overheads	2.351.403	3.268.393
Representation and hospitality expenses	1.526.733	1.288.387
Travel and accommodation expenses	333.215	680.347
Stationery and printing expenses	200.966	139.838
Communication expenses	141.616	118.275
Other expenses	3.203.880	3.158.468
	39.272.431	36.091.601

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

26.2 Marketing expenses

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Personnel expenses	6.583.495	6.790.326
Travel and accommodation expenses	1.343.103	728.150
Education, seminar, and fair expenses	777.105	1.159.843
Advertising and announcement expenses	520.980	615.922
Depreciation and amortization	333.609	18.829
Other expenses	717.643	1.031.082
	10.275.935	10.344.152

26.3 Research and development expenses

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Personnel expenses	2.193.295	-
Depreciation and amortization	1.214.340	-
	3.407.635	-

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 at 31 March 2024 and 31 December 2023 are as follows:

	01.01. - 31.03.2024	01.01. - 31.03.2023
Foreign exchange gains from commercial activities	49.436.297	6.333.141
Rediscount income	14.749.772	2.032.733
Reversal of unnecessary provisions (Note 8)	1.777.329	-
Other income	1.504.660	312.662
	67.468.058	8.678.536

27.2 Other expenses from operating activities

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Foreign exchange losses from commercial activities	20.909.832	7.917.975
Rediscount expense	9.313.196	2.137.954
Provision for doubtful receivables (Note 8)	7.411	112.255
Other expenses (a)	1.158.205	4.540.780
	31.388.644	14.708.964

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 28 - INCOME / (EXPENSES) FROM INVESTMENT ACTIVITIES

28.1 Income from investment activities

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Currency-protected deposit income	33.764.676	6.427.928
Gains from the sale and valuation of financial investments	4.996.132	51.880.541
Profit on sale of fixed assets	3.747	154.709
	38.764.555	58.463.178

28.2 Expense from investment activities

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Loss on sales of financial investments	373.903	-
Loss on sale of fixed assets	353.122	-
	727.025	-

NOTE 29 – FINANCIAL INCOME / (EXPENSES)

29.1 Financial incomes

The details of financial income for the periods ended at 31 March 2024 and 31 December 2023 are as following;

	01.01. - 31.03.2024	01.01. - 31.03.2023
Foreign exchange gains	31.999.837	6.243.224
Interest income	5.997.062	4.499.035
	37.996.899	10.742.259

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

29.2 Financial expenses

The details of financial expenses for the periods ended at 31 March 2024 and 31 December 2023 are as following;

	01.01. - 31.03.2024	01.01. - 31.03.2023
Foreign exchange loses	47.594.022	13.841.635
Letter of guarantee, bank commission and other expenses	1.794.637	1.068.660
Loan interest expenses	877.064	84.743
	<u>50.265.723</u>	<u>14.995.038</u>

NOTE 30 – 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.

As per the regulations in effect as of the report date, the corporate tax rate will be applied at 25% in 2024 (2023: 25%). As of March 31, 2024, and December 31, 2023, in the calculation of deferred tax; in accordance with the provision of the "TAS 12 Income Taxes" standard under the measurement section, which states that "deferred tax assets or liabilities are calculated based on the tax rates (and tax laws) that are enacted or substantively enacted by the end of the reporting period and are expected to apply in the periods when the assets are realized or the liabilities are settled," a rate of 25% has been considered (for the Parent Company: 23%).

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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:

	31 March 2024		31 December 2023	
	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)
<u>Deferred tax Assets:</u>				
Derivative instruments	2.239.817	515.158	-	-
Severance pay provision	15.687.054	3.609.865	12.452.578	2.872.601
Adjustments related to inventories	21.151.531	4.864.852	-	-
Receivables discount	6.808.487	1.568.753	12.796.007	2.942.343
Provision for doubtful receivables	3.278.447	754.145	5.817.016	1.338.023
Accrued loan interest	23.766	5.466	12.400	2.852
Unused vacation provision	21.860.492	5.041.381	17.169.686	3.962.776
Provision for inventory impairment	26.242.517	6.035.779	30.195.591	6.944.986
Indexation and depreciation differences in tangible and intangible fixed assets	181.324.733	41.729.212	153.621.780	35.567.495
Expense accrual	5.939.732	1.366.138	18.047.393	4.150.901
Provision for warranty service expenses	10.790.881	2.483.429	14.239.341	3.274.631
Deferred revenue classification	-	-	34.403.656	7.912.841
Currency difference expenses	12.190.007	2.803.728	3.164.755	727.894
Other	3.062.125	749.606	12.387.704	2.849.507
Deferred tax assets		71.527.512		72.546.850
<u>Deferred tax liabilities:</u>				
	(1.023.701)	(235.451)	(13.160.274)	(2.993.760)
Adjustments related to inventories	(45.629)	(10.495)	(97.019)	(19.404)
Indexation and depreciation differences in tangible and intangible fixed assets	(3.133.798)	(723.027)	(2.528.524)	(581.359)
Payables discount	(34.556)	(7.948)	(2.115.074)	(484.406)
Foreign exchange income	(820.230)	(188.653)	(45.962.846)	(10.571.362)
Deferred revenue classification	(3.062.609)	(704.402)	(2.468.720)	(567.714)
Prepaid expenses adjustment				
		(1.869.976)		(15.218.005)
Deferred tax liabilities		69.657.536		57.328.845

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Corporate Tax Income / (Expense)	(1.974.519)	(37.102.203)
Deferred Tax Income / (Expense)	12.140.946	(8.465.705)
Tax income / (expense), net	10.166.427	(45.567.908)

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Unaudited profit / (loss) before tax	80.358.762	43.509.842
Total additions / deductions to the tax base	(72.069.543)	(7.418.075)
Unaudited taxable profit / (loss)	8.289.219	36.091.767
Effective tax rate	23%	18%
Calculated tax	1.906.520	6.496.518
Monetary gain / (loss), net	67.999	922.283
Other tax (b)	-	29.683.402
Corporate tax provision in the profit or loss statement	1.974.519	37.102.203

(b) Under Law No. 7440, dated 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 tax credits and exemptions utilized under the Corporate Tax Law and other laws for the year 2022, as well as on the reduced corporate tax base according to Article 32/A of the Corporate Tax Law. Accordingly, an additional provision of TRY 17.616.746 (TRY 29.683.402 in terms of purchasing power as of 31 March 2024) was calculated based on the tax credits and exemptions utilized, and it was reflected in the consolidated financial statements as of 31 March 2023.

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Opening balance at the beginning of the period	(57.328.845)	468.725
Deferred tax recognized in equity	(187.745)	14.396
Net deferred tax assets / (liabilities)	69.657.536	(8.948.826)
Deferred tax income / (expense), net	12.140.946	(8.465.705)

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

	31.03.2024	31.12.2023
Current period income tax liability	801.151	25.021.301
	801.151	25.021.301

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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 31 March 2024, the effective tax rate is 25% (2022: 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 2024 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. As of 23 July 2006 income tax stoppage rate was altered to 15%. With the Presidential Decision dated 21 December 2021 and numbered 4936 published in the Official Gazette dated 22 December 2021, the 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.

NOTE 31 – EARNINGS / (LOSS) PER SHARE

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

	01.01. - 31.03.2024	01.01. - 31.03.2023
Net profit / (loss) for the period	(99.182.455)	(56.768.720)
Net profit / (loss) attributable to non-controlling interests	-	-
Net profit / (loss) attributable to the parent company	(99.182.455)	(56.768.720)
Total weighted average number of shares (*)	58.000.000	55.955.556
Basic and diluted earnings / (loss) per share (TRY).	(1,71)	(1,01)

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

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 32 – 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 March 2024, the credit risk of Group in terms of financial instruments is as follows:

	Trade Receivables		Other Receivables		Bank	Related Party
	Related Party	Other Party	Related Party	Other Party	Deposit	
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	6.316.474	310.589.282	-	23.398.460	364.030.973	374.098.135
Portion of the maximum risk secured with collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	6.316.474	310.589.282	-	23.398.460	364.030.973	374.098.135
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)	-	3.285.560	-	-	-	-
- Impairment (-)	-	(3.285.560)	-	-	-	-
- 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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
	Related Party	Other Party	Related Party	Other Party	Mevduat	
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	4.471.842	557.825.108	-	21.840.236	521.528.119	205.667.654
Portion of the maximum risk secured with collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	4.471.842	557.825.108	-	21.840.236	521.528.119	205.667.654
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)	-	5.817.016	-	-	-	-
- Impairment (-)	-	(5.817.016)	-	-	-	-
- 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 March 2024 and 31 December 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

As of 31 March 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	76.793.838	78.047.920	72.798.787	5.249.133	-
	76.793.838	78.047.920	72.798.787	5.249.133	-
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	114.806.967	117.940.765	113.184.324	4.756.441	-
Other payables	65.493.824	65.493.824	65.493.824	-	-
	180.300.791	183.434.589	178.678.148	4.756.441	-

As of 31 December 2023, 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	13.471.495	13.522.102	3.613.766	9.561.967	346.369
	13.471.495	13.522.102	3.613.766	9.561.967	346.369
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	169.664.683	172.193.207	172.193.207	-	-
Other payables	34.485.549	34.485.549	34.485.549	-	-
	204.150.232	206.678.756	206.678.756	-	-

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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 March 2024, 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	300.318.081	9.162.818	129.096	-	-
2a. Monetary Financial Assets (including cash, banks)	351.968.646	10.401.311	463.032	1.220	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	652.286.727	19.564.129	592.128	1.220	-
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)	652.286.727	19.564.129	592.128	1.220	-
10. Trade Payables	167.587.187	4.534.064	428.876	160.274	5.470
11. Financial Liabilities	-	-	-	-	-
12a. Other monetary liabilities	464.430.139	14.349.463	9.088	-	-
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current Liabilities (10+11+12)	632.017.326	18.883.527	437.964	160.274	5.470
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	79.664.942	2.463.082	-	-	-
17. Non-Current Liabilities (14+15+16)	79.664.942	2.463.082	-	-	-
18. Total Liabilities	711.682.268	21.346.609	437.964	160.274	5.470
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	420.968.651	12.500.000	500.000	-	-
19a. Total Hedged Asset Amount	420.968.651	12.500.000	500.000	-	-
19b. Total Hedged Liabilities Amount	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	361.573.110	10.717.520	654.164	(159.054)	(5.470)
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	20.269.401	680.602	154.164	(159.054)	(5.470)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-
23. Export	29.657.337	895.002	68.884	-	-
24. Import	156.811.875	4.195.151	407.912	14.180	9.125

(*) The related amount represents the Group's assets equalized to the foreign currency within the scope of foreign currency protected deposits and derivative financial instruments.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 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	516.906.019	15.217.672	38.500	-	-
2a. Monetary Financial Assets (including cash, banks)	87.187.771	1.565.591	898.380	12.057	-
2b. Non-monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current Assets (1+2+3)	604.093.790	16.783.263	936.880	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)	604.093.790	16.783.263	936.880	12.057	-
10. Trade Payables	221.284.076	5.790.048	637.879	6.536	13.626
11. Financial Liabilities	-	-	-	-	-
12a. Other monetary liabilities	453.730.394	13.361.006	9.088	-	-
12b. Other non-monetary liabilities	-	-	-	-	-
13. Current Liabilities (10+11+12)	675.014.470	19.151.054	646.967	6.536	13.626
14. Trade Payables	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-
16b. Other non-monetary liabilities	80.933.405	2.385.041	-	-	-
17. Non-Current Liabilities (14+15+16)	80.933.405	2.385.041	-	-	-
18. Total Liabilities	755.947.875	21.536.095	646.967	6.536	13.626
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	431.986.803	12.200.000	500.000	-	-
19a. Total Hedged Asset Amount	431.986.803	12.200.000	500.000	-	-
19b. Total Hedged Liabilities Amount	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	280.132.718	7.447.168	789.913	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)	(70.920.680)	(2.367.791)	289.913	5.521	(13.626)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-
23. Export	445.307.964	14.491.204	204.699	-	-
24. Import	429.813.447	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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

Currency Risk Sensitivity Analysis

As of 31 December 2023, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 36.157.311 more / less.

	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	(5.879.042)	5.879.042	(5.879.042)	5.879.042
2- Amount hedged for USD risk (-)	40.356.750	(40.356.750)	40.356.750	(40.356.750)
3-USD net effect (1+2)	34.477.708	(34.477.708)	34.477.708	(34.477.708)
In case of appreciation / depreciation of EUR against TRY by 10%				
4- EUR net asset / liability	529.984	(529.984)	529.984	(529.984)
5- Amount hedged for EUR risk (-)	1.740.115	(1.740.115)	1.740.115	(1.740.115)
6- EUR net effect (4+5)	2.270.099	(2.270.099)	2.270.099	(2.270.099)
In case of appreciation / depreciation of GBP against TRY by 10%				
7-GBP net asset / liability	(22.245)	22.245	(22.245)	22.245
8- Amount hedged for GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(22.245)	22.245	(22.245)	22.245
In case of appreciation / depreciation of AUD against TRY by 10%				
10-CHF net asset / liability	(568.251)	568.251	(568.251)	568.251
11- Amount hedged for CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	(568.251)	568.251	(568.251)	568.251
TOTAL (3+6+9+12)	36.157.311	(36.157.311)	36.157.311	(36.157.311)

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

As of 31 December 2023, if TRY evaluates / devaluates against foreign currency by 10% and all other variables remains the same, profit before tax which occurs as a result of the foreign exchange loss / gain arising from net foreign exchange exposure would have been TRY 28.013.272 more / less.

	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	(16.231.162)	16.231.162	(16.231.162)	16.231.162
2- Amount hedged for USD risk (-)	41.324.645	(41.324.645)	41.324.645	(41.324.645)
3-USD net effect (1+2)	25.093.483	(25.093.483)	25.093.483	(25.093.483)
In case of appreciation / depreciation of EUR against TRY by 10%				
4- EUR net asset / liability	1.082.244	(1.082.244)	1.082.244	(1.082.244)
5- Amount hedged for EUR risk (-)	1.874.035	(1.874.035)	1.874.035	(1.874.035)
6- EUR net effect (4+5)	2.956.279	(2.956.279)	2.956.279	(2.956.279)
In case of appreciation / depreciation of GBP against TRY by 10%				
7-GBP net asset / liability	(58.703)	58.703	(58.703)	58.703
8- Amount hedged for GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(58.703)	58.703	(58.703)	58.703
In case of appreciation / depreciation of AUD against TRY by 10%				
10-CHF net asset / liability	22.213	(22.213)	22.213	(22.213)
11- Amount hedged for CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	22.213	(22.213)	22.213	(22.213)
TOTAL (3+6+9+12)	28.013.272	(28.013.272)	28.013.272	(28.013.272)

Concentration risk related to sales

For the accounting periods ended at 31 March 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 March 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.

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

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

	01.01. - 31.03.2024	01.01. - 31.12.2023
Company A	27%	14%
Company B	17%	6%
Company C	16%	12%
Company D	11%	37%
Company E	10%	7%
Company F	8%	4%
Company G	5%	-
Company H	3%	-

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

	31.03.2024	31.12.2023
Total debts	895.241.078	962.472.962
Less: Liquid assets	738.173.638	727.238.436
Net debt	157.067.440	235.234.526
Total shareholders equity	1.483.588.974	1.583.399.965
Total Capital	1.640.656.414	1.818.634.491
Net Debt/ (Receivable), net / Total Capital ratio	10%	13%

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

NOTE 33 – 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.

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 March 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 March 2023, classifications and fair values of financial assets as are follows;

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT ACTIVITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED AT 31 MARCH 2024

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

	Financial asset / liabilities at amortized cost	Financial assets as at fair value through profit or loss	Book Value	Note
<u>Financial assets</u>				
Cash and cash equivalents	476.599.833	-	476.599.833	5
Trade receivables	316.905.756	-	316.905.756	8
Financial Investments	-	262.090.457	262.090.457	6
<u>Financial liabilities</u>				
Financial payables	76.793.838	-	76.793.838	7
Trade payables	114.806.967	-	114.806.967	8
<u>Financial assets</u>	-	2.239.817	2.239.817	22

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
<u>Financial assets</u>				
Cash and cash equivalents	288.853.423	-	288.853.423	5
Trade receivables	562.296.950	-	562.296.950	8
Financial Investments	-	455.348.126	455.348.126	6
<u>Financial liabilities</u>				
Financial payables	13.471.495	-	13.471.495	7
Trade payables	169.664.683	-	169.664.683	8

NOTE 34 – SUBSEQUENT EVENTS AFTER THE FINANCIAL POSITION STATEMENT DATE

Significant events occurring after the financial position statement date are as follows;

- The Parent Company's joint operation, "TAMGÖR - SDT İş Ortaklığı (ST17)," commenced operations on April 3, 2024.
- The decision of the Board of Directors of the Parent Company to distribute a gross dividend of TRY 130,192,124 was approved at the General Assembly meeting held on May 30, 2024.