

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 2025
(ORIGINALLY ISSUED IN TURKISH)

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SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED BALANCE SHEETS
AS OF 31 MARCH 2025 AND 31 DECEMBER 2024

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

		Current Period	Prior Period
		Unaudited	Audited
	Footnote		
	Referances	31.03.2025	31.12.2024
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalent	5	642.485.137	710.512.353
Trade Receivables	8	255.224.796	393.890.835
- <i>Trade receivables from related parties</i>		-	2.189.779
- <i>Trade receivables from other parties</i>		255.224.796	391.701.056
Other Receivables	9	13.873.249	8.916.179
- <i>Other receivables from related parties</i>		-	-
- <i>Other receivables from other parties</i>		13.873.249	8.916.179
Inventories	11	1.554.359.139	1.345.054.396
Prepaid Expenses	13	82.284.079	134.127.476
Current Period Tax Related Assets	31	5.408.432	5.988.012
Other Current Assets	12	30.222.958	17.273.151
TOTAL CURRENT ASSETS		2.583.857.790	2.615.762.402
NON-CURRENT ASSETS			
Other Receivables	9	545.583	578.118
- <i>Other receivables from related parties</i>		-	-
- <i>Other receivables from other parties</i>		545.583	578.118
Financial Investments	6	9.498.845	10.113.295
Investments Valued by Equity Pick-up Method	18	13.949.546	8.491.313
Right of Use Assets	15	25.240.967	30.002.864
Tangible Fixed Assets	16	191.748.136	180.417.517
Intangible Fixed Assets	17	97.726.320	88.971.001
Prepaid Expenses	13	114.749.379	111.735.454
Deferred Tax Assets	31	128.314.754	122.439.580
TOTAL NON-CURRENT ASSETS		581.773.530	552.749.142
TOTAL ASSETS		3.165.631.320	3.168.511.544

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 2025 AND 31 DECEMBER 2024

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

		Current Period Unaudited	Prior Period Audited
	Footnote Referances	31.03.2025	31.12.2024
LIABILITIES			
CURRENT LIABILITIES			
Financial Borrowings	7	159.077.532	154.620.668
Current Installment of Long Term Financial Borrowings	7	200.141.368	203.141.152
Trade Payables	8	108.964.471	100.655.779
- Trade payables to related parties		24.835.582	575.350
- Trade payables to other parties		84.128.889	100.080.429
Employee Benefit Liabilities	10	72.139.914	40.903.691
Other Payables	9	12.660.082	18.175.147
- Other payables to related parties		-	-
- Other payables to other parties		12.660.082	18.175.147
Deferred Income	14	511.008.108	468.009.516
Short Term Provisions		35.320.136	42.279.021
- Provisions for employee benefits	21	31.511.273	38.492.874
- Other short term provisions	20	3.808.863	3.786.147
Derivative Instruments	22	9.945.189	6.748.313
TOTAL CURRENT LIABILITIES		1.109.256.800	1.034.533.287
NON-CURRENT LIABILITIES			
Financial Borrowings	7	18.736.122	12.420.727
Deferred Income	14	42.988.347	67.332.697
Long Term Provisions		25.736.419	24.444.469
- Provision for employee benefits	21	23.649.228	22.283.077
- Other Long-Term Provisions	20	2.087.191	2.161.392
TOTAL NON-CURRENT LIABILITIES		87.460.888	104.197.893
TOTAL LIABILITIES		1.196.717.688	1.138.731.180
SHAREHOLDERS' EQUITY			
Parent Company's Equity		1.968.913.632	2.029.780.364
Paid In Capital	23.1	58.000.000	58.000.000
Adjustment to Share Capital		192.501.705	192.501.705
Premiums/Discounts Related to Shares	23.5	567.543.152	567.543.152
Other Comprehensive Income or Loss			
Not to Be Reclassified Under Profit or Loss		(387.975)	981.028
Remeasurement Gains (Loss)		(387.975)	981.028
- Actuarial gains/losses on defined benefit plans	23.4	(387.975)	981.028
Restricted Reserves	23.2	31.158.461	31.158.461
Retained Earnings or Losses	23.3	1.179.596.018	1.168.677.568
Net Profit or Loss for the Period	32	(59.497.729)	10.918.450
Minority Interests		-	-
TOTAL SHAREHOLDERS' EQUITY		1.968.913.632	2.029.780.364
TOTAL LIABILITIES AND EQUITY		3.165.631.320	3.168.511.544

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 2025 AND 2024

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

		Current Period	Prior Period
		Unaudited	Unaudited
	Footnote	01.01.-	01.01.-
	Referances	31.03.2025	31.03.2024
PROFIT OR LOSS			
Revenue	24.1	170.654.275	342.198.397
Cost of Sales	24.2	(103.689.273)	(259.871.564)
GROSS PROFIT / (LOSS)		66.965.002	82.326.833
General Administrative Expenses	26.1	(55.069.399)	(54.236.731)
Marketing Expenses	26.2	(16.322.372)	(14.191.460)
Research and Development Expenses	26.3	(4.245.818)	(4.706.074)
Other Income from Operation Activities	27.1	56.250.805	93.175.972
Other Expense from Operation Activities	27.2	(55.486.675)	(43.348.919)
PROFIT/ (LOSS) FROM OPERATING ACTIVITIES		(7.908.457)	59.019.621
Income From Investment Activities	28.1	13.173.756	53.535.335
Expense From Investment Activities	28.2	-	(1.004.049)
Income / (Loss) From Investments Accounted By Equity Method	18	5.460.752	2.018.284
OPERATING INCOME BEFORE FINANCIAL INCOME/ (EXPENSE)		10.726.051	113.569.191
Financial Income	29.1	103.925.810	52.475.173
Financial Expenses	29.2	(80.511.097)	(69.418.888)
Monetary Gain / (Loss)	30	(99.104.744)	(247.640.467)
PROFIT/ (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		(64.963.980)	(151.014.991)
Operating Activity Tax Income/ (Expense)		5.466.251	14.040.225
Current Tax (Expense) / Income	31	-	(2.726.886)
Deferred Tax (Expense) / Income	31	5.466.251	16.767.111
NET PROFIT / (LOSS) FOR THE PERIOD	32	(59.497.729)	(136.974.766)
Profit / (Loss) Distribution			
Minortiy Interests		-	-
Parent Company's Share	32	(59.497.729)	(136.974.766)
Earnings / (Loss) Per Share	32	(1,03)	(2,36)

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 2025 AND 2024

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

		Current Period Unaudited 01.01.- 31.03.2025	Prior Period Unaudited 01.01.- 31.03.2024
	Footnote Referances		
NET PROFIT / (LOSS) FOR THE YEAR		(59.497.729)	(136.974.766)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Not To Be Reclassified Under Profit or Loss		(1.369.003)	(868.032)
Gains / (Losses) on Remeasurement of Defined Benefit Plans	21	(1.777.926)	(1.127.315)
Taxes in Other Comprehensive Income Not to Be Reclassified to Profit or Loss		408.923	259.283
- Current Tax Expense/Income		-	-
- Deferred Tax Expense/Income	31	408.923	259.283
OTHER COMPREHENSIVE INCOME / (EXPENSE)		(1.369.003)	(868.032)
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		(60.866.732)	(137.842.798)
Distribution of Total Comprehensive Income /(Expense)			
Minortiy Interests		-	-
Parent Company Shares		(60.866.732)	(137.842.798)

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 2025 AND 2024

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at 31 March 2025, unless otherwise indicated.)

	Footnote References	Paid in Share Capital	Capital Adjustment Differences	Premiums Related to Shares	Other Comprehensive Income Not to be Reclassified Under Profit and Loss	Restricted Reserves	Retained Earnings		Parent Company's Equity	Minority Interests	Total Shareholder's Equity
					Gain/(Losses) on Remeasurement on Defined Benefit Plans		Retained Earnings or Losses	Retained Earnings or Losses			
Balances at 31 December 2023 (Beginning of the period)		58,000.000	192.501.705	567.543.152	276.448	31.158.461	824.978.011	512.278.210	2.186.735.987	-	2.186.735.987
Transfer	23.3	-	-	-	-	-	512.278.210	(512.278.210)	-	-	-
Total Comprehensive Income (Expense)		-	-	-	(868.032)	-	-	(136.974.766)	(137.842.798)	-	(137.842.798)
- Profit (Loss) for the Period	32	-	-	-	-	-	-	(136.974.766)	(136.974.766)	-	(136.974.766)
- Other Comprehensive Income (Loss)	23.4	-	-	-	(868.032)	-	-	-	(868.032)	-	(868.032)
Balances at 31 March 2024 (End of the period)		58,000.000	192.501.705	567.543.152	(591.584)	31.158.461	1.337.256.221	(136.974.766)	2.048.893.189	-	2.048.893.189
Balances at 31 December 2024 (Beginning of the period)		58,000.000	192.501.705	567.543.152	981.028	31.158.461	1.168.677.568	10.918.450	2.029.780.364	-	2.029.780.364
Transfer	23.3	-	-	-	-	-	10.918.450	(10.918.450)	-	-	-
Total Comprehensive Income (Expense)		-	-	-	(1.369.003)	-	-	(59.497.729)	(60.866.732)	-	(60.866.732)
- Profit (Loss) for the Period	32	-	-	-	-	-	-	(59.497.729)	(59.497.729)	-	(59.497.729)
- Other Comprehensive Income (Loss)	23.4	-	-	-	(1.369.003)	-	-	-	(1.369.003)	-	(1.369.003)
Balances at 31 March 2025 (End of the period)		58,000.000	192.501.705	567.543.152	(387.975)	31.158.461	1.179.596.018	(59.497.729)	1.968.913.632	-	1.968.913.632

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 CASH FLOWS
FOR THE PERIODS ENDED AT 31 MARCH 2025 AND 2024

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

		Current Period Unaudited 01.01.- 31.03.2025	Prior Period Unaudited 01.01.- 31.03.2024
Footnote References			
CASH FLOW FROM OPERATING ACTIVITIES		21.531.693	474.781.793
Net Profit (Loss) For the Period	32	(59.497.729)	(136.974.766)
- Operating Activity Profit (Loss) For the Period		(59.497.729)	(136.974.766)
Adjustments Related to Reconciliation of Profit / (Loss)			
Adjustments to Depreciation and Amortization Expenses	15 - 16 - 17	13.135.942	13.952.071
Adjustments to Impairment (Cancellation)		-	10.235
- Adjustments to Impairment (Cancellation) in Receivables	27.2	-	10.235
Adjustments to Provisions		(463.260)	(913.095)
- Adjustments to Employee Benefit Provisions (Cancellation)	21	(411.775)	3.339.620
- Corrections Regarding Warranty Provisions (Cancellation)	20	(51.485)	(4.252.715)
Adjustments to Interest (Income) and Expense	29	724.717	(14.579.033)
- Adjustments to Interest Income		2.993.879	(7.070.913)
- Adjustments to Interest Expense		(2.269.162)	(7.508.120)
- Adjustments of discount on trade payables	27.2	9.481.707	12.861.880
- Adjustments of discount on trade receivables	27.1	(11.750.869)	(20.370.000)
Adjustments to Tax (Income) and Expense	31	(5.466.251)	(16.767.111)
Adjustments for Monetary Gain/(Loss)		65.877.522	292.137.583
Changes in Operating Capital			
Decrease (Increase) in Financial Investments	6	614.450	266.896.242
Changes in Trade Receivables	8	150.416.908	359.254.402
- Changes in Trade Receivables From Related Parties		2.189.779	(2.547.507)
- Changes in Trade Receivables From Other Parties		148.227.129	361.801.909
Changes in Other Receivables Related to Operating Activities	9	(4.924.535)	(2.151.967)
- Changes in Other Receivables From Related Parties		-	-
- Changes in Other Receivables From Other Parties		(4.924.535)	(2.151.967)
Adjustments for Decreases (Increases) in Stocks	11	(209.304.743)	(81.449.632)
Changes in Prepaid Expenses	13	48.829.472	(10.699.452)
Changes in Other Assets Related Activities	12	(12.370.227)	1.461.087
Increase (Decrease) in Other Liabilities Related to Activities	20	3.122.675	1.506.511
Changes in Trade Payables	8	(1.173.015)	(88.622.486)
- Changes in Trade Payables to Related Parties		24.260.232	23.049.531
- Changes in Trade Payables to Other Parties		(25.433.247)	(111.672.017)
Changes in Employee Benefit Payables	10	31.236.223	12.942.715
Changes in Other Payables Related the Operating Activities	9	(17.880.698)	(14.319.488)
- Changes in Other Payables Related the Operating Activities to Related Parties		-	-
- Changes in Other Payables Related the Operating Activities to Other Parties		(17.880.698)	(14.319.488)
Changes in Deferred Income	14	18.654.242	(106.902.023)

SDT UZAY VE SAVUNMA TEKNOLOJİLERİ ANONİM ŞİRKETİ
SUBSIDIARIES AND JOINT OPERATIONS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED AT 31 MARCH 2025 AND 2024

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

		Current Period Unaudited 01.01.- 31.03.2025	Prior Period Unaudited 01.01.- 31.03.2024
	Footnote References		
CASH FLOWS FROM INVESTING ACTIVITIES		(28.459.983)	(17.880.717)
Cash Outflow from Purchases of Tangible and Intangible Asset		(28.505.729)	(18.367.902)
- <i>Cash Outflow from Purchases of Tangible Asset</i>	16	(15.522.400)	(16.108.330)
- <i>Cash Outflow from Purchases of Intangible Asset</i>	17	(12.983.329)	(2.259.572)
Cash Inflows from the Sale of Tangible and Intangible Assets		45.746	487.185
- <i>Cash Inflows from the Sale of Tangible and Intangible Assets</i>	16	45.746	487.185
CASH FLOW FROM FINANCING ACTIVITIES		3.788.500	87.966.615
Cash Inflows from Borrowing		35.181.904	85.479.919
- <i>Cash inflows from loans</i>	7	35.181.904	85.479.919
Cash Outflows Related to Debt Payments		(28.399.525)	(4.584.217)
- <i>Cash Outflows Related to Loan Repayments</i>	7	(28.399.525)	(4.584.217)
Interest Paid	29.2	(5.687.481)	(1.211.259)
Interest Received	29.1	2.693.602	8.282.172
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		(3.139.790)	544.867.691
INFLATION EFFECT ON CASH		(64.887.426)	(285.582.709)
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS		(68.027.216)	259.284.982
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	710.512.353	398.917.639
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	642.485.137	658.202.621

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 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, 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.

The shares of SDT Uzay ve Savunma Teknolojileri Anonim Şirketi are traded on Borsa Istanbul Star Market as since January 04, 2023 with the code " SDTTR " and continuous trading method.

As of 31 March 2025, 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	Modüler Bilgisayar GPS, LCD, Konsol, Servo Arayüz Birimi, GörevSayar, Fiber Optik Güçlendirici, Fason Üretimleri
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 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 March 2025, 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
KAŞİF-FASON	Production of Precision Guidance Kit (HGK-82)
Kaşif Kartları	Electronic Card Production for Kaşif Project
Kaşif Hibrit	Production of Global Positioning Devices
KI2S	Production of Bone-Conduction Headsets
KLAVYE	Production of Ruggedized Keyboards
KONSOL	Production of Consoles
KÖ-ATESİM	Small Scale Infantry Shooting Training Simulator Development
LAB Kartları	Production of Electronic Cards for Laser Seeker
Lançer Yönetim Bilgisayarı-Lyb	Launcher Management Computer Project
Lcd/Fo/Görevsayar/Konsol (Lfgk)	Production of LCDs, Fibre Optics, Anti-Mission Systems, and Consoles
LSS	Life Support System Project for KAAAN 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
MİLLÎ HGK	Entire Supply of National Precision Guidance Kit (Type-1) Guidance Electronics
miniCOMINT	MiniCOMINT System Development Project
MMU: IBCF & SAR/ISAR GIF	KAAAN 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 Sirt 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	
PAF_ACMI	Air Combat Maneuvering System for Pakistan Air Force (PAF) Project
PSFE	Payload Stream Frontend Development
RF Jammer and Detection (RFJD)	RF Jammer and Detection (RFJD) Production
SGS Faz-2	Synthetic Aperture Radar (SAR) Ground Station Imaging System Project
SİGMA	Seismic Processing Visualization Module Infrastructure Development Project
Sirt Tipi Mobil Jammer Projesi	Production of Manpack Jammer

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Project Name (in continuation)	Project Description (in continuation)
SSS	Ruggedized servo production
TKY InSAR	Interferometric SAR Development Project
TÜFEK TİPİ JAMMER	Rifle type RF Jammer
UAEK	Remote sensing licence distribution
UDS	Aircraft arresting systems
UKGA	Remote command transmit/receive
YTDA	New type submarine subsystem
32 ADET LCD (TUŞSUZ)	LCD Production
Yedek Parça ve Aksesuar Satışı	Spare Parts and Accessories Sales
Hava Telsiz - UKB	Air Radio – VHF (Very High Frequency)
Gözde GEB	Guidance Electronics System Integration Project
GÇU V2 TASARIMI VE ÜRETİMİ	Image Conversion Unit
IPS Millileştirme	Image Processing Software (IPS) Nationalisation
DESEF TAÇ-3	Naval and Cruise Missile Fog. Engagement Models Tactical Environment Simulation Environment
LEB Ek Sipariş 4	Launcher Electronic Unit
GCB EK SİPARİŞ – 4	Image Conversion Unit
METE (LGMF)	Laser Guided Mini Missile
MASTER CONTROLLER	Train, locomotive power system
SIDESTICK Tasarımı ve Üretimi	SIDESTICK Design and Production
MGS Vmware Lisansları	Vmware Licences
MMUGS İdame & İşletme	Maintenance and Operation of MMUGS Software
MGS Virtualization	Virtualisation of the Hardware in the MGS System
SMART Satış	SMART Sales
ASTT – WGS	Action Speed Tactical Simulator - War Game Simulator

The average personnel number of the Company for the period ended at 31 March 2025 is 267 (31 December 2024: 266).

The capital structure of the Company as of 31 March 2025 and 31 December 2024 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

The Company's contact offices are as follows:

Kualalumpur / Malaysia
İslamabad / Pakistan

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 9 business partnerships as of March 31, 2025 (31 December 2024: 11 pieces).

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As of 31 March 2025 and 31 December 2024, summary information of joint operations is as follows;

Title	Year of Establishment	Project Name	Capital Amount	Partnership Rate
TAMGÖR - SDT İş Ortaklığı (ST 02)				
(a)	2018	2.Generation Manpack RF jammer Project	5.000	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)				
(b)	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 11)				
(c)	2020	Wheeled armoured vehicle RF jammer Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 12)	2020	Jemus Integration Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 13)				
(d)	2020	Jammer JBO283AT Project	400.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 14)				
(e)	2021	TTA-2 KKS 2021 12 Unit Vehicle Type RF Jammer project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 15)	2022	Maintenance contract for Turkish Land Forces jammer systems	400.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 16)	2023	Gendarmariere maintenance project	300.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 17)	2024	Turkish Armed Forces Jammer Supply (III.Package) Project	2.000	50%
TAMGÖR - SDT İş Ortaklığı (ST 18)	2025	Turkish Armed Forces Jammer Supply Maintenance Repair Project	400.000	50%

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

As of 31 March 2025 and 31 December 2024, the number of personnel of the joint operations are as follows:

Title	31 March 2025	31 December 2024
TAMGÖR - SDT İş Ortaklığı (ST 02)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 05)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 06)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 07)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 08)	-	-
TAMGÖR - SDT İş Ortaklığı (ST 09)	-	-
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)	4	5
TAMGÖR - SDT İş Ortaklığı (ST 17)	9	9
TAMGÖR - SDT İş Ortaklığı (ST 18)	-	-
Total	16	17

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Thales – SDT Business Partnership ("Joint operations")

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

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

As of 31 March 2025 and 31 December 2024, the joint operation has no personnel.

SDT Azerbaijan MMC ("Subsidiary" and/or "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 December 31, 2024 and 2023, SDT Azerbaijan does not have any personnel. As of March 31, 2025 and 2024, the main shareholder of SDT Azerbaijan is SDT Uzay ve Savunma Teknolojileri Anonim Şirketi.

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

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

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

As of 31 March 2025 and 31 December 2024, Cey Savunma has no personnel.

The shareholding structure of Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi as of 31 March 2025 and 31 December 2024 is as follows;

Shareholders	31 March 2025		31 December 2024	
	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

Cey Savunma's headquarters address is as follows:

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

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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, 2025, Sirius's average number of personnel is 10. (31 December 2024: 8).

The shareholding structure of Sirius Tasarım Laboratuvarı Mühendislik Anonim Şirketi as at 31 March 2025 and 31 December 2024 is as follows;

Shareholders	31 March 2025		31 December 2024	
	Share Ratio	Share Amount	Share Ratio	Share Amount
SDT Uzay ve Savunma Teknolojileri Anonim Şirketi	40,00%	500.000	40,00%	500.000
Mehmet Dora	20,00%	250.000	20,00%	250.000
Osman Başoğlu	10,00%	125.000	10,00%	125.000
Önder Yazlık	9,00%	106.500	9,00%	106.500
Görkem Kandemir	9,00%	106.500	9,00%	106.500
Furkan Koltuk	6,00%	81.000	6,00%	81.000
Kenan Bozdaş	6,00%	81.000	6,00%	81.000
Total	100,00%	1.250.000	100,00%	1.250.000

The head office address of the Company is as follows:

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

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NOTE 2 – BASIS OF THE CONSOLIDATED FINANCIAL STATEMENT

2.a Basis of Presentation

Compatibility Statement

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

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

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

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

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

Translation of Financial Statements of Subsidiary Who Operate in Foreign Country

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

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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 March 2025.

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

Year-End	Index	Index%	Correction Factor
31.12.2005	122,65	7,72	21,88789
31.12.2006	134,49	9,65	19,96096
31.12.2007	145,77	8,39	18,41634
31.12.2008	160,44	10,06	16,73242
31.12.2009	170,91	6,53	15,70739
31.12.2010	181,85	6,40	14,76244
31.12.2011	200,85	10,45	13,36594
31.12.2012	213,23	6,16	12,58993
31.12.2013	229,01	7,40	11,72241
31.12.2014	247,72	8,17	10,83703
31.12.2015	269,54	8,81	9,95975
31.12.2016	292,54	8,53	9,17669
31.12.2017	327,41	11,92	8,19935
31.12.2018	393,88	20,30	6,81565
31.12.2019	440,50	11,84	6,09432
31.12.2020	504,81	14,60	5,31794
31.12.2021	686,95	36,08	3,90793
31.12.2022	1.128,4	64,27	2,37897
31.12.2023	1.859,38	64,77	1,44379
31.12.2024	2.684,55	44,38	1,10063
31.03.2025	2.954,69	10,06	1,00000

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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 2025. However, non-monetary items not expressed in terms of the measurement unit as of 31 March 2025 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, 2025.

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.

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Rounding Degree of Amounts Offered in Currency and Financial Statements

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

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

Approval of Consolidated Financial Statements

Consolidated financial statements of the Group are approved by the Board of Directors at 12 May 2025. Consolidated financial statements will be finalized upon approval at the General Assembly of the Parent Company. The Board of Directors and some regulative agencies have the right to change the financial statements that were prepared according to legal regulations after they have been published.

Basis of Consolidation

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

Principles of Complete Consolidation

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

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

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As of 31 March 2025 and 31 December 2024, the Parent Company has applied the "full consolidation method" to the following companies in which it directly or indirectly owns 50% or more of the shares, holds more than 50% of the voting rights, or has control over their operations;

	Ownership of the Parent through the Equity Affiliates	Non-controlling Interest	
Subsidiaries	(Direct)	(Direct+ Indirect)	Ratio
SDT 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.

(b) On July 4, 2023, SDT Uzay ve Savunma Teknolojileri Anonim Şirketi acquired all shares of Cey Savunma ve Simülasyon Sistemleri Sanayi ve Ticaret Anonim Şirketi (equivalent to 7.986.512 TRY based on the purchasing power as of March 31, 2025) from unrelated party for a total of 4.000.000 TRY.

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

Equity Method

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

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

As of 31 March 2025 and 31 December 2024, the Parent Company maintains a continuous connection in terms of participating in management and determination of business policies, or has a direct or indirect capital and management relationship, with companies where it holds twenty percent or more but less than fifty percent of their capital or has the right to participate in management at this percentage. These companies are as follows;

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

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

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Partnership 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, 2025, 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) (b)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 09)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 11) (e)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 12)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 13) (d)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 14) (c)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 15)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 16)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 17)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 18)	%50,00	%50,00	%50,00
Thales - SDT İş Ortaklığı	%19,00	%19,00	%81,00

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As of December 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) (b)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 09)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 11) (e)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 12)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 13) (d)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 14) (c)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 15)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 16)	%50,00	%50,00	%50,00
TAMGÖR - SDT İş Ortaklığı (ST 17)	%50,00	%50,00	%50,00
Thales - SDT İş Ortaklığı	%19,00	%19,00	%81,00

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

Details of the Group's joint operations are disclosed 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.

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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

The consolidated financial statements of the Group are prepared comparatively with the previous periods in order to enable the determination of the consolidated financial position and performance. The Group has prepared the consolidated statement of financial position as of 31 March 2025 comparatively with the consolidated statement of financial position as of 31 December 2024 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period between 1 January - 31 March 2025 comparatively with the period between 1 January - 31 March 2024. In order to maintain consistency with the presentation of the current period consolidated financial statements, comparative information is reclassified and significant differences are explained if necessary.

The Group has not made any adjustments to its consolidated financial statements as at 31 December 2024 and 31 March 2024, except for the adjustments made due to the application of TAS 29 standard explained in the "Adjustment of Consolidated Financial Statements in Hyperinflationary Periods" section.

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.

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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.

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Warranty Expenses 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 2025 and 31 December 2024, temporary differences arising from tax deductions can be foreseen and deferred tax assets will be deemed to be deemed to be deemed to be available within the framework of tax laws within the period that the tax reduction right can continue. Details on deferred tax calculations as of the relevant statement of financial position are provided in Note 31.

The New International Financial Reporting Standards, Amendments

As at 31 March 2025, the accounting policies adopted in preparation of the financial statements for the year ended 31 March 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TAS / TFRS and TAS / TFRS interpretations effective as at 1 January 2025, which are summarised below.

As at 31 March 2025, new standards, amendments and interpretations to existing standards effective as at 31 March 2025:

Amendments to IAS 21 - Lack of Exchangeability

Effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations..

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b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 2025

TFRS 17 Insurance Contracts;

IFRS 17 requires insurance liabilities to be measured at a current settlement value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 Insurance Contracts on 1 January 2026.

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements:

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

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

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IFRS 19 Subsidiaries without Public Accountability: Disclosures:

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

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

The amendments do not have a significant impact on the consolidated financial position and performance of the Group..

2.c Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

Financial Instruments

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

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows and,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

Impairment of financial assets

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

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

- 12 months ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date and,
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

Financial liabilities

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

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

Financial liabilities at fair value through other comprehensive income

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

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Other financial liabilities

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

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

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

Trade Receivables

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

The "simplified approach" is applied within the scope of impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and do not contain a significant financing component (with a maturity of less than 1 year). With this approach, in cases where trade receivables are not impaired for certain reasons (except for the impairment losses incurred), the provisions for losses related to trade receivables are measured at an amount equal to "lifelong expected credit losses".

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

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

Financial Liabilities

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

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

Trade payables

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

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Inventories

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

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

Tangible Fixed Assets

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

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

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

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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
Fixtures	3-10 years
Special costs	Less than the lease term or useful life

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

Right of Use Assets

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

The cost of the right of use asset includes:

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

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

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

	<u>Useful Life</u>
Buildings	3-5 years
Motor Vehicles	1-3 years

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Lease Obligations

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

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

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

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

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

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

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

Extension and early termination options

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

Facilitating Practices

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

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

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Intangible Assets

Intangible Assets Acquired

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

Computer Software

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

Research and Development Costs

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

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

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the intangible asset and use or sell it,
- Its ability to use or sell the intangible asset. How the intangible asset will generate probable future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

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

Sale of Intangible Assets

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

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Impairment of Assets

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

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

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

Mergers and Goodwill

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

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

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

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

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

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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 2025 and 31 December 2024.

Taxation

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

Current tax provision

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

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases use in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all 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.

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

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

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

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

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

Provisions, Contingent Liabilities and Assets

Provisions

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

Contingent Liabilities and Assets

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

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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:

	31.03.2025	31.12.2024
USD	37,7656	35,2803
EURO	40,7019	36,7362
GBP	48,7963	44,2073

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:

	31.03.2025	31.12.2024
USD	37,8337	35,3438
EURO	40,7753	36,8024
GBP	49,0507	44,4378

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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

In accordance with existing labour law, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. This liability is calculated on the basis of 30 days' gross salary and other benefits for each year of service at 31 March 2025, maximum TRY 46.655 (31 December 2024: TRY 41.828).

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:

	31.03.2025	31.12.2024
Real discount rate	3,04%	3,05%

Social Insurance Premium

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

Dividends

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

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Paid in Capital

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

Government Incentive and Grants

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

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

Events After Reporting Period

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

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

Earnings / (Loss) Per Share

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

Revenue

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

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

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

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

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

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

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

Interest Income

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

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

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

Cash Flow Statement

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

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NOTE 3 – SHARES IN OTHER COMPANIES AND BUSINESS COMBINATIONS

Shares in Other Companies

As of 31 March 2025 and 31 December 2024, the summary information regarding the equity interests of the Parent Company in other entities and the relevant Company to which the interests are held is as follows;

Subsidiaries

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

As of 31 March 2025, 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	10.345.523	4.313.151	-	(943.721)

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

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period
SDT Azerbaijan MMC (a)	Defense industry	20	20	-	-
Cey Savunma (b)	Defense industry	22.722.969	10.396.447	12.736.664	(5.449.049)

(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.

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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 2025, the summarized financial information of the Parent Company's affiliates is as follows;

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period
Sirius	Defense industry	46.257.984	34.873.865	17.934.549	13.651.880

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

	Subject of Activity	Assets	Equity	Revenue	Profit / Loss for the period
Sirius	Defense industry	40.485.870	21.228.281	18.257.066	13.552.960

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Joint operations

As of 31 March 2025, the Parent Company's shares in its joint operations and summary information about the relevant joint operations in which it has shares are as follows;

Title	Year of Establishment	Project Name	Partnership Rate
TAMGÖR - SDT İş Ortaklığı (ST 02) (a)	2018	2.Generation Manpack RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 05)	2018	TSS-3A Projesi Manpack RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 06)	2018	528 Unit Manpack RF Jammer For Turkish Army Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 07)	2019	148 Unit Vehicle Type RF Jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 08) (b)	2019	91 Unit Vehicle Type RF Jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 09)	2019	Vehicle Type RF Jammer for Mini / Micro UAVs Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 11) (e)	2020	Wheeled armoured vehicle RF jammer Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 12)	2020	Jemus Integration Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 13) (c)	2020	Jammer JBO283AT Project	50%
TAMGÖR - SDT İş Ortaklığı (ST 14) (d)	2021	TTA-2 KKS 2021 12 Unit Vehicle Type RF Jammer project	50%
TAMGÖR - SDT İş Ortaklığı (ST 15)	2022	Maintenance contract for Turkish Land Forces jammer systems	50%
TAMGÖR - SDT İş Ortaklığı (ST 16)	2023	Gendarmariere maintenance project	50%
TAMGÖR - SDT İş Ortaklığı (ST 17)	2024	Procurement and Installation of 8 ILS/DME Systems	50%
TAMGÖR - SDT İş Ortaklığı (ST 18)	2025	Turkish Armed Forces Jammer Supply Maintenance Repair Project	50%
Thales – SDT İş Ortaklığı (Thales – SDT)	2016	8 Unit ILS/DME Project	19%

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

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

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

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

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Summary solo financial information of the Group's joint operations, as of 31 March 2025, is as follows:

Joint operations	Activity area	Assets	Equity	Revenue	Profit / Loss for the period
ST 05	Frequency mixer system production	89.574	(73.251)	-	(4.888)
ST 06	Frequency mixer system production	3.904.758	(382.118)	49	168.981
ST 07	Frequency mixer system production	6.128.399	981.506	1.360.837	1.110.507
ST 09	Frequency mixer system production	2.063.987	(872.003)	1.394	147.573
ST 12	Frequency mixer system production	3.938.054	(1.964.340)	18.153	(396.361)
ST 15	Frequency mixer system production	11.296.570	(888.103)	73.821	(1.525.893)
ST 16	Frequency mixer system production	13.104.873	1.090.088	2.115.276	(328.800)
ST 17	Frequency mixer system production	203.822.603	11.072.080	11.485	3.700.607
ST 18	Frequency mixer system production	5.648	(32.040)	-	(32.039)
Thales - SDT	ILS/DME System	110.104	(158.859)	-	(8.599)

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

Joint operations	Activity area	Assets	Equity	Revenue	Profit / Loss for the period
ST 05	Frequency mixer system production	101.475	(92.641)	-	17.064
ST 06	Frequency mixer system production	4.089.799	324.810	1.016.314	1.117.062
ST 07	Frequency mixer system production	5.267.615	129.921	831.334	(749.608)
ST 08	Frequency mixer system production	130.711	131.129	621.476	192.075
ST 09	Frequency mixer system production	2.216.794	(875.010)	613.812	471.022
ST 11	Frequency mixer system production	1.040.087	1.038.810	2.069.391	874.651
ST 12	Frequency mixer system production	5.008.263	(2.916.620)	1.369.510	(1.730.352)
ST 13	Frequency mixer system production	579.976	578.643	1.132.270	(465.247)
ST 14	Frequency mixer system production	9.987	(39.529)	893.746	(397.561)
ST 15	Frequency mixer system production	13.499.685	2.086.944	5.130.563	(614.069)
ST 16	Frequency mixer system production	14.578.951	7.919.866	15.566.057	4.322.509
ST 17	Frequency mixer system production	125.855.598	14.104.053	32.916	14.089.149
Thales - SDT	ILS/DME System	135.493	(150.259)	-	(77.932)

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.

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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):

	31.03.2025	31.12.2024
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	-	2.032.927
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	-	156.852
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	-	-
	-	2.189.779

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

	31.03.2025	31.12.2024
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	-	26.386.134
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	865.936	-
	865.936	26.386.134

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

	31.03.2025	31.12.2024
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	11.559.404	-
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	13.234.054	551.941
Gate-Tamgör Elektronik Sanayi Ticaret Limited Şirketi	42.124	23.409
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	-	-
	24.835.582	575.350

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- 31.03.2025	01.01- 31.03.2024
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	26.874	1.471.605
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	-	677.500
Dorsan Uzay ve Hav.Sav. San.Taah.ve Tic. Ltd.Şti.	-	9.029.848
	26.874	11.178.953

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

	01.01- 31.03.2025	01.01- 31.03.2024
Tamgör Elektronik Sanayi ve Ticaret Limited Şirketi	35.012.461	1.246.498
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	42.433.548	-
Gate-Tamgör Elektronik Sanayi Ticaret Limited Şirketi	95.782	303.726
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	17.455.627	-
	94.997.418	1.550.224

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- 31.03.2025	01.01- 31.03.2024
Dormak İth. İhr. Müm. ve Dan. Tic. A.Ş.	29.485	-
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	9.828	-
	39.313	-

d) The details of other expenses from related parties classified in expenses from investing activities are as follows:

	01.01- 31.03.2025	01.01- 31.03.2024
Sirius Tasarım Laboratuvarı Mühendislik A.Ş.	-	504.560
	-	504.560

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

	01.01- 31.03.2025	01.01- 31.03.2024
Remuneration and similar benefits provided to senior manager	6.371.000	7.454.324
	6.371.000	7.454.324

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

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NOTE 5 – CASH AND CASH EQUIVALENTS

As of 31 March 2025 and 31 December 2024, the details of cash and cash equivalents are listed below:

	31.03.2025	31.12.2024
Cash	75.657	49.273
Banks		
Time deposits	17.822.918	105.257.803
Demand deposits	38.728.230	14.731.614
Liquid funds	585.858.332	590.473.663
	642.485.137	710.512.353

As at 31 March 2025 and 31 December 2024, the Group's bank deposits consist of time and demand deposits. As at 31 March 2025 and 31 December 2024, there is no blockage on the related deposits. Liquid funds consist of cash equivalents that can be converted into cash at their carrying values.

As of 31 March 2025, the details of the time deposits are presented below;

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TRY	16.555.613	%39,00 - %43,00	3 - 92 days	16.555.613
USD	33.541	%0,5 - %3,50	3 days	1.266.694
EURO	15	%0,001 - %0,001	3 days	611
				17.822.918

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

Currency Type	Foreign Currency Amount	Interest Rate	Due Date	TRY Amount
TRY	92.416.819	%0,01 - %50,00	3 - 35 days	92.416.819
USD	330.475	%0,5 - %3,50	7 - 35 days	12.832.493
EURO	210	%0,001	35 days	8.491
				105.257.803

NOTE 6 – FINANCIAL INVESTMENTS

As of 31 March 2025 and 31 December 2024, the details of financial investments are as follows::

Short term financial investments

None (31 December 2024: None).

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Long term financial investments

	31.03.2025	31.12.2024
Financial investments to fair value through profit or loss	-	-
Other Financial Investments (a)	9.498.845	10.113.295
	9.498.845	10.113.295

(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".

NOTE 7 – FINANCIAL BORROWINGS

As of 31 March 2025 and 31 December 2024 the details of financial borrowings are as follows:

	31.03.2025	31.12.2024
Short-term bank loans	159.034.703	154.446.950
Other financial liabilities (credit cards)	42.829	173.718
Liabilities from leases (*)	15.044.292	16.558.164
Short-term portion of long-term loans	185.097.076	186.582.988
Total short term financial liabilities	359.218.900	357.761.820
Long term bank loans	10.984.579	-
Liabilities from leases (*)	7.751.543	12.420.727
Total long term financial liabilities	18.736.122	12.420.727
Total financial liabilities	377.955.022	370.182.547

(*) As at 31 March 2025 and 31 December 2024, the related financial liabilities consist of payables within the scope of "TFRS 16 Leases" standard.

As at 31 March 2025 and 31 December 2024, the shareholders of the Parent Company have personal guarantees in favour of financial institutions as collateral for all of the Group's bank borrowings. In addition, as at 31 March 2025, the Group has made an export commitment amounting to TL 338.048.230 (31 December 2024: TL 341.029.939) (Note 20).

As at 31 March 2025, the average effective interest rate of USD denominated bank borrowings is 7,99% (31 December 2024: USD: 8,02%).

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The foreign exchange position of financial debts as of 31 March 2025 is presented below:

Currency Type	Foreign Exchange Amount	Exchange rate	TRY Amount
TRY	22.838.682	1,0000	22.838.682
USD	9.386.244	37,8337	355.116.340
Total			377.955.022

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

Currency Type	Foreign Exchange Amount	Exchange rate	TRY Amount
TRY	29.152.626	1,0000	29.152.626
USD	8.766.754	35,3438	341.029.921
Total			370.182.547

As at 31 March 2025 and 31 December 2024, the maturity analysis of financial liabilities is as follows:

	31.03.2025	31.12.2024
Due in 0 - 1 year	359.218.900	357.761.820
Due in 1 - 2 years	13.431.871	12.420.727
Due in 2 – 3 years	5.304.251	-
	377.955.022	370.182.547

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

As of 31 March 2025 and 31 December 2024 the details of trade receivables are as below:

Short term trade receivables

	31.03.2025	31.12.2024
Trade receivables	260.105.627	396.187.971
Notes receivables	-	2.217.460
Unearned interest on receivables (-)	(4.880.831)	(6.704.375)
Trade receivables from related parties (Note 4)	-	2.189.779
Doubtful trade receivables	2.921.793	4.071.171
Provision for doubtful trade receivables (-)	(2.921.793)	(4.071.171)
	255.224.796	393.890.835

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

	01.01. - 31.03.2025	01.01. - 31.12.2024
Opening balance	4.071.171	8.033.522
Reversal of unnecessary provision	(777.161)	(1.840.518)
Monetary gain / (loss), net	(372.217)	(2.139.135)
Provisions for the period	-	17.302
Closing balance	2.921.793	4.071.171

As at 31 March 2025, the Group has given letters of guarantee amounting to TRY 771.068.950 to customers, tender issuing institutions and other institutions (31 December 2024: TRY 855.675.967). In addition, as at 31 March 2025, the Group has given guarantee notes amounting to TRY 266.407.831 (31 December 2024: TRY 257.849.481) (Note 20).

As at 31 March 2025, there are no guarantees received from customers for trade receivables (31 December 2024: None).

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

Long term trade receivables

None (31 December 2024: None).

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

As at 31 March 2025 and 31 December 2024, details of trade payables are as follows;

Short term trade payables

	31.03.2025	31.12.2024
Trade payables	88.890.604	104.234.865
Trade payables to related parties (Note 4)	24.835.582	575.350
Expense accruals	625.000	667.254
Discount on payables (-)	(5.386.715)	(4.821.690)
	108.964.471	100.655.779

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

As at 31 March 2025, the Group has received letters of guarantee amounting to TRY 18.703.335 from its suppliers (31 December 2024: TRY 18.001.792). As at 31 March 2025, the Group has received promissory notes amounting to TRY 7.907.905 (31 December 2024: TRY 12.779.388) from its suppliers (Note 20).

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

As at 31 March 2025, the Group has given promissory notes amounting to TRY 3.150.228 to its suppliers (31 December 2024: TRY 3.467.228) (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 2024: None).

NOTE 9 – OTHER RECEIVABLES AND PAYABLES

As at 31 March 2025 and 31 December 2024, details of other receivables are as follows:

Other short-term receivables

	31.03.2025	31.12.2024
VAT receivables from the tax office	13.810.641	8.909.949
Other receivables	62.608	6.230
	13.873.249	8.916.179

Other long-term receivables

	31.03.2025	31.12.2024
Deposits and guarantees given	545.583	578.118
	545.583	578.118

As at 31 March 2025 and 31 December 2024, details of other payables are as follows:

Other short-term payables

	31.03.2025	31.12.2024
Taxes and funds payable	12.147.420	17.610.896
Deposits and guarantees received	512.662	564.251
	12.660.082	18.175.147

Other long-term payables

None (31 December 2024: None).

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NOTE 10 – EMPLOYEE BENEFITS OBLIGATIONS

As of 31 March 2025 and 31 December 2024, the details of employee benefits liabilities are as follows:

	31.03.2025	31.12.2024
Payables to employees	46.519.264	29.416.225
Social security premiums payable	25.620.650	11.487.466
	72.139.914	40.903.691

NOTE 11 – INVENTORIES

As of 31 March 2025 and 31 December 2024, the details of the inventories are as follows:

	31.03.2025	31.12.2024
Raw materials	799.723.051	617.703.450
Semi-finished goods	642.779.698	610.681.960
Finished goods	153.604.777	158.417.373
Provision for inventories impairment (-) (a)	(41.748.387)	(41.748.387)
	1.554.359.139	1.345.054.396

(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 schedule of inventory impairment provision is as follows:

	31.03.2025	31.12.2024
Balance at the beginning of the period	41.748.387	41.701.269
Monetary gain /(loss), net	-	14.482
Provision allocated during the period	-	32.636
	41.748.387	41.748.387

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

	31.03.2025	31.12.2024
Raw materials	8.136.285	8.857.114
Semi-finished goods	33.612.102	32.891.273
	41.748.387	41.748.387

As at 31 March 2025, there is insurance coverage of TRY 777.663.688 on the stocks.

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NOTE 12 – OTHER CURRENT ASSETS

As of 31 March 2025 and 31 December 2024, the detail of other current assets are as follows:

	31.03.2025	31.12.2024
VAT carried forward	30.222.958	17.273.151
	30.222.958	17.273.151

NOTE 13 – PREPAID EXPENSES

As of 31 March 2025 and 31 December 2024, the details of prepaid expenses are as follows:

Short-term prepaid expenses

	31.03.2025	31.12.2024
Order advances given	59.094.627	69.730.319
Order advances given to related parties	-	26.386.134
Prepaid expenses	18.734.927	19.822.966
Advances given	4.365.994	18.152.410
Advances given to personnel	88.531	35.647
	82.284.079	134.127.476

Long term prepaid expenses

	31.03.2025	31.12.2024
Advances given for purchases of tangible fixed assets (*)	110.253.307	110.495.444
Prepaid expenses	4.496.072	1.240.010
	114.749.379	111.735.454

(*) As at 31 March 2025, TRY 67.562.451 of the related amount consists of the advance given within the scope of "Land Allocation Agreement" with Ankara Space and Aviation Specialised Organised Industrial Zone Directorate (31 December 2024: TRY 67.562.451).

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NOTE 14 – DEFERRED INCOME

As of 31 March 2025 and 31 December 2024, the details of deferred income are as follows;

Short-term deferred income

	31.03.2025	31.12.2024
Advances received (*)	433.981.680	389.865.191
Deferred income	77.026.428	78.144.325
	511.008.108	468.009.516

(*) As of 31 March 2025, TRY 52.702.344 of order advances received consists of cash advances received from foreign customers (31 December 2024: TRY 54.188.207).

Long-term Deferred income

	31.03.2025	31.12.2024
Advances received (**)	40.822.713	65.063.339
Deferred income	2.165.634	2.269.358
	42.988.347	67.332.697

(**) As of 31 March 2025 and 31 December 2024, all of the order advances received consist of cash advances received from domestic customers.

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NOTE 15 – RIGHT OF USE ASSETS

As of 31 March 2025 and 31 December 2024, the details and movement tables of right of use assets are as follows;

Cost	31 December 2023	Addition	Transfer	31 December 2024	Addition	Disposal	Transfer	31 March 2025
Buildings	72.688.326	25.185.332	-	97.873.658	-	-	-	97.873.658
Vehicles	11.518.714	5.617.662	-	17.136.376	-	-	-	17.136.376
Total	84.207.040	30.802.994		115.010.034	-	-	-	115.010.034
Accumulated Depreciation (-)								
Buildings	59.284.058	14.453.658	-	73.737.716	3.148.168	-	-	76.885.884
Vehicles	8.058.254	3.211.200	-	11.269.454	1.613.729	-	-	12.883.183
Total	67.342.312	17.664.858	-	85.007.170	4.761.897	-	-	89.769.067
Net Book Value	16.864.728			30.002.864				25.240.967

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NOTE 16 – TANGIBLE FIXED ASSETS

As of 31 March 2025 and 31 December 2024, the details and movement tables of property, plant and equipment are as follows:

Cost	31 December 2023	Addition	Disposal	31 December 2024	Addition	Disposal	31 March 2025
Machinery, plant and equipment	85.099.954	8.815.660	(194.775)	93.720.839	2.407.140	(176.967)	95.951.012
Vehicles	7.201.762	-	-	7.201.762	-	-	7.201.762
Furnitures and fittings	61.182.321	7.077.088	(618.649)	67.640.760	4.114.281	(117.384)	71.637.657
Leasehold improvements	37.552.484	-	-	37.552.484	35.861	-	37.588.345
Construction in progress	8.894.245	124.437.963	-	133.332.208	8.965.118	-	142.297.326
Total	199.930.766	140.330.711	(813.424)	339.448.053	15.522.400	(294.351)	354.676.102
Accumulated Depreciation (-)							
Machinery, plant and equipment	58.746.210	10.379.139	(149.328)	68.976.021	2.432.139	(135.673)	71.272.487
Vehicles	720.695	720.176	-	1.440.871	180.044	-	1.620.915
Furnitures and fittings	46.005.786	5.218.830	(131.464)	51.093.152	1.524.159	(112.932)	52.504.379
Leasehold improvements	37.377.599	142.893	-	37.520.492	9.693	-	37.530.185
Total	142.850.290	16.461.038	(280.792)	159.030.536	4.146.035	(248.605)	162.927.966
Net Book Value	57.080.476			180.417.517			191.748.136

As of 31 March 2025 and 31 December 2024, property, plant and equipment are carried at cost less accumulated depreciation (cost method), which is calculated by deducting the residual value, if any, from the acquisition cost in the accompanying financial statements. The Group has no property, plant and equipment acquired under finance leases.

As of 31 March 2025 and 31 December 2024, there is no encumbrance on property, plant and equipment. As at 31 March 2025, the total amount of insurance on property, plant and equipment is TRY 219.668.745.

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NOTE 17 – INTANGIBLE FIXED ASSETS

As of 31 March 2025 and 31 December 2024, the details and movement tables of intangible assets are as follows;

Cost	31 December 2023	Addition	31 December 2024	Addition	Disposal	31 March 2025
Rights	40.468.410	469.185	40.937.595	2.692.482	-	43.630.077
Development costs (a)	194.710.845	27.755.458	222.466.303	10.290.847	-	232.757.150
Total	235.179.255	28.224.643	263.403.898	12.983.329	-	276.387.227
Accumulated Amortization (-)						
Rights	35.694.711	2.529.588	38.224.299	775.501	-	38.999.800
Development costs (a)	115.922.952	20.285.646	136.208.598	3.452.509	-	139.661.107
Total	151.617.663	22.815.234	174.432.897	4.228.010	-	178.660.907
Net Book Value	83.561.592		88.971.001			97.726.320

(a) Capitalised development costs consist of the costs of software projects that the Group does not carry out on an order basis. The related costs mainly consist of personnel costs for the related project.

As of 31 March 2025, the net book value of capitalized development costs is TRY 93.096.043 (31 December 2024: TRY 86.257.705).

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NOTE 18 – INVESTMENTS VALUED BY EQUITY METHOD

As of 31 March 2025 and 31 December 2024, the details of investments accounted through equity method are as follows;

	31.03.2025	31.12.2024
Sirius – Cost Amount	5.601.482	5.601.482
Sirius – Adjustment according to equity method	8.348.064	2.889.831
	13.949.546	8.491.313

As of 31 March 2025 and 2024, the share of profit / (loss) of investments accounted for using the equity method is as follows;

	01.01. - 31.03.2025	01.01. - 31.03.2024
Share of Profit / (Loss) of Investments Valued by Equity Method	5.460.752	2.018.284
	5.460.752	2.018.284

As of 31 March 2025 and 31 December 2024, summary financial information of investments accounted through equity method is as follows;

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

Summary Statement of Financial Position

	31.03.2025	31.12.2024
Current Assets	3.921.643	5.733.700
Non – Current Assets	42.336.341	34.752.170
Total Assets	46.257.984	40.485.870
Short – Term Liabilities	10.773.929	19.016.380
Long – Term Liabilities	610.190	241.209
Equity	34.873.865	21.228.281
Total Liabilities	46.257.984	40.485.870

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Summary Profit or Loss Statement

	01.01. - 31.03.2025	01.01. - 31.03.2024
Revenue	17.934.549	5.144.716
Gross profit / (loss)	17.934.549	5.144.716
Operating expenses	(333.392)	(524.640)
Other income / (expense), net	(3.949.277)	425.637
Period profit / (loss), net	13.651.880	5.045.713

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 governmental organisations and the Group receives certain tax incentives upon approval. The rights of the Group 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 research and development law (Social Security Institution incentives etc.)

The Group's income from research and development activities is exempt from corporate tax pursuant to the provisional second article of the Technology Development Zones Law No. 4691, which states that "The earnings of the management companies within the scope of this law and the earnings of the income and corporate taxpayers operating in the zone exclusively from software and R&D activities in this zone are exempt from income and corporate tax until 31 December 2028".

In this context, the Group's income exempt from corporate tax for the period ended 31 December 2024 is TRY 214.402.790 (01 January - 31 March 2025: None).

In addition, within the scope of the same law; the Group's personnel SSI premium, income and stamp tax incentive amount for the period ending 31 March 2025 is TRY 3.666.986 (01 January - 31 December 2024: TRY 12.795.548).

b) The Group benefits from incentives in accordance with the "Social Insurance and General Health Insurance Law No. 5510" of the Social Security Institution of the Republic of Turkey ("SGK"). In this context, the Group has incentive amounting to TRY 5.668.472 for the period ended 31 March 2025 (01 January - 31 December 2024: TRY 23.554.377).

c) The Group has incentive income amounting to TRY 567.876 for the period ended 31 March 2025 (01 January - 31 December 2024: TRY 205.963) within the scope of "Decision No. 2017/4 on Supporting Participation in Exhibitions Held Abroad".

d) Since the Parent Company's shares are offered to the public at a rate of at least 20% to be traded for the first time in the Borsa Istanbul Stock Market, corporate tax is applied with a 2 percentage point discount on corporate income for 5 accounting periods starting from the accounting period in which the Parent Company's shares are offered to the public for the first time.

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e) The Parent Company benefits from discounted corporate tax exemption within the framework of Article 32/A of Law No. 5520. As of 31 December 2024, the amount of investment allowance carried forward to the next period is TRY 27.982.144. The Parent Company management plans to use the related tax deduction until the end of 2025.

f) The Group passed an audit covering software development processes and general organisational processes and was awarded the CMMI (Capability Maturity Model Integration) certificate. In this context, the incentive amount obtained by the Group for the period ending 31 December 2024 is TRY 1.387.197 (01 January - 31 March 2025: TRY 1.526.787).

NOTE 20 – PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

As of 31 March 2025 and 31 December 2024, provisions, contingent assets and liabilities are as follows;

Short-term liabilities provisions

	31.03.2025	31.12.2024
Warranty service expense provision	3.808.863	3.786.147
Provision for lawsuits	-	-
	3.808.863	3.786.147

Long-term liabilities provisions

	31.03.2025	31.12.2024
Warranty service expense provision	2.087.191	2.161.392
	2.087.191	2.161.392

Commitments

As of 31 March 2025, the Group has made an export commitment to the financial institution amounting to TRY 338.048.230 (31 December 2024: TRY 341.029.939). As at 31 March 2025, the Group has purchase commitments from banks amounting to USD 10.005.521 (31 December 2024: USD 11.005.521) (Note 22).

Contingent Assets

The details of Group's contingent assets are as follows;

Letters of guarantee - As of 31 March 2025, the Group has received letters of guarantee amounting to TRY 18.703.335 (USD 259.264 - EURO 157.580 - TRY 2.469.038) from its suppliers (31 December 2024: TRY 18.001.792 (USD 157.580 - EURO 1.124.957)).

Guarantee Bonds - As of 31 March 2025, the Group has received promissory notes amounting to TRY 7.907.905 (USD 68.640 - TRY 5.311.000) from its suppliers (31 December 2024: TRY 12.779.388 (TRY 12.779.388)).

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Contingent Liabilities

As of 31 March 2025 and 31 December 2024, the Group's guarantee / security / mortgage ("GSM") position is as follows;

Given GSM (Guarantee-Security-Mortgage) by the Group	31.03.2025	31.12.2024
A. Total amount of GSMs given on Behalf of its own Legal Entity	1.043.322.330	1.119.959.221
B. Total Amount of Gsm Given for Partnerships Which are Included in (a)	1.000.000	1.100.628
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	1.044.322.330	1.121.059.849

(a) As of 31 March 2025, the Parent Company has a guarantee amounting to TRY 1.000.000 in favour of financial institutions for Cey Savunma, a subsidiary of the Parent Company (31 December 2024: TRY 1.100.628).

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

Letters of Guarantees - As of 31 December 2024, the Group has letters of guarantee amounting to TRY 771.068.950 (TRY 19.164.160 - USD 19.572.671 - EURO 279.537) (31 December 2024: TRY 855.675.967 (TRY 51.167.797 - USD 21.138.835 - EURO 279.537)).

Guarantee Bonds - As of 31 March 2025, the Group has given promissory notes amounting to TRY 266.407.831 (TRY 52.625.130 - USD 5.650.589) to its customers and suppliers (31 December 2024: TRY 257.849.481 (TRY 57.673.304 - USD 5.145.869)).

Venture capital fund – The Group has a fund purchase obligation amounting to TRY 5.845.549 until 31 December 2025 (31 December 2024: TRY 6.433.773) within the scope of the "Regulation Amending the Implementation and Audit Regulation on Supporting Research, Development and Design Activities numbered 5746".

Lawsuits - From time to time, lawsuits may be filed against the Group in connection with its business activities. The Group management and legal advisors analyse the realisability of the related risks. As a result of the analyses made, there is no matter that requires a provision to be allocated by the Group management.

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NOTE 21 – EMPLOYEE BENEFITS

As of 31 March 2025 and 31 December 2024, provisions for short-term and long-term employee benefits are as follows;

Short-term provisions for employee benefits

	31.03.2025	31.12.2024
Provisions for unused annual leave	26.578.343	21.787.279
Provisions for personnel wage premium	4.932.930	16.705.595
	31.511.273	38.492.874

Long-term provisions for employee benefits

	31.03.2025	31.12.2024
Severance pay provisions	23.649.228	22.283.077
	23.649.228	22.283.077

The Group's severance pay provision has been calculated as explained in Note 2. As of 31 March 2025, the maximum amount of TRY 46.655 for each year of service is calculated on the basis of 30 days' pay, using the rates prevailing at the date of retirement or departure (31 December 2024: TRY 41.828).

In the consolidated financial statements as at 31 March 2025 and 31 December 2024, the Group has reflected a liability calculated by discounting the expected inflation rate and real discount rate to the balance sheet date based on the principles stated above.

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

	31.03.2025	31.12.2024
Interest rate	44,25%	53,55%
Inflation rate	40,00%	49,00%
Real discount rate	3,04%	3,05%
Rate that is used for the probability of retirement	90,85%	89,19%

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

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As of 31 March 2025 and 31 December 2024, movement of provision for employment termination benefits is as follows;

	01.01. - 31.03.2025	01.01. - 31.12.2024
Balance at the beginning of the period	22.283.077	17.197.487
Service cost	2.537.210	11.853.610
Monetary gain / (loss), net	(2.043.199)	(5.806.179)
Interest cost	151.615	262.865
Payments in the period	(1.057.401)	(309.667)
Actuarial gain / (losses)	1.777.926	(915.039)
Closing balance	23.649.228	22.283.077

NOTE 22 – DERIVATIVE INSTRUMENTS

As of 31 March 2025, the details of forward foreign currency purchase/sale contracts are as follows;

	The amount of foreign currency to be received from the bank (USD)	The TRY equivalent of foreign currency to be received from the bank as of the balance sheet date	TRY equivalent of the foreign currency to be received from the bank according to the contract	Fair Value Difference (TRY)
<u>USD - TRY Exchange Rate</u>				
1 to 12 months	10.005.521	378.545.873	368.600.684	9.945.189

As of 31 December 2024, the details of forward foreign currency purchase/sale contracts are as follows;

	The amount of foreign currency to be received from the bank (USD)	The TRY equivalent of foreign currency to be received from the bank as of the balance sheet date	TRY equivalent of the foreign currency to be received from the bank according to the contract	Fair Value Difference (TRY)
<u>USD - TRY Exchange Rate</u>				
1 to 12 months	11.005.521	428.118.767	421.370.455	6.748.313

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NOTE 23 – CAPITAL, RESERVES AND OTHER EQUITY ITEMS

23.1 Paid in Capital

As of 31 March 2025, the Parent Company's share capital consists of 58.000.000 shares with a par value of TRY 1 each.

The capital structure of the Parent Company as of 31 March 2025 and 31 December 2024 is as follows;

Shareholders	31 March 2025		31 December 2024	
	Share Ratio	Share Amount (TRY)	Share Ratio	Share Amount (TRY)
Mehmet Dora	63,11%	36.602.500	63,11%	36.602.500
Mustafa Fatih Ünal	2,32%	1.347.500	2,32%	1.347.500
Public Held	27,57%	15.990.000	27,57%	15.990.000
Others (a)	7%	4.060.000	7%	4.060.000
Total	100,00%	58.000.000	100,00%	58.000.000
Capital adjustment differences		192.501.705		192.501.705
Paid in Capital		250.501.705		250.501.705

(a) On 05 September 2023, Mehmet Dora and Mustafa Fatih Ünal, shareholders of the Parent Company, transferred their 1,060,000 and 940,000 unlisted B group shares, respectively, to the investment funds established by Hedef Portföy Yönetimi Anonim Şirketi within the scope of the Procedure on Wholesale Transactions. Mehmet Dora, one of the shareholders of the Parent Company, transferred 5.800.000 shares of unlisted Group B shares to the investment funds established by Hedef Portföy Yönetimi Anonim Şirketi on 28 June 2024 within the scope of the Procedure Regarding Wholesale Purchase and Sale Transactions. As a result of the share purchase and sale transactions of the related portfolio investment company during the period, as of 31 March 2025, the number of shares of the related investment company in the capital of the Parent Company is 4.060.000.

The share capital of the Parent Company was increased from TRY 10.000.000 to TRY 50.000.000 on 08 March 2022 and the entire amount was transferred from retained earnings.

SDT Uzay ve Savunma Teknolojileri Anonim Şirketi's issued capital of TRY 50,000,000 within the registered capital ceiling of TRY 750,000,000 was increased to TRY 58,000,000 by completely restricting the pre-emptive rights of the existing shareholders in accordance with the approvals of the Capital Markets Board of Turkey and Borsa İstanbul Anonim Şirketi. TRY 8.000.000 nominal capital amount and shares with a nominal value of TRY 4,250,000 within the scope of shareholder sales, in total TRY 12,250,000 nominal value shares were offered to the public on 28 - 29 December 2022 at a price of TRY 32, and the Parent Company shares started to be traded on Borsa İstanbul Stars Market on 04 January 2023 with the code "SDTTR" and continuous trading method.

According to the articles of association of the Parent Company registered on 14 September 2022; the Parent Company shares are divided into Group A and Group B shares. Out of the total 58.000.000 shares of the Parent Company, 7.500.000 shares are Group A shares and all of these shares belong to Mehmet Dora.

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Capital Adjustment Differences

As of 31 March 2025, capital adjustment differences amount to TRY 192.501.705 (31 December 2024: TRY 192.501.705). Adjustment to share capital represents the difference between the inflation adjusted amounts of cash and cash equivalent contributions to share capital and the amounts before inflation adjustment.

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

Election of the 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 may consist of at least 5 members, half of the members of the Board of Directors may be elected among the candidates to be nominated by the Group A shareholders, and if half of the number of the members of the Board of Directors is a fractional number, the fraction should be rounded down to the following whole number.

Voting Right

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

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

The Group's explanation regarding the adjusted equity accounts in accordance with TAS 29 prepared in accordance with the Capital Markets Board Bulletin published on 07 March 2024 is as follows;

	Financial statements according to TPL(VUK)	Financial statements according to TAS / UFRS	Differences to be Followed in Previous Years' Profits / (Loss)
Capital Adjustment Differences	176.186.039	192.501.705	16.315.666
Legal Reserves	63.974.712	31.158.461	(32.816.251)

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

Previous Year Profit / (Loss)	Amount Before TAS 29	Amount After TAS 29
01 January 2022	219.408.683	668.089.426

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23.2 Legal Reserves

The legal reserve is appropriated out of the statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. Other legal reserves are appropriated at the rate of 10% of the total amount to be distributed to shareholders after payment of a 5% dividend to shareholders. According to the Turkish Commercial Code, unless the legal reserve does not exceed half of the share capital or issued capital, it can only be used to cover losses, to continue the business when business is not going well, or to take measures to prevent unemployment and mitigate its consequences.

As of 31 March 2025 and 31 December 2024, legal reserves account is as follows;

	31.03.2025	31.12.2024
Legal reserves appropriated from profits	31.158.461	31.158.461
	31.158.461	31.158.461

23.3 Retained Earnings / (Accumulated Losses)

As of 31 March 2025 and 31 December 2024, retained earnings / (accumulated losses) are as follows;

	31.03.2025	31.12.2024
Retained earnings / (accumulated losses)	1.179.596.018	1.168.677.568
	1.179.596.018	1.168.677.568

In the general assembly meeting of the Parent Company held on 30 May 2024, it has been decided to pay dividend amounting to gross TRY 130.192.124 (TRY 168.578.652 based on the purchasing power as of 31 March 2025). According to the related general assembly resolution, the related amount will be paid in three instalments and the first instalment was paid on 13 August 2024, the second instalment was paid on 25 November 2024 and the last instalment was paid on 23 December 2024.

As of 31 March 2025 and 2024, the movement of retained earnings / (losses) is presented in the accompanying statement of changes in equity.

23.4 Remeasurement Gains / (Losses) on Defined Benefit Plans

For the years ended 31 March 2025 and 31 December 2024, the Group has reflected a liability calculated by discounting the retirement pay liability to the statement of financial position date using the expected inflation rate and real discount rate based on the principles explained in Note 2. All gains and losses other than actuarial gains / (losses) are recognised in the statement of profit or loss and actuarial gains / (losses) are recognised in the statement of changes in equity.

	31.03.2025	31.12.2024
Remeasurement of gains / (losses) on defined benefit plans	(387.975)	981.028
	(387.975)	981.028

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23.5 Share Premiums

Share premiums consist of the cash inflows obtained from the sale of the Parent Company's shares at market prices in the Borsa Istanbul Yıldız Market and the costs related to the public offering process. Share premiums are recognised under equity.

With the sale of 8.000.000 shares of the Parent Company, each of which is TRY 1, at Borsa Istanbul A.Ş. with a unit share price of TRY 32 on the relevant date, a total fund amounting to TRY 256.000.000 has been generated. TRY 8.000.000 of the related amount is reported in the share capital account and the remaining TRY 248.000.000 (TRY 608.870.212 based on the purchasing power as of 31 March 2025) is reported in the share premium account. Total public offering cost of the Parent Company amounting to TRY 16.832.997 (TRY 41.327.060 based on the purchasing power as of 31 March 2025) is reported by deducting from the share premium amount.

As of 31 March 2025 and 31 December 2024, the details of share premium account are as follows;

	31.03.2025	31.12.2024
Premiums from the sale of shares on Borsa Istanbul A.Ş.	608.870.212	608.870.212
Costs associated with the public offering process	(41.327.060)	(41.327.060)
	567.543.152	567.543.152

NOT 24 – REVENUE AND COST OF SALES

24.1 Revenue

For the periods ended at 31 March 2025 and 2024, the details of revenue are as follows;

	01.01. - 31.03.2025	01.01. - 31.03.2024
Domestic Sales	159.400.544	299.980.932
Exports	14.841.109	42.418.758
	174.241.653	342.399.690
Sales returns	(3.587.378)	(201.293)
Sales Revenues (net)	170.654.275	342.198.397

For the periods ended at 31 March 2025 and 2024, concentration risk analysis is presented in Note 33.

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24.2 Cost of Sales

For the periods ended at 31 March 2025 and 2024, the details of cost of sales are as follows;

	01.01. - 31.03.2025	01.01. - 31.03.2024
General Production Expenses	104.287.310	298.742.071
Depreciation and amortization	9.556.492	7.733.266
<u>Change in work-in-progress inventory</u>		
1. Work-in-progress at the beginning of the period (+)	610.681.960	334.094.991
2. Work-in-progress at the end of the period (-)	(642.779.698)	(392.200.702)
Cost of goods produced	81.746.064	248.369.626
<u>Change in finished goods inventory</u>		
1. Finished goods at the beginning of the period (+)	158.417.373	23.510.945
2. Finished goods at the end of the period (-)	(153.604.777)	(39.356.264)
Cost of finished goods sold	86.558.660	232.524.307
<u>Cost of merchandise</u>		
1. Purchases during the period (+)	2.230.383	-
Cost of goods sold	2.230.383	-
Cost of services rendered	14.811.213	27.287.140
Depreciation and amortization	89.017	60.117
Cost of sales, net	103.689.273	259.871.564

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

For the periods ended at 31 March 2025 and 2024, general administrative expenses, marketing expenses and research and development expenses are mentioned below:

	01.01. - 31.03.2025	01.01. - 31.03.2024
General administrative expenses	55.069.399	54.236.731
Marketing expenses	16.322.372	14.191.460
Research and development expenses	4.245.818	4.706.074
	75.637.589	73.134.265

NOTE 26 – EXPENSES BY NATURE

26.1 General Administrative Expenses

Details of general administrative expenses for the periods ended at 31 March 2025 and 2024 are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Personnel expenses	33.680.784	32.038.264
Consulting and licensing expenses	8.711.691	7.463.719
Office overheads	4.035.568	3.247.378
Depreciation and amortisation	1.477.777	4.020.911
Representation and hospitality expenses	1.477.691	2.108.477
Travel and accommodation expenses	579.113	460.183
Stationery and printing expenses	278.074	277.542
Other expenses	4.828.701	4.620.257
	55.069.399	54.236.731

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26.2 Marketing expenses

For the periods ended at 31 March 2025 and 2024, the details of marketing expenses are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Personnel expenses	9.352.513	9.092.059
Education, seminar, and fair expenses	2.923.546	1.073.212
Advertising and announcement expenses	1.773.169	719.493
Travel and accommodation expenses	976.891	1.854.877
Depreciation and amortization	118.568	460.727
Other expenses	1.177.685	991.092
	16.322.372	14.191.460

26.3 Research and development expenses

For the periods ended at 31 March 2025 and 2024, the details of research and development expenses are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Personnel expenses	2.351.730	3.029.024
Depreciation and amortization	1.894.088	1.677.050
	4.245.818	4.706.074

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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 2025 and 2024 are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Foreign exchange gains from commercial activities	42.034.223	68.273.419
Rediscount income	11.750.869	20.370.000
Reversal of unnecessary provisions	777.161	2.454.559
Other income	1.688.552	2.077.994
	56.250.805	93.175.972

27.2 Other expenses from main activities

The details of other expenses from operating activities for the periods ended at 31 March 2025 and 2024 are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Foreign exchange losses from trading activities	44.082.495	28.877.279
Rediscount expense	9.481.707	12.861.880
Provision for doubtful receivables	-	10.235
Other expenses	1.922.473	1.599.525
	55.486.675	43.348.919

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 2025 and 2024 are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Gains from the sale and valuation of financial investments	13.167.582	6.899.849
Profit on sale of fixed assets	6.174	5.175
Bargain purchase gain	-	46.630.311
	13.173.756	53.535.335

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28.2 Expense from investment activities

Expenses from investment activities for the periods ended at 31 March 2025 and 2024 are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Loss on sales of financial investments	-	487.675
Loss on sale of fixed assets	-	516.374
	-	1.004.049

NOTE 29 – FINANCIAL INCOME / (EXPENSES)

29.1 Financial incomes

The details of financial income for the periods ended on 31 March 2025 and 2024 are as following:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Foreign exchange gains	101.232.208	44.193.001
Interest income	2.693.602	8.282.172
	103.925.810	52.475.173

29.2 Financial expenses

The details of financial expenses for the periods ended on 31 March 2025 and 2024 are as following:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Foreign exchange loses	72.216.969	65.729.167
Loan interest expenses	5.687.481	1.211.259
Letter of guarantee, bank commission and other expenses	2.606.647	2.478.462
	80.511.097	69.418.888

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NOTE 30 – MONETARY GAIN / (LOSS), NET

The details of the net amount of monetary gain / (loss) for the period ended at 31 March 2025 and 2024, before the consolidation and elimination transactions of the Parent Company, subsidiaries and joint operations, are as follows;

	01.01. - 31.03.2025	01.01. - 31.03.2024
<u>Statement of Financial Position Items</u>		
Inventories	48.706.180	49.470.898
Prepaid Expenses	13.787.489	17.375.606
Subsidiaries	1.412.991	2.023.271
Right of Use Assets	2.743.086	2.207.856
Tangible Assets	16.838.482	7.386.905
Intangible Assets	8.505.007	11.008.943
Deferred Tax Assets / (Liabilities)	11.194.348	10.363.064
Deferred Income	(7.836.278)	(12.264.242)
Paid in Capital	(26.308.768)	(37.826.843)
Share Premiums / Discounts	(51.889.067)	(74.300.252)
Other Comprehensive Income or Expenses		
Will Not Be Reclassified to Profit or Loss		
- Defined Benefit Plan Remeasurement Gains (Losses)	(89.692)	(36.190)
Restricted Reserves	(2.848.741)	(4.079.129)
Retained Earnings / (Losses) from Previous Years	(113.571.033)	(216.570.064)
<u>Statement of Profit or Loss Items</u>		
Revenue	(3.981.943)	(11.959.531)
Cost of Sales	2.806.756	9.369.255
General Administrative Expenses	1.239.892	1.729.605
Marketing Expenses	374.364	474.956
Research and Development Expenses	54.649	256.539
Other Income / (Expenses) from Operatig Activities,net	74.701	(1.648.686)
Income / (Expenses) from Investment Activities,net	(77.734)	(1.327.124)
Finance Income / (Cost), net	(239.433)	610.788
Tax (Expense) / Income for the Period	-	93.908
Monetary Gain / (Loss), net	(99.104.744)	(247.640.467)

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NOTE 31 – TAX ASSETS AND LIABILITIES

Deferred Tax

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

According to the regulations existing as of the report date, corporate tax rate will be applied as 25% in 2025 (2024: 25%). As at 31 March 2025 and 31 December 2024, deferred tax assets and liabilities are calculated using tax rates (and tax laws) that are expected to apply in the periods in which assets are realised or liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the assets are realised or the liabilities are settled, in accordance with the "TAS 12 Income Taxes" standard under the measurement heading, 25% rate is taken into consideration (for the Parent Company: 23%).

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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 2025		31 December 2024	
	Total temporary differences	Deferred tax assets / (liabilities)	Total temporary differences	Deferred tax assets / (liabilities)
<u>Deferred tax Assets:</u>				
Deductible Tax Losses	55.284.727	12.715.487	32.764.865	7.535.918
Investment Allowance	121.661.496	27.982.144	133.904.008	30.797.922
Prepaid Expenses Adjustment	7.300.204	1.679.160	3.781.877	872.936
Derivative Instruments	9.945.189	2.287.393	6.748.313	1.552.112
Severance pay provision	23.649.228	5.439.322	22.283.077	5.125.108
Receivables discount	4.880.831	1.122.619	6.704.374	1.542.006
Provision for doubtful receivables	2.921.793	672.012	4.071.171	936.369
Accrued loan interest	14.127.288	3.249.276	10.187.839	2.343.203
Unused vacation provision	26.578.343	6.113.019	21.787.279	5.011.074
Provision for inventory impairment	41.748.387	9.602.129	41.748.387	9.602.129
Indexation and depreciation differences in tangible and intangible fixed assets	303.786.312	70.152.567	277.780.315	64.246.625
Expense accrual	5.557.930	1.278.324	17.372.851	3.995.756
Provision for warranty service expenses	5.896.054	1.356.092	5.947.539	1.367.934
Deferred revenue classification	958.962	220.561	-	-
Currency difference expenses	1.901.668	437.396	494.184	113.766
Deferred Tax Assets		144.307.501		135.042.858
<u>Deferred tax liabilities:</u>				
Adjustments related to inventories	(57.385.873)	(13.198.751)	(41.740.045)	(9.600.211)
Indexation and depreciation differences in tangible and intangible fixed assets	(460.553)	(98.834)	(350.584)	(73.542)
Rediscount on payables	(5.386.715)	(1.238.972)	(4.821.690)	(1.108.991)
Foreign exchange income	(47.280)	(10.874)	(1.026.245)	(236.036)
Deferred revenue classification	(2.576.925)	(592.693)	(6.877.896)	(1.583.652)
Prepaid expenses adjustment	(3.707.040)	(852.623)	(11.218)	(846)
Deferred Tax Liabilities		(15.992.747)		(12.603.278)
Deferred tax assets / (liabilities), net		128.314.754		122.439.580

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For the periods ended at 31 March 2025 and 2024 tax income / (expense) on income statement are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Corporate Tax Income / (Expense)	-	(2.726.886)
Deferred Tax Income / (Expense)	5.466.251	16.767.111
Tax income / (expense), net	5.466.251	14.040.225

For the periods ended at 31 March 2025 and 2024, the movement schedule of corporate tax expense are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Unaudited profit / (loss) before tax	5.554.652	110.978.528
Total additions / deductions to the tax base	(5.554.652)	(99.530.799)
Unaudited taxable profit / (loss)	-	11.447.729
Effective tax rate	23%	23%
Calculated tax	-	2.632.978
Monetary gain / (loss), net	-	93.908
Corporate tax provision in the profit or loss statement	-	2.726.886

The movement schedule for deferred tax income / (expense) during the periods ended at 31 March, 2025 and 2024, is as follow:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Opening balance at the beginning of the period	(122.439.580)	(79.173.331)
Deferred tax recognized in equity	(408.923)	(259.283)
Net deferred tax assets / (liabilities), net	128.314.754	96.199.725
Deferred tax income / (expense), net	5.466.251	16.767.111

As of 31 March 2025 and 31 December 2024, the current period income tax liability is as follows:

	31.03.2025	31.12.2024
Current period income tax liability	5.408.432	5.988.012
	5.408.432	5.988.012

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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 2025, the effective tax rate is 25% (2024: 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 2025 corporate earnings as of the provisional tax periods is 25% (2024: 25%). With the regulation in the Corporate Tax Law, corporations whose shares are offered to the public at a rate of at least 20% for the first time in the Borsa Istanbul Equity Market will be subject to a corporate tax of 2 points on their corporate earnings for 5 accounting periods, starting from the accounting period in which their shares are offered to the public for the first time. discount is applied.

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

Income Tax Withholding

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

NOTE 32 – EARNINGS / (LOSS) PER SHARE

For the periods ended at 31 March 2025 and 2024 profit / (loss) per share whose nominal value is TRY 1 as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Net profit / (loss) for the period	(59.497.729)	(136.974.766)
Net profit / (loss) attributable to non-controlling interests	-	-
Net profit / (loss) attributable to the parent company	(59.497.729)	(136.974.766)
Total weighted average number of shares (*)	58.000.000	58.000.000
Basic and diluted earnings / (loss) per share (TRY)	(1,03)	(2,36)

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

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NOTE 33 – EXPOSURE TO FINANCIAL RISKS DUE TO FINANCIAL INSTRUMENT

Financial Instruments

Credit Risk

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

As of 31 March 2025, the credit risk of Group in terms of financial instruments is as follows:

	Trade Receivables		Other Receivables		Bank	
	Related Party	Other Party	Related Party	Other Party	Deposits	Other
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	-	255.224.796	-	14.418.832	56.551.148	585.858.332
Portion of the maximum risk secured with collateral, etc.	-	26.611.240	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	255.224.796	-	14.418.832	56.551.148	585.858.332
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)	-	2.921.793	-	-	-	-
- Impairment (-)	-	(2.921.793)	-	-	-	-
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	-	-	-	-	-	-

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

	Trade Receivables		Other Receivables		Bank	
	Related Party	Other Party	Related Party	Other Party	Deposits	Other
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	2.189.779	391.701.056	-	9.494.297	119.989.417	590.473.663
Portion of the maximum risk secured with collateral, etc.	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	2.189.779	391.701.056	-	9.494.297	119.989.417	590.473.663
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)	-	4.071.171	-	-	-	-
- Impairment (-)	-	(4.071.171)	-	-	-	-
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 2025, and 31 December 2024, 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.

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As of 31 March 2025, 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	377.955.022	400.841.667	205.652.867	195.188.800	-
	377.955.022	400.841.667	205.652.867	195.188.800	-
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	108.964.471	114.351.186	114.351.186	-	-
Other payables	84.799.996	84.799.996	84.287.334	512.662	-
	193.764.467	199.151.182	198.638.520	512.662	-
	Book Value	Cash outflow according to agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Derivative Instruments					
Derivative cash inflows	-	378.545.873	378.545.873	-	-
Derivative cash outflows	9.945.189	(368.600.684)	(368.600.684)	-	-
	9.945.189	9.945.189	9.945.189	-	-

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

Contractual maturities in accordance with the agreement	Book Value	Cash outflow according to agreement (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Financial Payables	370.182.547	386.287.353	4.290.794	381.996.560	-
	370.182.547	386.287.353	4.290.794	381.996.560	-

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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	100.655.779	87.981.081	87.981.081	-	-
Other payables	59.078.838	59.078.838	58.514.589	564.249	-
	159.734.617	147.059.919	146.495.670	564.249	-
	Book Value	Cash outflow according to agreement (=I+II+III)	Less than 3 months (I)	Between 3- 12 months (II)	Between 1- 5 years (III)
Derivative Instruments					
Derivative cash inflows	-	428.118.768	428.118.768	-	-
Derivative cash outflows	6.748.313	(421.370.455)	(421.370.455)	-	-
	6.748.313	6.748.313	6.748.313	-	-

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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 2025, amounts of assets and liabilities of the Group in foreign currency are as follows:

	TRY equivalent functional currency	USD	EURO	CHF	GBP	XAU
1. Trade Receivables	206.370.060	5.115.837	323.509	-	-	-
2a. Monetary Financial Assets (including cash, banks)	706.769.528	16.134.791	2.015.233	360.000	305	5
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current Assets (1+2+3)	913.139.588	21.250.628	2.338.742	360.000	305	5
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	24.692.093	-	606.657	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	24.692.093	-	606.657	-	-	-
9. Total Assets (4+8)	937.831.681	21.250.628	2.945.399	360.000	305	5
10. Trade Payables	81.545.406	1.649.856	464.051	270	3.910	-
11. Financial Liabilities	344.131.778	9.095.906	-	-	-	-
12a. Other monetary liabilities	383.293.696	10.131.013	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	808.970.880	20.876.775	464.051	270	3.910	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	-	-	-	-	-	-
18. Total Liabilities	808.970.880	20.876.775	464.051	270	3.910	-
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	377.864.497	10.005.521	-	-	-	-
19a. Total Hedged Asset Amount	377.864.497	10.005.521	-	-	-	-
19b. Total Hedged Liabilities Amount	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	506.725.298	10.379.374	2.481.348	359.730	(3.605)	5
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	128.860.801	373.853	2.481.348	359.730	(3.605)	5
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-
23. Export	14.496.233	1.856	367.014	-	-	-
24. Import	70.104.613	1.851.071	43.238	5.675	8.398	-

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

	TL karşılığı fonksiyonel para birimi	USD	EURO	CHF	GBP	XAU
1. Trade Receivables	357.891.779	7.251.819	1.887.083	-	-	-
2a. Monetary Financial Assets (including cash, banks)	642.817.927	16.055.923	477.667	675	-	5
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	-	-	-	-	-	-
4. Current Assets (1+2+3)	1.000.709.708	23.307.742	2.364.750	675	-	5
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	1.000.709.707	23.307.742	2.364.750	675	-	5
10. Trade Payables	84.364.339	1.971.199	181.565	-	8.258	-
11. Financial Liabilities	341.029.922	8.766.754	-	-	-	-
12a. Other monetary liabilities	469.411.973	12.065.122	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	894.806.234	22.803.075	181.565	-	8.258	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	-	-	-	-	-	-
18. Total Liabilities	894.806.234	22.803.075	181.565	-	8.258	-
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	427.349.600	11.005.521	-	-	-	-
19a. Total Hedged Asset Amount	427.349.600	11.005.521	-	-	-	-
19b. Total Hedged Liabilities Amount	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	533.253.073	11.510.188	2.183.185	675	(8.258)	5
21. Net foreign currency asset / liability position of monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	105.903.473	504.667	2.183.185	675	(8.258)	5
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-
23. Export	375.751.092	8.512.713	1.825.815	-	-	-
24. Import	747.934.292	19.028.304	916.994	19.681	24.684	-

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Currency Risk Sensitivity Analysis

As at 31 March 2025, according to the foreign currency position in the statement of financial position as at 31 March 2025, if the Turkish Lira had appreciated/depreciated by 10% against foreign currencies with all other variables held constant, net loss would have been higher/lower by TRY 50.672.530 as a result of foreign exchange gains/losses on assets and liabilities denominated in foreign currencies for the year then ended.

	Profit / (Loss)		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of appreciation / depreciation of USD against TRY by 10%				
1-USD net asset / liability	1.269.708	(1.269.708)	1.269.708	(1.269.708)
2- Amount hedged for USD risk (-)	37.786.450	(37.786.450)	37.786.450	(37.786.450)
3-USD net effect (1+2)	39.056.158	(39.056.158)	39.056.158	(39.056.158)
In case of appreciation / depreciation of EUR against TRY by 10%				
4- EUR net asset / liability	10.096.152	(10.096.152)	10.096.152	(10.096.152)
5- Amount hedged for EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	10.096.152	(10.096.152)	10.096.152	(10.096.152)
In case of appreciation / depreciation of GBP against TRY by 10%				
7-GBP net asset / liability	(17.691)	17.691	(17.691)	17.691
8- Amount hedged for GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(17.691)	17.691	(17.691)	17.691
In case of appreciation / depreciation of CHF against TRY by 10%				
10-CHF net asset / liability	1.536.005	(1.536.005)	1.536.005	(1.536.005)
11- Amount hedged for CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	1.536.005	(1.536.005)	1.536.005	(1.536.005)
In case of appreciation / depreciation of XAU against TRY by 10%				
13- XAU net asset / liability	1.906	(1.906)	1.906	(1.906)
14- Amount hedged for XAU risk (-)	-	-	-	-
15- XAU net effect (13+14)	1.906	(1.906)	1.906	(1.906)
TOTAL (3+6+9+12+15)	50.672.530	(50.672.530)	50.672.530	(50.672.530)

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As at 31 December 2024, according to the statement of financial position foreign currency position, if the Turkish Lira had appreciated/depreciated by 10% against foreign currencies with all other variables held constant, net loss would have been TL 53.325.307 higher/lower as a result of foreign exchange gains/losses on assets and liabilities denominated in foreign currencies for the year then ended

	Profit / (Loss)		Shareholders' equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of appreciation / depreciation of USD against TRY by 10%				
1-USD net asset / liability	1.800.275	(1.800.275)	1.800.275	(1.800.275)
2- Amount hedged for USD risk (-)	42.734.960	(42.734.960)	42.734.960	(42.734.960)
3-USD net effect (1+2)	44.535.235	(44.535.235)	44.535.235	(44.535.235)
In case of appreciation / depreciation of EUR against TRY by 10%				
4- EUR net asset / liability	8.825.927	(8.825.927)	8.825.927	(8.825.927)
5- Amount hedged for EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	8.825.927	(8.825.927)	8.825.927	(8.825.927)
In case of appreciation / depreciation of GBP against TRY by 10%				
7-GBP net asset / liability	(40.390)	40.390	(40.390)	40.390
8- Amount hedged for GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	(40.390)	40.390	(40.390)	40.390
In case of appreciation / depreciation of CHF against TRY by 10%				
10-CHF net asset / liability	2.894	(2.894)	2.894	(2.894)
11- Amount hedged for CHF risk (-)	-	-	-	-
12- CHF net effect (10+11)	2.894	(2.894)	2.894	(2.894)
In case of appreciation / depreciation of XAU against TRY by 10%				
13- XAU net asset / liability	1.641	(1.641)	1.641	(1.641)
14- Amount hedged for XAU risk (-)	-	-	-	-
15- XAU net effect (13+14)	1.641	(1.641)	1.641	(1.641)
TOTAL (3+6+9+12+15)	53.325.307	(53.325.307)	53.325.307	(53.325.307)

Concentration risk related to sales

For the accounting periods ended at 31 March 2025 and 2024, 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 2025 and 2024, 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.

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For the accounting periods ending on 31 March 2025 and 2024, customers and their rates that constitute 10% or more of the Group's revenue are as follows:

	01.01. - 31.03.2025	01.01. - 31.03.2024
Company A	16%	27%
Company B	4%	17%
Company C	4%	16%
Company D	0%	11%
Company E	19%	10%
Company F	39%	8%

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 2025 and 2024, net debt / total equity ratio is as follow:

	31.03.2025	31.12.2024
Total debts	1.196.717.688	1.138.731.180
Less: Liquid assets	642.485.137	710.512.353
Net debt	554.232.551	428.218.827
Total shareholders' equity	1.968.913.632	2.029.780.364
Total capital	2.523.146.183	2.457.999.191
Net Debt/ (Receivable), net / Total Capital ratio	22%	17%

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

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

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

Financial Assets

Monetary assets for which fair value approximates carrying value:

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

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 31 March 2025, and 2024, the Group did not make any transfers between first level and second level, or to and from third level.

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As of 31 March 2025, 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	642.485.137	-	642.485.137	5
Trade receivables	255.224.796	-	255.224.796	8
Financial Investments	-	9.498.845	9.498.845	6
<u>Financial liabilities</u>				
Financial payables	377.955.022	-	377.955.022	7
Trade payables	108.964.471	-	108.964.471	8
Derivative Instruments	-	9.945.189	9.945.189	22

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

	Financial asset / liabilities at amortized cost	Financial assets as at fair value through profit or loss	Book Value	Note
<u>Financial assets</u>				
Cash and cash equivalents	710.512.353	-	710.512.353	5
Trade receivables	393.890.835	-	393.890.835	8
Financial Investments	-	10.113.295	10.113.295	6
<u>Financial liabilities</u>				
Financial payables	370.182.547	-	370.182.547	7
Trade payables	100.655.779	-	100.655.779	8

NOTE 35 – SUBSEQUENT EVENTS AFTER THE FINANCIAL POSITION STATEMENT DATE

The Investment Incentive Certificate obtained by the Parent Company on 04 July 2022 within the scope of HAB Facility investments has been revised and the fixed investment incentive amount has been increased from TRY 96.459.044 to TRY 249.757.677.