aselsan

Report of the Board of Directors

30 September 2026

Table of Contents

Page No

2 Vision - Mission

3 Principles of Preparation

3 Company Information and Organizational Structure

5 The Company's Shareholder Structure

8 Main Factors That Affect the Performance, Investment and Dividend Policy of the Company

9 Enterprise Risk Management

11 Financial Information of the Company

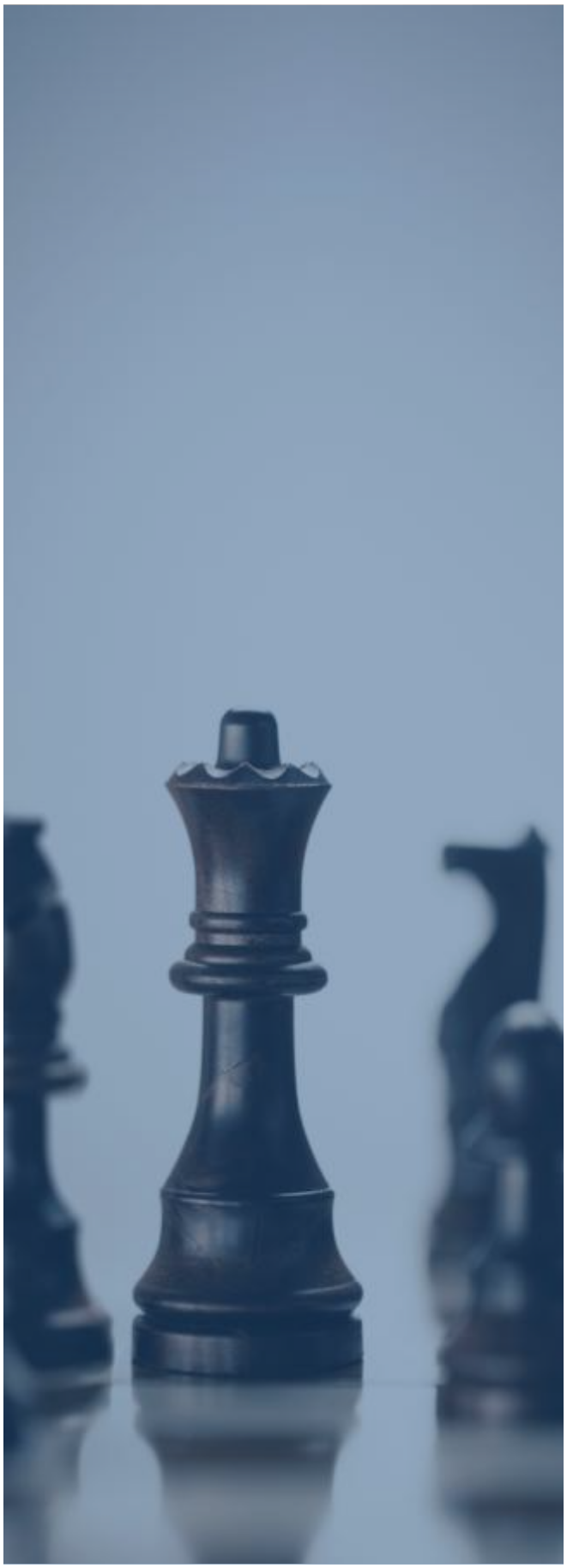
Page No

15 Changes in the Legislation Which Would Have Significant Impact on the Activities of the Company

16 Compliance Report on Corporate Governance Principles and Sustainability Principles Compliance Framework Report

16 Information Regarding the Lawsuits of the Group

17 Information Regarding the Transactions Made within the Reporting Period



Vision

To be a reliable, competitively preferred, environment-friendly and human conscious technology firm which preserves its sustainable growth in the global market via the values created for stakeholders, as well as serving its establishment purposes.

Mission

By focusing primarily on the needs of the Turkish Armed Forces; to provide high-value-added, innovative and reliable products and solutions to both local and foreign customers in the fields of electronic technologies and system integration; continuing activities in line with global targets as well as increasing brand awareness and contributing to the technological independence of Türkiye.

1- Principles of Preparation

The interim report of the Board of Directors is prepared on the basis of Communiqué Series II, No: 14.1 "Principles of Financial Reporting in Capital Markets" dated 13 June 2013.

The report comprises the events took place during the period 1 January – 30 September 2026. The title of the main shareholder in the report is ASELSAN Elektronik Sanayi ve Ticaret A.Ş and will be referred as "the Company" in the accompanying notes.

The Company's consolidated subsidiaries are ASELSAN Baku Ltd. Co. ("ASELSAN Baku"), Mikroelektronik Ar-Ge Tasarım ve Ticaret Ltd. Co. ("MKR-IC"), ASELSANNET Elektronik ve Haberleşme Sistemleri Sanayi Ticaret İnşaat ve Taahhüt Ltd. Co. ("ASELSANNET"), ASELSAN Konya Silah Sistemleri Anonim Şirketi ("ASELSAN Konya"), ASELSAN Malaysia Sdn. Bhd. ("ASELSAN Malaysia"), BİTES Savunma Havacılık ve Uzay Teknolojileri Yazılım A.Ş. ("BİTES"), ASELSAN Global Dış Ticaret ve Pazarlama A.Ş. ("ASELSAN Global"), ASELSAN Sivas Hassas Optik San. Tic. A.Ş. ("ASELSAN Sivas Hassas Optik"), ASELSAN UKRAINE LLC. ("ASELSAN Ukraine"), ASELSAN Latin Amerika SpA ("ASELSAN Latin Amerika"), ASELSAN Technologies Limited ("ASELSAN UAE"), ASELSAN Muscat SPC. ("ASELSAN MUSCAT") and ASELSAN PHILIPPINES INC. ("ASELSAN Philippines), ASELSAN Gaziantep Elektromekanik Teknolojileri Sanayi ve Ticaret A.Ş.("ASELSAN Gaziantep"), Aselsan Malatya Elektronik Sanayi ve Ticaret A.Ş. ("ASELSAN Malatya"), EST Enerji Sistem Teknolojileri A.Ş. ("EST Enerji"), ASELSAN Hungary LLC. ("ASELSAN Hungary"), ASELSAN Bilkent Mikro Nano Teknolojileri Sanayi ve Ticaret A.Ş. (''ASELSAN Bilkent Mikro Nano''), ASPİLSAN Enerji Sanayi ve Ticaret A.Ş. ("ASPİLSAN"), EHSİM Elektronik Harp Sistemleri Müh. Tic. A.Ş. ("EHSİM") .

The Company has seven branch offices; Aselsan Elektronik Sanayi ve Ticaret Anonim Şirketi EP Co. (''ASELSAN South Africa''), ASELSAN Balkans (''ASELSAN Balkans''), ASELSAN Kıbrıs İleri Araştırma Merkezi ("ASELSAN N. Cyprus"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Katar ("ASELSAN Qatar"), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Poland ("ASELSAN Poland), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Albania ("ASELSAN Albania), ASELSAN Elektronik Sanayi ve Ticaret A.Ş. Romania ("ASELSAN Romania) located in Republic of South Africa, Macedonia, Turkish Republic of Northern Cyprus ("TRNC"), Qatar, Poland, Albania and Romania, respectively. The branches are also included in the consolidated financial statements.

2- Company Information and Organizational Structure

The Company is a leading defense industry company developing advanced technology system solutions within land, air, naval and space platforms.

The Company, being an establishment of Turkish Armed Forces Foundation ("TSKGV"), stands in a position of a technology center within the fields of design, development, manufacturing, system integration, modernization and after sales services of military and civil communication systems, avionics systems, electronic warfare and intelligence systems, radar systems, command and control systems, naval warfare systems, security systems, transportation systems, energy systems, traffic and automation systems, medical systems, electro-optic systems and products. The Company has been organized under six divisions with regard to production and engineering requirements of projects. These divisions comprise Communication and Information Technologies Vice Presidency (''HBT''), Microelectronics and Electro-Optics Vice Presidency (''MEOS''), Avionics and Guidance Systems Vice Presidency ("AGS"), Integrated Defence Systems Technologies Vice Presidency (''SST''), Radar and Electronic Warfare Vice Presidency (''REHİS''), and Transportation, Security, Energy, Automation and Healthcare Systems Vice Presidency (''UGES''). In addition to the Vice Presidencies above, the Company organization also includes five Vice Presidencies to fulfil the planning, monitoring and analyzing functions: Financial Management Vice Presidency, Corporate Management Vice Presidency, Technology and Strategy Management Vice Presidency, Business Development and Marketing Vice Presidency and Supply Chain Management Vice Presidency. In addition to these, there are also Legal Affairs and

Office of the Private Secretary. The Internal Audit Department and Board of Planning and Coordination Department have been established under the Board of Directors.

The Company maintains production and engineering operations in Ankara, Macunköy, Akyurt, Gölbaşı and Oğulbey campuses and engineering operations in Hacettepe Teknokent, Teknopark İstanbul and Aselsan Temelli Campus. Additionally, the Company has a test production field area in Gölbek. Headquarters is located in Ankara Gölbaşı.

The Company's international, nation-wide and sectoral rankings are summarized in the table below:

Institution	Research / Study	Related Period	Ranking Current	Ranking Prior
DefenseNews	Defense News Top 100	2025	40	43
ISO	ICI 500 Top Industrial Entreprises	2025	9	17
FORTUNE	Top 500 Companies	2025	24	26
BORSA İSTANBUL	Sustainability 25 Index	2026	No Ranking	
	Corporate Governance Index		No Ranking	
	BIST Top 30 Index		No Ranking	
	BIST Top 100 Market Value Ranking		1	1

Institution	Research / Study	Related Period	Ranking Current	Ranking Prior
Türkiye Time	Research and Development Expenditures Türkiye Top 100	2025	2	2
TOP	Linkedin Top Companies	2025	4	No Ranking
universum	Ideal Employers (Engineering and IT) 100 Companies	2025	1	1
Deloitte.	Technology Fast 50 Big Star Category	2025	No Ranking	

Commercial title and trade registration number of the company and contact information pertaining to its headquarters, branches, offices and its website addresses are shown below:

Company	Type	Country / City	Address	Telephone / Fax	Web Site
ASELSAN Elektronik Sanayi ve Ticaret A.Ş.	Head Quarters	Türkiye Ankara	*Mehmet Akif Ersoy Mahallesi İstiklal Marşı Caddesi No:16 06200 Yenimahalle/Ankara Trade Registery: 31177*	Tel: +90 (312) 592 1000 Fax: +90 (312) 354 1302	www.aselsan.com
ASELSAN South Africa Branch	Branch	Rep. Of South Africa Pretoria	*Summit Place Office Park Building 2, First Floor 221 Garsfontein Road Menlyn, Pretoria, 0181*	--	--
ASELSAN Balkans Branch	Branch	N. Macedonia Skopje	*St. Makism Gorki No.13, Building No: 1, Enterance :1, Floor: 5, No:9, Skopje, 1000, North Macedonia*	--	--
ASELSAN Cyprus Advanced Tech. Research Center	Branch	TRNC Güzelyurt	*Middle East Technical University North Cyprus Campus ODTÜ KALTEV AR-GE Building No: E-19 99738 Kalkanlı/Güzelyurt*	Tel: +90 (312) 592 1000/80880	www.aselsan.com
ASELSAN Qatar Branch	Branch	Qatar Doha	*Qatar Science & Technology Park Free Zone, Street No: 2322, Zone No: 51, Unit No: 107, Building No:153, Building Name:*	--	--
ASELSAN Poland Branch	Branch	Polonya Varşova	*Skylight Building, 5 th Floor, Złota 59, 00-120 Warsaw*	--	--
ASELSAN Albania Branch	Branch	Republic of Albania Tirana	*Villa Street, Mamica Square, no.3 1034 Tiran Arnavutluk*	--	--
ASELSAN Romania	Branch	Romania Bucharest	*B1 S-Park Business Center, A1- 3rd Floor, No: 11-15, Tipografilor Street, 1st District, Bucharest, Romania*	--	--
ASELSAN Saudi Arabia Office	Office	Saudi Arabia Riyadh	*Riyadh Business Gate, Building: Zone D-3, GF, Unit 1*	--	--
ASELSAN Pakistan Office	Office	Pakistan İslamabad	*Serena Business Complex 3 rd Level, Office No:3 Sector G-5/1 Ramna Suhrwardy İslamabad*	--	--
ASELSAN Nigeria Office	Office	Nigeria Abuja	*World Trade Center, Central Business District, Abuja, FCT.*	--	--
ASELSAN Indonesia Office	Office	Indonesia Cakarta	*Menara Astra 32 nd Floor J1 .Jenderal Sudirman No.Kav5-6 Jakarta-Pusat*	--	--
ASELSAN Algeria Office	Office	Algeria Algiers	*Huseyin Sliman Street, El Biar, Algiers, Algeria*	--	--
ASELSAN Uzbekistan	Office	Uzbekistan Tashkent	*Shahrisabz Str. 2, Buyuk Turon MCG, Yunusabad District, Tashkent Cityania*	--	--
ASELSAN Iraq	Office	Irak Baghdad	*Abu Nuwas StreetLocality 102 - Alley 9 Al A'aney building 103*	--	--
ASELSAN Egypt	Office	Egypt Cairo	*CAIRO FESTIVAL CITY, Podium 5 Unit No 111*	--	--

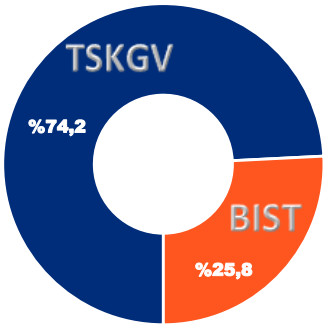
3- The Company's Shareholder Structure

Registered capital ceiling of the Company is TL 10.000.000.000 (TL ten billion). The nominal capital of the Company is TL 4.560.000.000 (TL four billion five hundred sixty million) and is divided into 4.560.000.000 (TL four billion five hundred sixty million) shares, each having a nominal value of 1 TL.

2.421.818.182 (two billion four hundred twenty one million eight hundred eighteen thousand one hundred eighty two) of the shares are Group A shares and 2.138.181.818 (two billion one hundred thirty eight million one hundred eighty one thousand eight hundred eighteen) of the shares are Group B Shares. All shares are in the name of the holder.

Group A shares are nominative preferred shares and 6 of the Members of the Board of Directors are elected among the Group A preferred shareholders or among the candidates presented by them.

Share distribution table of the Shareholders is presented below:



Partners	TL Thousand
Turkish Armed Forces Foundation (TSKGV)	3.383.302
Quoted on BIST (Free Float)	1.176.698
Paid-in Capital	**4.560.000**
Inflation Adjusted Capital	*46.796.790*



a) Members of the Board of Directors and Senior Executives

Within the framework of the provisions of the Company's Articles of Association, the Board of Directors consists of total 9 members comprising of 6 members to be elected from preferred shareholders or candidates nominated by group A and 3 independent members to be elected under Capital Markets Board (CMB) regulations. Information regarding the Members of the Board of Directors and Senior Executives as of publishing date of the report are as follows:

Members Of The Board Of Directors And Senior Executives

List No	Name and Surname	Position	Positions In Other Company's	Date of First Assignment
1.	Ercümend ARVAS	Chairman of the Board	Member Of The Board Of Directors of Kardemir Sanayi Ve Ticaret A.Ş., Member of The Board of Science, Technology and Innovation Policies of Presidency of The Republic of Türkiye	22 September 2023
2.	Mustafa Murat ŞEKER	Vice Chairman / Managing Member	Vice President at Secrettariat of Defence Industries, Chairman of the Board of Directors of ULAK Haberlesme A.Ş. , Vice Chairman of The Board of Directors of SSTEK A.Ş.	29 June 2021
3.	İsmail ARI	Member	Ozyegin University Faculty Member, Member of The Board of Directors of Tübitak Sage, Member of The Executive Council of University-Industry Collaboration Centers Platform of Türkiye	22 September 2023
4.	Bekir BAYRAKDAR	Member	Deputy Minister of Ministry of Treasury and Finance	22 September 2023
5.	Yavuz ÇELİK	Member / Managing Member	--	19 June 2020
6.	Alpaslan KAVAKLIOĞLU	Member	Deputy Minister of Ministry of Defense, Chairman of The Board of Directors of MKE, Member of The Board of Directors of Turkish Parliamentarians Union	26 April 2019
7.	Göksel SEVİNDİK	Member	--	14 June 2024
8.	Ebru TÜMER	Member	Dean of The Faculty of Business Administration at Gebze Technical University	22 September 2023
9.	Ahmet YOZGATLIGİL	Member	Rector of The Middle East Technical University, Member of The Board of Directors of MKE, Member of The Board of Directors of Tubitak, Member of The Board of Directors of Tubitak Space Technologies Research Institute, President of The Board of Directors of Tubitak National Observatory, Member of The Board of Directors of Bilişim Vadisi, Member of The Board of Directors of Saha Istanbul, Member of The Board of Directors of Izmir Biomedicine and Genome Center	22 September 2023
10.	Ahmet AKYOL	President and CEO	Member of The Board of Directors of TÜBİTAK Sage, Member of NATO Science And Technology Board (STB), Vice Chairman of The Board of Directors of Saha Istanbul, Chairman of TOBB (The Union of Chambers And Commodity Exchanges of Türkiye) Defense Industry Council, Member of The Board of Directors of Istanbul Finans Ve Teknoloji Üssü A.Ş., Vice Chairman of The Board of Directors of Ulak A.Ş., Member of The Board of Directors of Teknofest	1 July 2022
11.	Yusuf Bora KARTAL	Vice President and President Business Sector (HBT Sector President)	Member of The Board of Directors of HTR, Chairman of The Board of Directors of Aselsan Malatya	3 January 2025
12.	İsmail ÖZSARAÇ	Vice President and President Business Sector (MEOS Sector President)	Chairman of The Board of Directors of Sivas Hassas Optik A.Ş.	3 January 2025
13.	Murat KARATAŞ	Vice President and President Business Sector (AGS Sector President)	Vice Chairman of The Board of Directors of Aselsan Middle East, Chairman of The Board of Directors of Aselsan Bilkent Mikronano A.Ş.	22 January 2024
14.	Mustafa YAMAN	Vice President and President Business Sector (REHIS Sector President)	Chairman of The Board of Managers of Aselsannet	1 July 2022
15.	Zekeriyya ŞAHİN	Vice President and President Business Sector (SST Sector President)	Vice Chairman of The Board of Directors of IGG-Aselsan Integrated Systems LLC., Chairman of The Board of Directors of Bites Savunma Havacılık Ve Uzay Teknolojileri Yazılım Elektronik A.Ş., Member of The Board of Directors of Kazakhstan Aselsan Engineering, Chairman of The Board of Directors of Aselsan Ukraine LLC.	22 January 2024
16.	Alaattin DÖKMEN	Vice President and President Business Sector (UGES Sector President)	Member of The Advisory Board of Hacettepe University	21 May 2025
17.	Emre COPCUOĞLU	Vice President (Business Development and Marketing)	Chairman of The Board of The Directors of Aselsan Qatar, Member of The Board of Turkısh Defence And Aerospace Industry Exporters' Database, Member of The Board of BARQ QSTP LCC, Member of The Board of ASELSAN Saudi Arabia	13 Mayıs 2026
18.	Mehmet ARTAR	Vice President (Corporate Management)	--	18 July 2023
19.	Nurettin TÜYSÜZ	Vice President (Financial Management)	--	2 Aprıl 2025
20.	Taha YÜCEL	Vice President (Technology & Strategy Management)	Member of The Board of Information Security Association	1 July 2022
21.	Murat ASLAN	Vice President (Supply Chain Management)	Chairman of The Board of Directors of Aselsan Konya, Chairman of The Board of Directors of Aselsan Gaziantep, Members of The Board of Directors of SASAD	30 July 2024
22.	Tufan ATİKTÜRK	President of Internal Audit	--	1 Ocak 2026

The Members of the Board of Directors are entitled with the authorizations stipulated in the Turkish Code of Commerce ("TCC") and in article 13 of the Articles of Association of the Company.

Entitled shareholders, members of the board of directors, senior executives and to their spouses as well as relatives up to second degree are not authorized to perform transactions, which may cause conflict of interest or competition with the Company and/or subsidiaries. There are no transactions conducted by board members, either on their own behalf or on behalf others, that violate the Company's transaction ban. There is no operation regarding the non-compete obligation by the members of the board.

The controls are carried out by the Internal Audit Presidency ("IAP") and Audit Committee within the parent company in order to minimize the substantial error risk on the financial statements of the Group. IAP and Audit Committee carry out their duties independent from each other but within the guidance of common objectives and targets, with the aim of observing an internal control system, which provides required controls in matters such as the reliability of the financial reporting system, the efficiency of the activities in order to eliminate the operational risks and compliance with the law. Furthermore, the efficiency and sufficiency of the internal control are supported with the directives in effect.

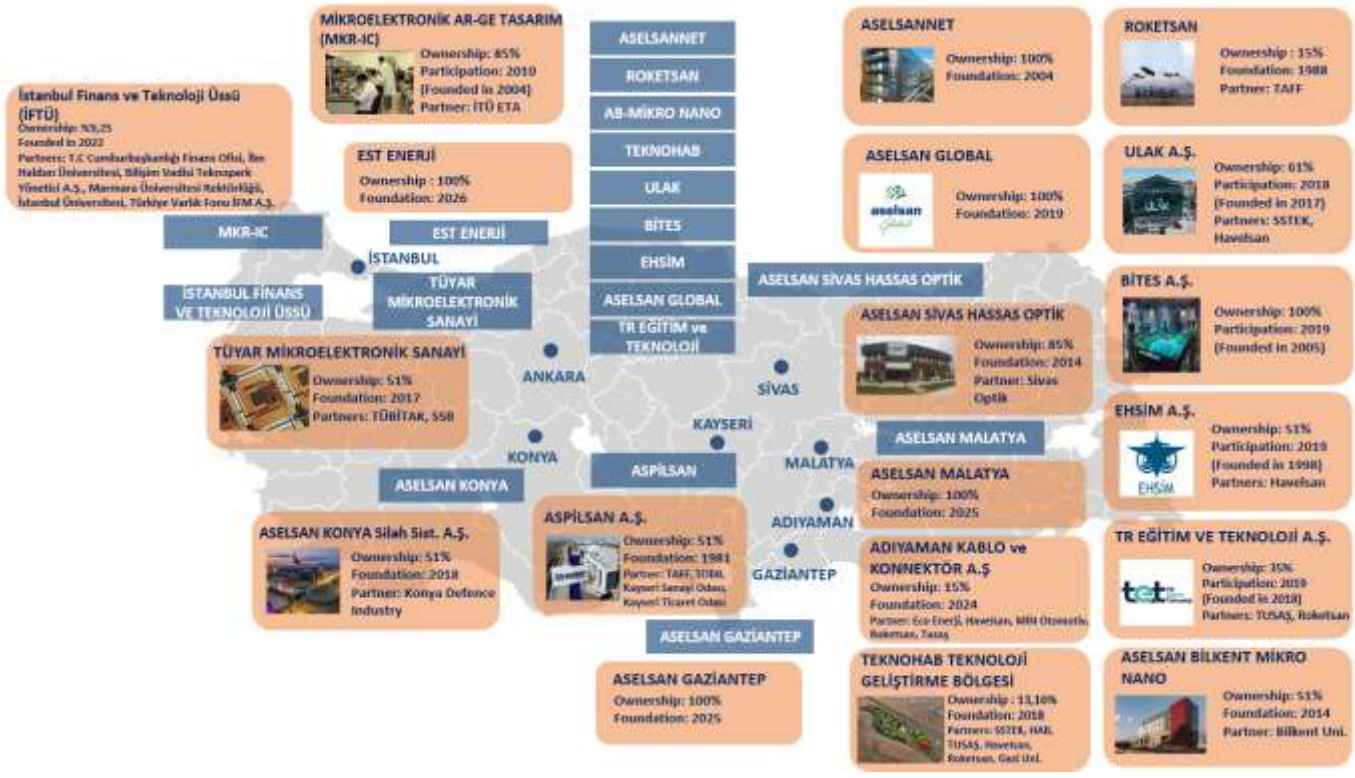
There are no administrative or judicial sanctions imposed on the company and member of its management body due to practices contrary to the provisions of the law.

Total Amount of the Financial Benefits Given to Senior Executives:

The total amount of the remuneration and similar benefits paid to the high level executives by the Company as for the period that ended on 30 September 2026 is approximately TL 523.670 Thousand (Majority of the amount paid consist of salary payments and benefits provided).

b) Information on Business Partnerships, Associates, Subsidiaries, Joint Ventures and Branches

The Company's consolidated subsidiaries and branches are as follows:





Both our subsidiaries and joint ventures subject to consolidation fulfill their obligations regarding the tax legislation of the countries in which they operate and submit their audited financial statements and declarations regarding their tax assets/liabilities to the relevant authorities.

There is no cross-ownership relation between the companies subject to full consolidation (ASELSANNET, ASELSAN Bakü, ASELSAN Sivas Hassas Optik, ASELSAN Global, MKR-IC, ASELSAN Malaysia, ASELSAN Konya, BİTES, ASELSAN Ukraine, ASELSAN Latin America, ASELSAN UAE, ASELSAN MUSCAT, ASELSAN Philippines, ASELSAN Malatya, ASELSAN Gaziantep, EST Enerji, ASELSAN Hungary, ASELSAN Bilkent Mikro Nano, ASPİLSAN, EHSİM) and equity pick-up consolidation method (IGG ASELSAN Integrated Systems, ASELSAN Kazakhstan Engineering, ASELSAN Middle East, TÜYAR Mikroelektronik Sanayi, BARQ QSTP LLC, TEKNOHAB Teknoloji Geliştirme Bölgesi, TR Eğitim ve Teknoloji, İstanbul Finans ve Teknoloji Üssü, ULAK, Adıyaman Kablo ve Konnektör) and the Company.

Roketsan is considered as financial assets held for sale.

4- Main Factors That Affect the Performance, Investment and Dividend Policy of the Company

The Company carries on its business operations mainly in defense industry as well as in non-defense industry. According to the latest data, world defense expenditures has increased by 2,9% in real terms to reach USD 2,9 Trillion and the ratio of total expenditures to total global GDP has realized as 2,5%.

The summary table on the right side gives information about the top five countries, which accounted for 59% of the total defense expenditure in 2025 and Türkiye.

Rank	Country	Expenditure (m USD)	2024-2025 %Δ	Expend./GDP %	Share in the World %
	World	**2.887**	**2,9**	**2,5**	**100,0**
1	USA	954	-7,5	3,1	33,4
2	China	336	7,4	1,7	11,7
3	Russia	190	5,9	7,5	6,7
4	Germany	114	23,9	2,3	4,0
5	India	92	8,9	2,3	3,2
18	**Türkiye**	**30**	**7,2**	**1,9**	**1,0**

As of 2025, Türkiye's annual defense expenditures increased by 7,2% in real terms to reach USD 30 Billion and the ranking 18th in the world. The ratio of defense spending to GDP is 1,9%. Due to the industry's nature, defense projects spread over years, furthermore a system project lasts approximately 4 to 5 years from its start to its delivery.

As of 30 September 2026, The Group's long-term plans which have been accordingly signed as contracts spread over years amounts to USD 30,7 Billion.

The determination of target regions/countries and focusing on these markets for marketing and direct sales as well as engaging in joint productions, transfer of technology to/from international platform producers and strategic initiatives for sales to third countries are concurrent to our sustainable growth objectives.

The Company's profit distribution policy is posted on www.aselsan.com website under Investor Relations/ Corporate Governance/Policies. According to the policy, at least 10% of the distributable net profit is targeted to be distributed.

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

•Out of net distributable profit to the shareholders for the period, calculated in the framework of the dividend distribution regulations and decisions of the Capital Markets Board, gross, TL 1.950.000.000,- (Kuruş 42,76316 per share of TL 1 and 42,76316% on the basis of the capital) (net TL 1.657.500.000,- Kuruş 36,34868 per share of TL 1 and 36,34868% on the basis of the capital) shall be distributed in the form of cash,

•In accordance with Article 519/2 of the Turkish Commercial Code, General Legal Reserves amounting to TL 172.200.000,- TL,- is going to be allocated,

•The remaining profit is going to be allocated as Extraordinary Legal Reserves,

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

5- Enterprise Risk Management

ASELSAN's Enterprise Risk Managements Policy aims; to take proper actions against uncertainties that threaten the existence of the Company and to protect corporate identity and stakeholders' interest at all conditions.

Risk management is an integrated element of corporate governance. The information gathered within the scope of risk management activities in ASELSAN is integrated into decision making mechanisms.

The "top-down" and "bottom-up" approach is being applied into Enterprise Risk Management activities together. Risks, which are significant enough to affect ASELSAN's achievement of its targets, are identified, evaluated, monitored and reported along with the risk responses and precautions to be taken. At ASELSAN; The Enterprise Risk Management process is regularly reviewed and improved.

ASELSAN's employees and business processes are at the center of the Enterprise Risk Management System. In the developing and rapidly changing world, every risk that arises or increases in impact and probability is proactively followed, and the possible effects on the Company and the opportunities created by these risks are evaluated.

At ASELSAN, risks are followed under four main categories:

a) Main Risk Categories

Strategic Risks: Risks that may prevent ASELSAN from reaching its targets in short, medium or long terms are classified under this heading. Risks under this heading include factors such as; growth and continuity, changing customer expectations, technological changes and market share.

While ASELSAN manages its strategic risks effectively; it aims to increase its backlog, increase exports and to take part in sustainable works. In order to increase ASELSAN's market share and offer new products / services, ASELSAN seizes company merger / acquisition opportunities both at home and abroad. ASELSAN also conducts business development activities successfully.

ASELSAN increases its research and development activities in order to meet changing customer expectations and changes in technology, and realizes the necessary infrastructure and technological investments. ASELSAN diversifies the geographical regions in sales, customer portfolio and the sectors in order to maintain its growth and continuity in the medium and long term.

Operational Risks: It is defined as the risks arising from errors and negligence that may occur while

performing the operational activities of the company. Risks under this section include factors such as; production, supply chain, human resources, information technologies, natural disaster and terrorist attacks.

In order to ensure the continuity of the processes, in-house directives and functors have been prepared and necessary updates are being made when needed. Within the scope of the Internal Audit plan and work schedule prepared in ASELSAN, business processes are being audited and process improvements are made in line with the audit outputs.

Quality in production processes involving internal operations and suppliers is uncompromisable; where subcontractor and supplier development activities are carried without slowing down. In terms of managing Human Resources and increasing employee motivation; activities were made with the participation of employees from every level and process improvements were made.

Security policies are sustained at the highest level in Information Technology applications. In this area, internal and external audits are carried out periodically and precautions are taken against probable cyber-attacks and in the field of Information Technologies, business continuity in-house is provided. Our all processes are administered by directives, quality plans, standards, audits and test instructions. Our processes have been certified by internationally accepted standards such as AS9100, ISO 9001, ISO 27001, AQAP and CMMI so that our products and services are secured to protect quality standards.

These certificates are renewed every year with the audits performed. Changes and improvements of international standards are being followed and our processes are developed accordingly. Regarding risks, such as natural disasters, terrorist attacks, necessary precautions are taken, primarily insurances have been made, and drills are carried out.

Financial Risks: It refers to the risks arising from the financial structure and financial preferences of the company. Exchange rate, liquidity and interest rate risks are some risks under this heading.

The exchange rate risk, which is any kind of change that may occur in assets and / or liabilities as a result of exchange rate fluctuations in the future, ASELSAN aims to minimize the effect of exchange rate fluctuations by keeping the long and short foreign exchange position at a minimum level. The balance sheet methods have been used in managing the exchange rate risk. Implementations such as; making use of foreign exchange denominated loans in line with the company's export volume, matching the contract currency with the currency of the costs of the project, and signing the subcontractor contracts in line with the main contract currency are used.

ASELSAN eliminates the liquidity risk, which is known as the risk arising from default and inability to fund the assets, it monitors forecasted and actual cash flows regularly and ensures the continuity of adequate funds and credit lines by matching the maturity of financial assets and liabilities. In order to manage the interest rate risk arising from changes in assets and / or liabilities as a result of fluctuations in interest rates in the future, it conducts transactions with fixed interest rates and uses financial derivative instruments when necessary.

Compliance Risks: It refers to the risks associated with the Company's financial losses and / or loss of reputation as a result of the company's activities or the attitudes and behaviors of the company employees that are not in compliance with the legislation, regulations and standards. While conducting its activities, ASELSAN closely follows national and international standards with the best practices in the sector, and compliance with legislation and regulations is ensured at the highest level. In addition, by Internal Audit Precidency; the effectiveness of controls, compliance with legislation and ASELSAN regulations, compliance with ethical principles and controls to eliminate risks are being evaluated.

b) Early Detection and Management of Risk Committee Works

The Early Detection and Management of Risk Committee, which consists of the members of the Board of Directors, has been operating at ASELSAN since 2012 in order to ensure early detection of risks that may endanger the existence, development and continuity of the Company, to take necessary measures related to the identified risks and to manage the risks. The Chairman of the

Committee is an Independent Board Member. Committee; carries out its own activities in full compliance with the regulations of the Capital Markets Board and all the related legislation, especially article 378 of the Turkish Commercial Code No. 6102. In addition, the Early Detection of Risk System and Committee, established by ASELSAN, is subjected to independent audits annually and the Auditor Report stating that the activities performed is sufficient, is submitted to the Board of Directors. Committee conducted 5 meetings by the end of third quarter of 2026 in order to follow the works on early detection and management of risks and to make evaluations about this issue. The reports containing the works of the Committee were being submitted to the Board of Directors periodically.

c) Training

At ASELSAN, spreading risk management to the Company culture and creating risk awareness in each employee are among the basic elements that ensure the success of the Corporate Risk Management System. In this context, "Corporate Risk Awareness Training" and "Climate Change Risk and Opportunity Studies at ASELSAN" have been added to the vocational and on-the-job training programs of all ASELSAN personnel. It has become compulsory to take these trainings.

CLIMATE CHANGE

According to the 2026 Global Risks Report published by the World Economic Forum, climate change risks are among the significant risks assessed according to their probability and impact level, as in previous years.

ASELSAN is taking the necessary actions for a sustainable world, managing climate change risks, and maintaining its position among the world's leading defense industry leaders by conducting transparent sustainability reporting, primarily through the Sustainability Report Compliant with Turkey Sustainability Reporting Standards, CDP (Carbon Disclosure Project) Nature Reporting, and the Integrated Sustainability Report.

ASELSAN has been continuously working within the scope of the Carbon Disclosure Project (CDP) Nature Reporting since 2010. In the CDP Nature Reporting, it scores above the global and national averages in the climate change category, while it maintains its leadership position with the score it receives in the water management category. In addition to the Integrated Sustainability Report, as of 2025, the Sustainability Report Compliant with Turkey Sustainability Reporting Standards is published with a transparent sustainability approach following an independent audit.

ASELSAN was included in BIST (Borsa Istanbul) Sustainability 25 Index in July 2025, having achieved the highest ESG (Environmental-Social-Governance) score and has remained in the index ever since, joining an exclusive group of 25 companies selected nationwide based on market capitalization and performance.

6- Financial Information of the Company

The forecasts under the normal conditions regarding the Group's consolidated financial results for the 2026 year are presented below:

	Inflation Adjusted
Financial Targets of 2026	**Amount | Ratio**
Revenue Growth (TL)	>10%
EBITDA Margin (Adjusted without Foreign Exchange Rate Differences)	>24%
Capital Expenditures	>50.000 Million TL

The Company, which has been in the most prestigious Defense Industry list since 2008, "Defense News Top 100", published by "Defense News" magazine, aims to increase its ranking in the list in following years. Ranking 43rd in the 2025 list and ranking 40th place in the 2026 list. In order to achieve the sustainable growth:

- The quality and technological perspectives of the cooperation formed with the universities have been increased.
- ASELSAN employees are provided with the opportunity to study in the work environment with the initiation of ASELSAN Academy Postgraduate Training Program. The program serves the purpose of having the necessary technologies and developing existing technologies.
- In cooperation with the Ministry of National Education's Directorate of Vocational and Technical Education of the Republic and ASELSAN, aimed at contributing to the development of a qualified workforce needed by the defence industry, the first vocational and technical Anatolian high school in the field was established in 2019 in Ankara.
- The eco-system with the sub-industry companies and SME's is formed.

- Company is continuing its operations in non-defense electronic areas which requires high technology.
- Inorganic growth will also be evaluated as well as organic growth.

a) Financial Resources of the Company

The most substantial financial resources of the Company comprise the advance and interim payments taken within the scope of the contracts signed and profits generated by the main activities. During the period between 1 January – 30 September 2026, the cash requirements were met with the available cash, cash inflows from operations and loans.

As of 30 September 2026, there is a loan balance amounting to USD 1.779 Million.

Planned Measures to Improve the Financial Structure of the Company

As for the annual budgets and implementations for the period 2025-2026, the Group have adopted the principles as the basis to take care of savings in all kinds of expenditures, to follow up the advances and receivables closely, to pay attention to the proportion of the term and currency in purchasing and sales agreements and the risk status of the domestic/foreign suppliers and sub-contractors.

b) Research and Development Activities

The Group, as a leading defense industry establishment, develops advanced technology system solutions on land, air, naval and aerospace platforms, places great importance to Research and Development activities and technological gains since it was founded.

By following up on all kinds of technological developments pertaining to land, air, naval and aerospace platform product/system technologies, the Company not only applies technology but also designs, develops and produces product/system technologies in order to share or sell with/to national and international collaborations.

Projects are striving at maximum level in order to benefit from the technological opportunities existing in the country aiming to increase the national contribution share. For this purpose, cooperation is made with universities and various R&D organizations and importance is given to the use of local suppliers and subcontractors. As for the projects carried out within the Group, Research and Development center application pursuant to the Law regarding the support of Research and Development activities numbered 5746 is being implemented.

As for non-public R&D projects, the approval of TEYDEB (Technology and Innovation Support Programs Directorate) and ARDEB (Research Support Programs Presidency) are received and supported by the institutions. Within the Company, there are 11 Research and Development centers within the scope of Communication and Information Technologies (HBT), Microelectronics and Electro-Optics (MEOS), Avionics and Guidance Systems (AGS), Integrated Defense System Technologies (SST-1 and SST-2), Radar Electronic Warfare and Intelligence Systems (REHİS), Transportation, Security, Energy, Automation and Healthcare Systems (UGES-1 and UGES-2), Information Management Director (BYD) as well as Middle East Technical University (Teknokent and Titanyum).

Currently, 11.243 staff are employed at the Group's Research and Development centers. The Company also carries on its activities at Hacettepe Teknokent, and Teknopark İstanbul within the scope of the Law numbered 4691 on Technology Development Regions. 66 staff at Teknopark İstanbul and 4 staff at Teknokent Hacettepe are employed.

c) Progress in Investments and Degree of Incentive Utilization

I. Investments

Directing the Company's resources to profitable, high value-added fields, where advanced technology is used, is anticipated in the first place by considering the global tendencies, technological developments and the actual and prospective requirements of all customers, particularly Turkish Armed Forces. The investments within the Company are carried out after detailed consideration of the technological plans, strategic plans and project requirements. During the current period, the investments, which will meet the needs of infrastructure and equipment in order to be used in research and development projects have been sustained in compliance with the investment scheme in accordance with the policy of efficient use of resource.

ASELSAN has incorporated a newly allocated area for investment purposes of 6,500-acre in Ankara Oğulbey with the aim of further strengthening its global position in defence technologies. Currently operating on an open area of 5,000 acres, with this expansion our Company has more than doubled its existing footprint.

The foundations of a new investment worth USD 1.5 billion have been laid in this new campus at the ceremony attended by our President of the Republic of Türkiye. This investment, one of the largest industrial investments in Türkiye in recent years, also marks the single largest defence investment in the history of our Republic. Through this major initiative, higher-volume serial production of many critical technologies particularly Air Defence Systems that will form the STEEL DOME will be undertaken, while additional capabilities and infrastructure for design, testing, and production will be established.

II. Incentives

Income tax withholding incentive, insurance premium support, stamp tax exemption and Research and Development incentives are utilized within the scope of the Law numbered 5746. In accordance to the Law regarding the Incentive of Research and Development Activities numbered 6676 published on Legal Gazette numbered 29636 on 26 February 2016 and The Law Regarding the Amendments on Delegated Legislation, the content of the law and incentives has been broadened and additional exceptions has been given.

Income tax withholding incentive, insurance premium support and stamp tax exemption are utilized by being calculated over the salaries of the Research and Development personnel and not being paid to the relevant institution and the Research and Development discount is utilized by means of applying a discount on the corporate tax return. Aforesaid law is valid until the date of 31 December 2028.

Within the scope of the Teknokent Law numbered 4691, incentive on withholding income tax, insurance premium support and stamp tax exemption are applied. These are utilized by making calculations on Research and Development and software personnel wages and not being paid to the related institution. The gain obtained with reference to the execution of Technology Development Zones Law numbered 4691 is exempted from the corporate tax of 31 December 2028.

Between the period 1 January – 30 September 2026 because of having Research and Development centers, TL 12.332.205 Thousand within the scope of income tax withholding incentive, promotion of insurance premium, stamp duty exception; as a result of being active at Hacettepe and İstanbul Technology Development Area Technopark TL 613.165 Thousand incentives have been used.

Within the scope of the Research and Development Law No 5746 and Teknokent Law No 4691, TL 539.586 Thousand Corporate Tax advantage has been gained as of 1 January - 30 September 2026 period.

When the Group's Research and Development expenses eligible for the Research and Development deduction exceed the amount of the Research and Development deduction reported in the corporate income tax return prepared in accordance with the applicable tax legislation, the difference is recognized as deferred tax income in the financial statements. In accordance with Article 8 of Law No. 7582, deferred tax is calculated by applying a tax rate of 12.5% for income expected to be generated from manufacturing activities and 25% for income expected to be generated from service and other activities.

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

The 1007 Public Institutions Research and Development Project Support Program has been formed in order to meet the requirements of the Public Institutions with Research and Development

or to support the projects aimed at solving their problems. In scope of this support five Research and Development projects are still ongoing. The incentives for the related programs are used periodically. In addition, there are two projects carried out in the Tübitak 1707 Order-Based R&D Projects Program

Incentives were received from Turquality due to the introduction, fair, and rental activities (310.517 Thousand TL) and other incentives (103.211 Thousand TL)

Within the context of “Taxes and Funds Exemption Certificate” received from Republic of Türkiye Ministry of Trade in order to increase exports and gain competitiveness in international markets, stamp duty and fee exemptions are used in export sales and deliveries and foreign exchange gain activities (TL 651.092 Thousand). Within the Decision Regarding the Governmental Grant in Investments, there are twenty-three Investment Incentive Certificates taken from the Turkish Republic Ministry of Industry and Technology General Directorate of Incentives and Implementation. With such incentive certificates, VAT exemption and customs tax exclusion are utilized (TL 1.808.572 Thousand).

VAT exemption is applied to our purchases, which are used for our deliveries subject to VAT 13/f Article and our exports (TL 15.978.058 Thousand).

Within the scope of "2030 Industrial and Technology Strategy and Large-Scale Investments", our company has been granted investment incentives for the Photon Detector and Nanotechnology Facility Investment, Radar System Integration and Production Facility Investment and Air Defense Systems Production and Test Facility, Smart Munition Production Facility Investment. Within the scope of these three investments, valued at 616 million USD, a total of 2.244 new employment, including 1.672 qualified personnel, are planned. These investments will contribute to a substantial increase in capacity for the large-scale serial production of critical technologies and will lead to the establishment of new research and development infrastructures. These infrastructures will be responsible for the production of key components of STEEL DOME, which is one of the most critical areas for our national security including radars, sensors, smart munition electronics, and air defense technologies.

d) Production, Capacity and Revenue

The Company can conduct complicated projects through its own integrated system architecture by means of knowledge, highly developed R&D infrastructure, well-equipped production lines and facilities.

According to the relevant sales agreement terms and conditions, the Company’s revenue from projects contains order-based production, mass production product sales, services, commodities and progress billing sales. Sales terms and conditions are subject to change as for the respective agreements. Substantial part of production has been realized based on orders. All related processes are being managed efficiently since product requirements, quantities and prices are different. Works in order to perform distinctive business development and marketing activities in global markets to increase efficiency in international markets and exports have been continued. As of 30 September 2026, net sales increased by 28% to TL 151,5 Billion and export to net sales ratio is realized as 18%

e) Financial Ratios

As of 30 September 2026, the Group's financial statements prepared in accordance with the Communiqué Series II, No: 14.1 "Communiqué on Capital Market Financial Reporting Standards" issued by Capital Markets Board. Based on this, financial ratios are presented as below.

Financial Ratios	Sep. 26	Dec. 25
Current Ratio	1,45	1,39
Liquidity Ratio	0,77	0,80
Short Term Current Liabilities / Total Financial Liabilit	78,3%	88,3%
Total Financial Liabilities / Total Assets	14,1%	10,0%
Gross Profit Margin	31,4%	31,8%
Operating Profit Margin (EBIT)	21,6%	23,2%
Adjusted EBITDA Margin (*)	26,8%	26,2%
Net Profit Margin	17,4%	16,6%
Return On Equity (ROE)	16,6%	13,7%
Net Working Capital / Net Sales	33,9%	27,0%
Return on Assets (ROA)	9,3%	8,0%

* General administrative expenses, marketing expenses and research and development expenses are substracted from and current period's depreciation and amortization expenses are added to the gross profit in calculation of Adjusted EBITDA value. Other operating income and other operating expenses are not included in the calculation.

7- Changes in the Legislation Which Would Have Significant Impact on the Activities of the Company

Inflation Accounting

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

On 23 November 2023, Public Oversight Accounting and Auditing Standards Authority ("POA") announced the application of inflation accounting in Türkiye and according to the announcement, financial statements of entities applying TFRS for the annual reporting period ending on or after 31 December 2023 should be presented as adjusted for the effects of inflation in accordance with the related accounting principles in TAS 29. As of the date of these financial statements, inflation adjustment has been made in accordance with TAS 29 while preparing the financial statements dated 30 September 2026.

TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms using the general price index. One of the conditions that require the application of TAS 29 is a three-year cumulative inflation rate of approximately 100% or more. In Türkiye, based on the consumer price index ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"), the cumulative rate was 158% for the three-year period ended 30 September 2026 (31 December 2025: %211).

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

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

The main lines of TAS 29 indexation transactions are as follows:

As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant consumer price index coefficients. Prior year amounts are restated in the same way.

Financial statements of previous reporting periods have been restated to reflect the current purchasing power of money at the latest balance sheet date. The current period restatement factor has been applied to the prior period financial statements.

Monetary assets and liabilities are not restated because they are expressed in terms of the purchasing power of money at the balance sheet date. Monetary items are cash and items to be received or paid in cash. Non-monetary assets and liabilities are restated by reflecting the changes in the general price index from the date of acquisition or initial recognition to the balance sheet date in their acquisition costs and accumulated amortization amounts. Accordingly, property, plant and equipment, intangible assets, right-of-use assets and similar assets are restated to their acquisition values, which do not exceed their market values. Depreciation has been restated in a similar manner. Amounts included in shareholders' equity have been restated by applying the consumer price indices for the periods in which such amounts were contributed to or arose within the Company.

All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

The gain or loss arising on the net monetary position as a result of general inflation is the difference between the restatement adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

All items presented in the statement of cash flows are restated for the effects of inflation in the measuring unit current at the end of the reporting period. The effect of inflation on cash flows from operating, investing and financial activities is attributed to the related item and the monetary gain or loss on cash and cash equivalents is presented separately.

8- Compliance Report on Corporate Governance Principles and Sustainability Principles Compliance Framework Report

“Corporate Governance Compliance Report” and “Sustainability Principles Compliance Framework Report” will be announced in the year-end report of the Board of Directors.

9- Information Regarding the Lawsuits of the Group

The lawsuits and execution proceedings filed by or against the Group as of 30 September 2026 are summarized in the table:

Statement	September 26 (TL Thousand)
Ongoing lawsuits filed by the Group	30.549
Execution proceedings carried on by the Group	1.118.138
Lawsuits proceedings carried against the Group	189.577
Execution proceedings carried against the Group	36.384
Lawsuits finalized in favor the Group within the period	14.964
Lawsuits finalized in against of the Group within the period	28.312

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

10- Information Regarding the Transactions Made within the Reporting Period

a) Changes in the Articles of Association

There are no changes in the Articles of Association within the reporting period.

b) Collective Agreement Implementations, Rights and Benefits Provided to the Personnel and Workers

The Group recruited a total number of 4.659 people as the personnel including fixed-term contracted personnel, disabled and terror-stricken personnel during the period 1 January – 30 September 2026 and the number of people quit for the same period is 1.505.

The rights and benefits provided to the personnel by the Company are bonus payments, meal allowances, marriage benefits, maternity benefits, life insurance, transportation, private health insurance, and childcare and kindergarten benefits. The average number of personnel employed by the Group as of 30 September 2026 is 17.992.

c) If it is an affiliate company, the legal transactions carried out in favor of the parent company or its affiliate with the parent company, with an affiliate company connected to the parent company with the direction of the parent company and all other measures taken or avoided to be taken in favor of the parent company or its affiliate in the previous activity year

There has not been such an event within the reporting period.

d) If it is an affiliate company, whether any counter performance was realized for each legal transaction according to the known status and conditions at the time the legal transaction mentioned in article c was realized or at the time the measures were taken or avoided to be taken and whether the company incurred losses due to the taken or avoided measure and if the company incurred losses to observe whether this was equalized or not

There has not been any material event that affects the Company's financial statements within the period.

e) Information Regarding the Donations and Social Responsibility

Within the period of 1 January – 30 September 2026, the donation amount made by the Group is TL 78 Million.

f) Events After the Reporting Period

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