

# **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

## **Financial Report**

### **Consolidated**

### **2019 - 2. 3 Monthly Notification**

**General Information About Financial Statements**

30 June 2019 Financial Statements

## Independent Audit Comment

Independent Audit Company	YEDİTEPE BAĞIMSIZ DENETİM A.Ş.
Audit Type	Limited
Audit Result	Positive

### Independent Auditor's Report on Review of Consolidated Interim Financial Statements

To the Board of Directors of ASELSAN Elektronik Sanayi ve Ticaret Anonim Şirketi

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of ASELSAN Elektronik Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries (together "the Group") as at 30 June 2019, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 Interim Financial Reporting ("TAS 34") issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

### Scope of Review

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

### Conclusion

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

Yeditepe Bağımsız Denetim Anonim Şirketi

(Associate member of PRAXITY AISBL)

Mehmet Nadi Abbasoğlu,

Partner

06 August 2019, Istanbul, Turkey

# Statement of Financial Position (Balance Sheet)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 30.06.2019	Previous Period 31.12.2018
<b>Statement of Financial Position (Balance Sheet)</b>			
<b>Assets [abstract]</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1.612.347	3.115.691
Financial Investments		10.015	
Trade Receivables	5	3.177.003	3.072.113
Trade Receivables Due From Related Parties	4	953.430	772.851
Trade Receivables Due From Unrelated Parties		2.223.573	2.299.262
Other Receivables		261.200	204.117
Other Receivables Due From Related Parties	4	1.150	
Other Receivables Due From Unrelated Parties		260.050	204.117
Inventories	7	4.547.655	3.576.618
Prepayments	8	1.553.617	1.319.330
Prepayments to Related Parties	4	301.183	311.668
Prepayments to Unrelated Parties		1.252.434	1.007.662
Other current assets		384.631	328.811
<b>SUB-TOTAL</b>		<b>11.546.468</b>	<b>11.616.680</b>
<b>Total current assets</b>		<b>11.546.468</b>	<b>11.616.680</b>
<b>NON-CURRENT ASSETS</b>			
Financial Investments		774.058	778.665
Trade Receivables	5	4.187.912	2.826.939
Trade Receivables Due From Related Parties	4	2.753.435	1.976.539
Trade Receivables Due From Unrelated Parties		1.434.477	850.400
Other Receivables		717	764
Other Receivables Due From Unrelated Parties		717	764
Investments accounted for using equity method	6	114.742	93.586
Property, plant and equipment	9	1.433.183	1.336.297
Intangible assets and goodwill	9	1.179.192	1.082.067
Prepayments	8	490.160	504.399
Prepayments to Related Parties	4	239.139	155.933
Prepayments to Unrelated Parties		251.021	348.466
Deferred Tax Asset	11	760.277	734.092
Other Non-current Assets		640.787	500.142
<b>Total non-current assets</b>		<b>9.581.028</b>	<b>7.856.951</b>
<b>Total assets</b>		<b>21.127.496</b>	<b>19.473.631</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Current Borrowings	21	1.456.286	698.526
Current Portion of Non-current Borrowings	21	0	67.277
Trade Payables	5	2.463.652	2.548.583
Trade Payables to Related Parties	4	460.727	593.911
Trade Payables to Unrelated Parties		2.002.925	1.954.672
Employee Benefit Obligations	13	56.081	34.873
Other Payables		120.566	2.732
Other Payables to Related Parties	4	116.059	
Other Payables to Unrelated Parties		4.507	2.732
Government Grants		47.606	53.818
Deferred Income Other Than Contract Liabilities	8	570.533	632.645
Deferred Income Other Than Contract Liabilities From Related Parties	4	336.458	510.751
Deferred Income Other Than Contract Liabilities from Unrelated Parties		234.075	121.894
Current tax liabilities, current		2.428	2.836
Current provisions		715.409	634.951
Current provisions for employee benefits	13	72.382	49.382
Other current provisions	10	643.027	585.569
Other Current Liabilities		3.089	8.237
<b>SUB-TOTAL</b>		<b>5.435.650</b>	<b>4.684.478</b>
<b>Total current liabilities</b>		<b>5.435.650</b>	<b>4.684.478</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	21	899	20.234

Trade Payables	5	2.016.319	1.768.283
Trade Payables To Related Parties	4	1.685.740	1.617.969
Trade Payables To Unrelated Parties		330.579	150.314
Other Payables		4.643	106
Other Payables to Unrelated parties		4.643	106
Deferred Income Other Than Contract Liabilities	8	1.813.565	2.296.513
Deferred Income Other Than Contract Liabilities From Related Parties	4	1.235.173	1.669.160
Deferred Income Other Than Contract Liabilities from Unrelated Parties		578.392	627.353
Non-current provisions		503.661	526.996
Non-current provisions for employee benefits	13	196.809	198.611
Other non-current provisions	10	306.852	328.385
Other non-current liabilities		85	0
Total non-current liabilities		4.339.172	4.612.132
Total liabilities		9.774.822	9.296.610
EQUITY			
Equity attributable to owners of parent		11.303.693	10.132.601
Issued capital	14	1.140.000	1.140.000
Inflation Adjustments on Capital	14	98.621	98.621
Share Premium (Discount)		2.796.723	2.796.723
Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss		193.187	189.358
Gains (Losses) on Revaluation and Remeasurement		193.187	189.358
Increases (Decreases) on Revaluation of Property, Plant and Equipment		207.431	207.431
Gains (Losses) on Remeasurements of Defined Benefit Plans		-14.244	-18.073
Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss		763.434	755.119
Exchange Differences on Translation		33.822	25.507
Gains (Losses) on Revaluation and Reclassification		729.612	729.612
Gains (Losses) on Remeasuring and/or Reclassification of Available-for-sale Financial Assets		729.612	729.612
Restricted Reserves Appropriated From Profits	14	276.827	172.687
Prior Years' Profits or Losses		4.701.953	2.661.896
Current Period Net Profit Or Loss		1.332.948	2.318.197
Non-controlling interests		48.981	44.420
Total equity		11.352.674	10.177.021
Total Liabilities and Equity		21.127.496	19.473.631

# Statement of Profit or Loss and Other Comprehensive Income

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018	Current Period 3 Months 01.04.2019 - 30.06.2019	Previous Period 3 Months 01.04.2018 - 30.06.2018
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
<b>PROFIT (LOSS)</b>					
Revenue	15	4.624.415	3.279.776	2.626.316	1.914.577
Cost of sales	15	-3.498.680	-2.459.656	-1.966.440	-1.426.342
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		1.125.735	820.120	659.876	488.235
GROSS PROFIT (LOSS)		1.125.735	820.120	659.876	488.235
General Administrative Expenses		-153.940	-100.460	-82.778	-56.121
Marketing Expenses		-80.955	-64.582	-51.686	-39.185
Research and development expense		-49.551	-34.270	-27.793	-15.429
Other Income from Operating Activities	16	1.421.980	1.530.701	674.800	1.021.823
Other Expenses from Operating Activities	16	-1.027.626	-1.117.688	-577.287	-742.293
PROFIT (LOSS) FROM OPERATING ACTIVITIES		1.235.643	1.033.821	595.132	657.030
Investment Activity Income	17	1.535	3.489	1.497	3.460
Share of Profit (Loss) from Investments Accounted for Using Equity Method	6	4.851	-5.948	5.989	-3.947
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		1.242.029	1.031.362	602.618	656.543
Finance income	18	508.527	173.830	237.238	112.303
Finance costs	19	-439.946	-299.216	-184.858	-177.918
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		1.310.610	905.976	654.998	590.928
Tax (Expense) Income, Continuing Operations	11	24.714	35.830	50.765	-464
Current Period Tax (Expense) Income		-2.428	-3.059	-1.811	-942
Deferred Tax (Expense) Income		27.142	38.889	52.576	478
PROFIT (LOSS) FROM CONTINUING OPERATIONS		1.335.324	941.806	705.763	590.464
PROFIT (LOSS)		1.335.324	941.806	705.763	590.464
<b>Profit (loss), attributable to [abstract]</b>					
Non-controlling Interests		2.376	9	2.111	28
Owners of Parent	20	1.332.948	941.797	703.652	590.436
<b>Earnings per share [abstract]</b>					
<b>Earnings per share [line items]</b>					
<b>Basic earnings per share</b>					
<b>Diluted Earnings Per Share</b>					
<b>OTHER COMPREHENSIVE INCOME</b>					
Other Comprehensive Income that will not be Reclassified to Profit or Loss		3.829	-5.088	3.829	-5.088
Gains (Losses) on Revaluation of Property, Plant and Equipment		0	0	0	0
Gains (Losses) on Remeasurements of Defined Benefit Plans		4.786	-6.360	4.786	-6.360
Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss		-957	1.272	-957	1.272
Deferred Tax (Expense) Income		-957	1.272	-957	1.272
Other Comprehensive Income That Will Be Reclassified to Profit or Loss		8.315	13.533	6.767	8.396
Exchange Differences on Translation		8.315	13.533	6.767	8.396
Gains (Losses) on Remeasuring or Reclassification Adjustments on Available-for-sale Financial Assets		0	0	0	0
Taxes Relating to Components of Other Comprehensive Income that will be Reclassified to Profit or Loss		0	0	0	0
Deferred Tax (Expense) Income		0	0	0	0
OTHER COMPREHENSIVE INCOME (LOSS)		12.144	8.445	10.596	3.308
TOTAL COMPREHENSIVE INCOME (LOSS)		1.347.468	950.251	716.359	593.772
<b>Total Comprehensive Income Attributable to</b>					
Non-controlling Interests		2.376	9	2.112	28
Owners of Parent		1.345.092	950.242	714.247	593.744

# Statement of cash flows (Indirect Method)

Presentation Currency	1.000 TL
Nature of Financial Statements	Consolidated

	Footnote Reference	Current Period 01.01.2019 - 30.06.2019	Previous Period 01.01.2018 - 30.06.2018
<b>Statement of cash flows (Indirect Method)</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>-1.831.178</b>	<b>-529.020</b>
Profit (Loss)		1.335.324	941.806
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>210.313</b>	<b>440.912</b>
Adjustments for depreciation and amortisation expense		105.909	81.759
Adjustments for Impairment Loss (Reversal of Impairment Loss)		2.199	5.368
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	5	324	787
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories	7	1.875	4.581
Adjustments for provisions		173.463	260.084
Adjustments for (Reversal of) Provisions Related with Employee Benefits	13	45.005	23.434
Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions		27.182	132.579
Adjustments for (Reversal of) Warranty Provisions		98.940	102.975
Adjustments for (Reversal of) Other Provisions		2.336	1.096
Adjustments for Interest (Income) Expenses		-115.361	79.754
Adjustments for Interest Income		-481.701	-170.592
Adjustments for interest expense		366.340	250.346
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method		-4.851	5.948
Adjustments for Tax (Income) Expenses		-24.714	-35.830
Adjustments for losses (gains) on disposal of non-current assets	9	11.982	58.589
Other adjustments for which cash effects are investing or financing cash flow		61.523	-3.377
Other adjustments to reconcile profit (loss)		163	-11.383
<b>Changes in Working Capital</b>		<b>-3.263.085</b>	<b>-1.845.993</b>
Adjustments for decrease (increase) in trade accounts receivable		-1.751.936	-613.218
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		-57.036	-375
Adjustments for decrease (increase) in inventories		-960.220	-695.177
Decrease (Increase) in Prepaid Expenses		-220.048	-440.528
Adjustments for increase (decrease) in trade accounts payable		255.011	19.646
Increase (Decrease) in Employee Benefit Liabilities	13	21.208	5.863
Adjustments for Increase (Decrease) in Contract Liabilities		397.676	-124.551
Increase (Decrease) In Contract Liabilities From Ongoing Construction Contracts		397.676	-124.551
Adjustments for increase (decrease) in other operating payables		6.369	644
Increase (Decrease) in Government Grants and Assistance		-6.212	900
Increase (Decrease) in Deferred Income Other Than Contract Liabilities		-806.172	171.853
Other Adjustments for Other Increase (Decrease) in Working Capital		-141.725	-171.050
<b>Cash Flows from (used in) Operations</b>		<b>-1.717.448</b>	<b>-463.275</b>
Payments Related with Provisions for Employee Benefits	13	-19.021	-10.166
Payments Related with Other Provisions		-92.533	-54.861
Income taxes refund (paid)		-2.176	-718
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>-341.980</b>	<b>-250.921</b>
Proceeds from sales of property, plant, equipment and intangible assets		184	55
Purchase of Property, Plant, Equipment and Intangible Assets		-323.749	-242.201
Purchase of property, plant and equipment		-170.004	-97.801
Purchase of intangible assets	9	-153.745	-144.400
Dividends received		1.155	3.460
Other inflows (outflows) of cash		-19.570	-12.235
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>688.246</b>	<b>2.938.099</b>
Proceeds from Issuing Shares or Other Equity Instruments		0	2.941.742

Proceeds from issuing shares		0	2.941.742
Proceeds from borrowings		1.537.974	423.182
Repayments of borrowings		-929.502	-425.070
Dividends Paid		-58.000	-28.200
Interest paid	19	-24.715	-8.334
Interest Received		162.489	34.779
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES		-1.484.912	2.158.158
Effect of exchange rate changes on cash and cash equivalents		7.160	18.743
Net increase (decrease) in cash and cash equivalents		-1.477.752	2.176.901
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		3.087.387	1.261.753
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1.609.635	3.438.654



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