

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
AUDIT REPORT FOR CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
AS OF JANUARY 1 - 2024-DECEMBER 31, 2024
(Convenience Translation into English)

Original reporting language is Turkish.
In case of translation errors, original report should be referred as correct.

INDEPENDENT AUDITOR'S REPORT	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)	1-3
CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT	4-5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED CASH FLOW STATEMENT	7-8
CONSOLIDATED NOTES REGARDING FINANCIAL STATEMENTS	9-45

NOTE 1 - ORGANIZATION AND SUBJECT OF ACTIVITY	9
NOTE 2 - CONSOLIDATED GUIDELINES ON SUBMISSION OF FINANCIAL STATEMENTS	9
NOTE 3 - SEGMENT REPORTING	20
NOTE 4 - CASH AND CASH EQUIVALENTS	22
NOTE 5 - FINANCIAL INVESTMENTS	22
NOTE 6 - FINANCIAL LIABILITIES	22
NOTE 7 - TRADE RECEIVABLES AND PAYABLES	24
NOTE 8 - OTHER RECEIVABLES AND PAYABLES	24
NOTE 9 - RECEIVABLES AND OBLIGATIONS ARISING FROM CONTRACTS WITH CUSTOMERS	25
NOTE 10 - OTHER CURRENT ASSETS/ OTHER FIXED ASSETS	25
NOTE 11 - INVENTORIES	26
NOTE 12 - PREPAID EXPENSES AND DEFERRED INCOME	26
NOTE 13 - GOVERNMENT INCENTIVES AND GRANTS	26
NOTE 14 - TANGIBLE FIXED ASSETS	27
NOTE 15 - RIGHT OF USE ASSETS	28
NOTE 16 - INTANGIBLE FIXED ASSETS	28
NOTE 17 - PERIOD INCOME TAX LIABILITY	29
NOTE 18 - PERIOD PROFIT TAX LIABILITY	29
NOTE 19 - LIABILITIES UNDER EMPLOYEE BENEFITS	29
NOTE 20 - OTHER LIABILITIES	30
NOTE 21 - COMMITMENTS	30
NOTE 22 - SHORT/LONG-TERM PROVISIONS	30
NOTE 23 - CAPITAL, RESERVES AND OTHER EQUITY ITEMS	32
NOTE 24 - REVENUE AND COST OF SALES	33
NOTE 25 - GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, R&D EXPENSES	33
NOTE 26 - EXPENSES CLASSIFIED ACCORDING TO ASSORTMENT	35
NOTE 27 - OPERATING INCOME / EXPENSES	35
NOTE 28 - INCOME FROM INVESTING ACTIVITIES	36
NOTE 29 - FINANCING INCOME / EXPENSES	36
NOTE 30 - TAX PROVISIONS & LIABILITIES (DEFERRED TAX ASSETS & LIABILITIES INCLD.)	37
NOTE 31 - EARNINGS PER SHARE	39
NOTE 32 - RELATED PARTY DISCLOSURES	39
NOTE 33 - FEATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS	40
NOTE 34 - POST-BALANCE SHEET EVENTS	44
NOTE 35 - INDEPENDENT AUDIT FEES FOR THE REPORTING PERIOD	44
NOTE 36 - OTHER MATTERS	44
NOTE 37 - OTHER COMPLEMENTARY INFORMATION	45

INDEPENDENT AUDITOR REPORT

To the General Assembly of Kron Teknoloji Anonim Şirketi

A. Independent Audit of Consolidated Financial Tables

1. Opinion

Kron Teknoloji Anonim Şirketi (the Company) and its subsidiary (the Group) for the fiscal period ending on the same date as the consolidated financial statement dated 31 December 2024; we have audited the financial statements that consist of the notes of the financial statements including consolidated profit or loss and other comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement and summary of significant accounting policies.

In our opinion, the Group's consolidated financial statements as of December 31, 2024, offer a fair manner with appropriate as all important aspects in accordance with Turkish Financial Reporting Standards(TFRS) of the consolidated financial condition and the same date as the end of the fiscal year of consolidated financial performance and its consolidated cash flows.

2. The Base of Opinion

In our independent audit we did the Independent Auditing Standards published by the Capital Markets Board and the standards issued by the Public Oversight, Accounting and Auditing Standards Authority was carried out in accordance with the Independent Auditing Standards which are a part of Turkey Auditing Standards. Our responsibilities under these Standards are explained in detail in the section entitled "Independent Auditor's Responsibilities for Independent Audit of Consolidated Financial Statements". We declare that we are independent from the Community in accordance with the Code of Ethics for Independent Auditors published by the Public Oversight Board (Code of Ethics) and the ethical provisions contained in the relevant legislation with independent auditing of the consolidated financial statements. Ethical Rules and other ethical responsibilities under the legislation have also been fulfilled by us. We believe that the independent audit evidence we obtain during the independent audit is sufficient and appropriate basis for the establishment of our opinion.

3. Matters To Draw Attention

In the scope of announcement made in November 23, 2023 by Public Oversight Accounting and Auditing Standards Authority which is 'Adjustment Of Financial Statements of Independently Audited Companies According To Inflation' the consolidated financial statements as of December 31, 2024 are adjusted according to inflation accounting in the scope of TAS 29 'Financial Reporting in Hyperinflationary Economies'. In the scope of this standard, we want to take your attention to note 2 which includes explanations related to transition to inflation accounting. This matter does not effect the opinion presented by us.

4. Key Audit Matters

The key audit matters, according to our professional judgment, are those that are most important in the independent audit of the financial statements in the current period. The key audit issues are discussed in the context of the independent audit of the financial statements as a whole and in the formation of our view of the financial statements, and we do not give a separate opinion on these matters.

Key Audit Matter	How the matter is addressed in the Audit
Testing of Internally Generated Intangible Assets / Capitalized Development Costs The Group has development costs in the amount of 218,843,385 TL capitalized in the consolidated financial statements as of December 31,2024. In the capitalization of costs related to the Group's development operations, TAS 38 'Intangible Assets' Standard and the explanations explained in Note 2.9.16 are taken into consideration.	The following procedures are implemented related to audit of development costs. The bases are examined about the criteria related to TAS 38 'Intangible Assets' related to communications with management. The movement table of intangible assets are controlled with the detail of expenditures of capitalized costs For the tests of personnel costs associated with projects, the details of personnel and capitalized costs are received and the verification is made with personnel pay rolls and time sheets.

The costs are capitalized related to costs of personnel related to software projects for the projects the Group has completed feasibility studies and projects the Group provides cash flow in the scope of development operations. Capitalization is calculated according to rates and timing of development costs of personnel determined according to forecasts and assumptions of project managers and management level. The calculation of capitalization costs are determined as key audit matter since they are significant related to financial statements and it includes the forecasts of management related to this matter.	The meetings are conducted with personnel chosen by sampling method related to capitalization and the activities are examined with the details of projects in the scope.
Application of TAS 29 'Financial Reporting in Hyperinflationary Economies TAS 29, "Financial Reporting in High-Inflation Economies" ("TAS 29") standard has been applied in the Group's consolidated financial statements for the year ending 31 December 2024. According to TAS 29, statement of financial position items and non-monetary items that are not expressed in terms of the current measurement unit as of the end of the reporting period are adjusted using a general price index. For this reason, the transactions in 2024, non-monetary balances at the end of the period and the consolidated financial statements of previous years have been rearranged to reflect the current price index as of the balance sheet date of December 31, 2024. The application of TAS 29 has a widespread and significant impact on consolidated financial statements. Considering these reasons, the risk that the data used in the application of TAS 29 may not be accurate and complete, and the additional audit effort spent, the implementation of TAS 29 has been determined by us as a key audit matter. Explanations regarding the application of TAS 29 are included in Note 2.1.	During our audit, the following audit procedures were applied regarding the application of TAS 29 "Financial Reporting in High Inflation Economies" standard: -The Group's TAS 29 implementation process was analyzed and the design and implementation of controls related to this process were evaluated. -It has been checked whether the distinction between monetary and non-monetary items made by the Group is made in accordance with TAS 29. -The assumptions used by the Group were evaluated and checked whether they were used consistently in each period. -The general price index rates used in the calculations have been checked with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute. - Within the scope of TAS 29 application, detailed studies were provided regarding non-monetary items and their acquisition dates and amounts were tested by sampling method. -The mathematical accuracy of the non-monetary items and financial statements rearranged with the application of TAS 29 was tested. -The adequacy of the disclosures in the consolidated financial statements and notes has been evaluated within the scope of TFRS.

5. Responsibilities of the Administrative and Supervisory Officers on Financial Statements

The group management; is responsible for the internal control it deems necessary to prepare it so that it does not contain significant error caused by error or fraud, the preparation of financial statements in accordance with Turkey Accounting Standards and from its presentation in a reasonable way.

Management when preparing financial statements is in the responsibility of the Group to use the continuity principle as long as there is no obligation, from the assessment of the ability of the Group to maintain its continuity, for clarifying the points of continuity if necessary, for liquidation of the community or for intention to terminate commercial activity.

Those responsible for top management are responsible for overseeing the Group's financial reporting process.

6. Independent Auditor's Responsibilities for Independent Audit of Financial Statements

In an independent audit, the responsibilities of independent auditors like ours are:

Our aim is to obtain reasonable assurance as to whether the financial statements as a whole contain significant errors caused by errors or fraud, and to prepare an independent auditor's report that includes our observations. Reasonable assurance as a result of an independent audit carried out in accordance with the Independent Auditing Standards (IAS); is a high level of assurance, but does not always guarantee that an important mistake that exists will always be detected. Errors can be due to errors or tricks. These inaccuracies are considered significant if the mistakes are reasonably expected to affect the economic decisions that financial statement users will receive in the context of a table, alone or collectively.

By force of an independent audit carried out in accordance with the Independent Auditing Standards (IAS) published by the Capital Markets Board, we use our professional judgment during the independent audit and we continue our professional skepticism.

We also:

Risks of "major mistakes" originating from errors or fraud in the consolidated financial statements are identified and evaluated; audit procedures that respond to these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained to provide a basis for the audit. (Since trick has fraud, intentional negligence, untrue declaration or internal control violation, the risk of not detecting an important fallacy of falsity is higher than the risk of not detecting an important mistake.)

-Internal control is not evaluated with the aim to give an opinion on the effectiveness of the Group's internal control, but it is evaluated on the audit to design appropriate audit procedures.

- It is evaluated whether the accounting estimates made by the appropriateness of the accounting policies used by the management and the related disclosures are reasonable or not.

-Based on the audit evidence obtained, it is concluded that there is a significant uncertainty regarding the event or circumstances that could cause serious doubt as to the ability of the Group to maintain its continuity and the appropriateness of the management using the continuity of the management. If we reach a conclusion that there is a significant ambiguity, we should draw attention to the relevant disclosures in the Consolidated Financial Statements, or we should give any opinion other than a positive opinion if these disclosures are inadequate. The results we have are based on the audit evidence obtained until the date of the independent auditor's report. However, future events or circumstances may end the continuity of the Group.

-The Consolidated Financial Statements reflect the general presentation, structure and content of the financial statements, including the disclosures, and whether these statements reflect the underlying transactions and events in a manner that will provide a sound presentation.

-Adequate and appropriate audit evidence is obtained about the financial information about the entities in the community or business segments in order to give an opinion on the consolidated financial statements. We are responsible in the guidance, observation and execution of the Group audit. We are responsible alone by the audit opinion mentioned.

Among other things, we report to the top management the planned coverage and timing of the independent audit, as well as any significant audit findings, including any significant internal control deficiencies we identified during the audit.

We have informed top management that we have complied with the ethical provisions regarding independence. We have informed top management all relations and other matters that may be considered to have an effect on independence and, if any, relevant measures.

Among the issues that are reported to top management, we have identified key issues that are most important in the independent audit of the consolidated financial statements. Where the legislation does not allow public disclosure of the matter, or in exceptional circumstances where it is reasonably expected that the negative consequences of public disclosure will exceed public interest, we may decide that the relevant matter should not be mentioned in our independent audit report.

B.Other Liabilities Arising From Legislation

1. The report dated March 11, 2025, which we prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code with number 6102, on the early detection system of the Group's risk appetite and its applications, was presented to the Board of Directors of the Company.
2. In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code with number 6102, no significant issue was found in the accounting period of the Group for the period between January 1- 2024 and December 31, 2024 as to the bookkeeping method and the fact that the financial statements do not conform to the provisions of the law and the financial statements of the main contract.
3. In accordance with the fourth paragraph of Article 402 of the Turkish Commercial Code, The Board of Directors has made the required explanations within the scope of the audit and given the documents we requested.

BÜNYAMİN KALYONCU is the auditor responsible for carrying out this independent audit.

İstanbul, March 11, 2025

Bünyamin KALYONCU

Responsible Auditor

KAVRAM BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.

Member Crowe Global

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of December 31, 2024, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer.	Current Period December 31, 2024	Previous Period December 31, 2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	81,621,403	87,422,264
Trade Receivables	7	181,479,012	284,381,464
- Trade Receivables from Related Parties		-	-
- Trade Receivables from Unrelated Parties		181,479,012	284,381,464
Other Receivables	8	134,661	4,360
- Other Receivables from Related Parties		-	-
- Other Receivables from Unrelated Parties		134,661	4,360
Inventories	11	1,728,645	2,681,884
Prepaid Expense	12	12,463,561	11,495,127
- Prepaid Expenses to Unrelated Parties		12,463,561	11,495,127
Current Tax Assets	17	459,493	134,912
Other Current Assets	10	813,716	534,072
- Other Current Assets from Unrelated Parties		813,716	534,072
SUB TOTAL		278,700,491	386,654,083
TOTAL CURRENT ASSETS		278,700,491	386,654,083
NON-CURRENT ASSETS			
Financial Investments	5	4,613,491	1,895,390
Financial Assets Fair Value Reflected To Profit/Loss		4,613,491	1,895,390
- Financial Assets Held With The Aim Of Purchase and Sale		4,613,491	1,895,390
Investments in Affiliates, Joint Ventures and Subsidiaries		-	-
Other Receivables	8	2,140,954	2,641,977
- Other Receivables From Unrelated Parties		2,140,954	2,641,977
Tangible Fixed Assets	14	10,747,974	8,069,757
- Furniture and fixtures		9,357,945	7,882,311
- Special Cost		1,390,029	187,446
Right-Of-Use Assets	15	38,538,097	43,473,372
Intangible Fixed Assets	16	369,004,922	266,365,084
- Capitalized Development Costs		218,843,385	214,698,437
- Other Intangible Fixed Assets		150,161,537	51,666,647
Prepaid Expenses	12	6,052,489	5,447,599
- Prepaid Expenses to Unrelated Parties		6,052,489	5,447,599
Deferred Tax Asset	30	3,516,492	2,434,361
Total Non-Current Assets		434,614,419	330,327,540
TOTAL ASSETS		713,314,910	716,981,623

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of December 31, 2024, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer.	Current Period December 31, 2024	Previous Period December 31, 2023
Liabilities			
Short-Term Liabilities			
Short-Term Borrowings	6	48,366,745	48,649,469
- Short-Term Borrowings From Unrelated Parties		48,366,745	48,649,469
-Bank credits		47,913,215	47,970,951
-Other Short Term Liabilities		453,530	678,518
Short-term Portion of Long-term Borrowings	6	10,511,457	5,672,969
Short-Term Por of Long Term Loans From UnRel Parties		10.511.457	5,672,969
- Debts from Leasing Transactions		10,511,457	5,672,969
Trade Payables	7	11,577,384	5,844,373
Trade Payables to related Parties		-	-
Trade Payables to Unrelated Parties		11,577,384	5,844,373
Payables in Scope of Employee Benefits	19	52,474,411	36,122,631
Other Payables	8	15,238,435	15,019,164
Other Payables to Unrelated Parties		15,238,435	15,019,164
Liabilities from Customer Contracts	9	84,094,690	35,590,964
Contractual Liabilities From Sales Goods and Services		84,094,690	35,590,964
Short-Term Provisions	22	12,929,369	9,611,967
Short-Term Provisions for Employee Benefits		12,929,369	9,611,967
Other Short-Term Liabilities	20	295,628	12,864,392
Other Short-Term Liabilities to Unrelated Parties		295,628	12,864,392
SUB-TOTAL		235,488,119	169,375,929
TOTAL SHORT-TERM LIABILITIES		235,488,119	169,375,929
LONG TERM Liabilities			
Long Term Provisions	6	27,009,334	35,450,284
Long Term Loans From UnRelated Parties		27,009,334	35,450,284
Loans From Lease Transactions		27,009,334	35,450,284
Other Payables		-	-
Other Payables to Related Parties		-	-
Liabilities from Customer Contracts	9	65,717,885	56,587,202
Contractual Liabilities From Sales Goods and Services		65,717,885	56,587,202
Long-Term Provisions	22	4,000,773	4,126,262
- Long-Term Provisions For Employee Benefits		4,000,773	4,126,262
TOTAL LONG-TERM LIABILITIES		96,727,992	96,163,748
TOTAL LIABILITIES		332,216,111	265,539,677

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of December 31, 2024, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer.	Current Period December 31, 2024	Previous Period December 31, 2023
EQUITY			
Equity Attributable To Owners of Parent Company		381,098,799	451,441,946
Paid In Capital	23	85,611,078	85,611,078
Capital Adjustment Differences	23	236,295,461	236,295,461
Share Premium (Discount)	23	1,714,186	1,714,186
Accum. Other comprehensive income / (expense) not to be reclassified in Profit/Loss		(4,501,490)	(3,038,843)
<i>Revaluation measurement gains/losses</i>		(4,501,490)	(3,038,843)
- Acturial Gain/Loss Fund from defined benefit plan	23	(4,501,490)	(3,038,843)
Accum. Other comprehensive income / (expense) to be reclassified in Profit/Loss		(105,026,946)	(78,874,912)
<i>Foreign currency conversion differences</i>	23	(105,026,946)	(78,874,912)
Restrained Reserves From Profit		34,127,095	23,842,203
<i>Legal Reserves</i>	23	27,915,093	21,690,482
Venture Capital Fund	23	6,212,002	2,151,721
Previous Years' Profits / (Losses)	23	175,607,881	128,943,799
Net Profit (Loss) For The Period	31	(42,728,466)	66,948,974
TOTAL EQUITY		381,098,799	451,441,946
TOTAL LIABILITIES		713,314,910	716,981,623

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of December 31, 2024, unless otherwise stated.)

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT	Note Refer	Current Period January 1- December 31, 2024	Previous Period January 1- December 31, 2023
Revenue	24	313,648,731	445,249,670
Cost of Sales (-)	24	(46,470,659)	(56,000,635)
GROSS PROFIT (LOSS) FROM TRADE OPERATIONS		267,178,072	389,249,035
GROSS PROFIT/LOSS		267,178,072	389,249,035
General Administrative Expenses	25	(48,192,679)	(50,978,938)
Marketing Expenses	25	(127,842,547)	(129,059,764)
Research and Development Expenses	25	(107,612,613)	(104,672,169)
Other Operating Income	27	48,230,572	66,177,153
Other Operating Expenses	27	(21,985,236)	(25,723,717)
OPERATING LOSS/PROFIT		9,775,569	144,991,600
Income From Investment Operations	28	2,683,104	3,774,142
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME (EXPENSE)		12,458,673	148,765,742
Financial Income	29	20,711,794	39,597,806
Financial Expense (-)	29	(17,882,926)	(48,985,888)
Net Monetary Position Gains (Losses)	29	(58,610,589)	(83,277,773)
PRE-TAX PROFIT/LOSS MARGIN FROM CONTINUING OPERATIONS		(43,323,048)	56,099,887
Continuing Operations Tax Expense/Income		594,582	10,849,087
Deferred Tax Expense/Income	30	594,582	10,849,087
CURRENT PROFIT / LOSS FROM CONTINUING OPERATIONS		(42,728,466)	66,948,974
PERIOD PROFIT/LOSS		(42,728,466)	66,948,974
Period Loss/Profit Distribution		(42,728,466)	66,948,974
Shares of Main Partnership		(42,728,466)	66,948,974
Earnings per Share from Continuing Operations	31	(0,499)	1,564

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of December 31, 2024, unless otherwise stated.)

	Note Refer	Current Period January 1- December 31, 2024	Previous Period January 1- December 31, 2023
PERIOD PROFIT /LOSS		(42,728,466)	66,948,974
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be Reclassified in Profit or Loss		(1,462,647)	(2,101,336)
Remeasurement Profit of Defined Benefit Plans	22-23	(1,950,196)	(2,801,781)
Income (Loss) that will not be Reclassified in Profit or Loss		487,549	700,445
<i>Deferred Tax Income/ Expense</i>	30	487,549	700,445
To be Reclassified in Profit or Loss		(26,152,034)	(2,725,552)
Other Comprehensive Income Related to Foreign Currency Conversion Differences Arising from Businesses Abroad, After Tax		(26,152,034)	(2,725,552)
<i>-Gains (Losses) from Foreign Currency Conversion Differences Arising from Businesses Abroad, After Tax</i>	23	(26,152,034)	(2,725,552)
OTHER COMPREHENSIVE INCOME (LOSS)		(27,614,681)	(4,826,888)
TOTAL COMPREHENSIVE INCOME (LOSS)		(70,343,147)	62,122,086
Division Of Total Comprehensive Income		(70,343,147)	62,122,086
<i>-Share of Main Partnership</i>		(70,343,147)	62,122,086

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF JANUARY 1- 2024 -DECEMBER 31, 2024

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

		Equity Related To Main Partnership								
					Accum. Other comprehensive income / (expense) not to be reclassified in Profit/Loss	Accum. Other comprehensive income / (expense) to be reclassified in Profit/Loss				
					Revaluation and Measurement Gains/Losses			Accumulated Losses		
	Statement of Changes in Equity	Paid-in Capital	Capital Adjustment Differences	Share Issue Premium / Discounts	Actuarial Gains/Losses Due to Remeasurement of Defined Benefit Plan	Foreign currency conversion differences	Restricted Reserves on Retained Earnings	Previous Period Profit / Loss	Net Profit or Loss	Paid-in Capital
Previous Period	Balances as of 1 January 2023	14,268,513	186,907,909	-	(937,507)	(76,149,360)	23,019,239	196,715,090	(14,716,774)	329,107,112
	Other Corrections									-
	Transfers	-			-	-	822,964	(15,539,738)	14,716,774	-
	Total comprehensive income (Expense)	-	-	-	(2,101,336)	(2,725,552)	-	-	68,948,974	62,122,086
	Period Profit (Loss)								68,948,974	68,948,974
	Other Comprehensive Income (Expense)				(2,101,336)	(2,725,552)				(4,826,888)
	Capital Increase	71,342,565	49,387,552					(58,928,406)		61,801,711
	Increase (Decrease) Due To Share Based Transactions			1,714,186						1,714,186
	Increase (Decrease) By Other Changes						-	(3,303,147)		(3,303,147)
	Balances as of December 31, 2023	85,611,078	236,295,461	1,714,186	(3,038,843)	(78,874,912)	23,842,203	118,943,799	68,948,974	451,441,946
Current Period	Balances as of 1 January 2024	85,611,078	236,295,461	1,714,186	(3,038,843)	(78,874,912)	23,842,203	118,943,799	68,948,974	451,441,946
	Other Corrections									-
	Transfers						10,284,892	56,664,082	(68,948,974)	-
	Total comprehensive income (Expense)	-	-	-	(1,462,647)	(26,152,034)		-	(42,728,466)	(70,343,147)
	Period Profit (Loss)								(42,728,466)	(42,728,466)
	Other Comprehensive Income (Expense)				(1,462,647)	(26,152,034)				(27,614,681)
	Capital Increase									-
	Balances as of December 31, 2024	85,611,078	236,295,461	1,714,186	(4,501,490)	(105,026,946)	34,127,095	175,607,881	(42,728,466)	381,098,799

Enclosed notes are integral parts of these statements

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1- 2024 – DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

	Note		Current Period January 1- December 31, 2024	Previous Period January 1- December 31, 2023
TFRS- CASH FLOW STATEMENT	Ref.			
CASH FLOWS OBTAINED FROM OPERATIONS			155,149,569	111,866,797
Period Profit / Loss			(42,728,466)	66,948,974
Period Profit / (Loss) from Continuing Operations	31	(42,728,466)		
Adjustments Related to Net Period Profit/ (Loss) Reconciliation			15,127,770	87,870,952
	14-15-			
Adjustments Related to Depreciation/Amort. Exp	16		55,679,636	53,384,752
Adjustments Related To Impairment (Cancellation)			70,622	346,638
Adjust.Rel.To Impairment (Cancel.) of Receivables	7	43,492		346,638
Adjust.Rel.To Impairment (Cancel.) of Inventory		27,130		-
Adjustments Related to Provisions			(2,170,574)	12,003,561
Adjust.Rel. to Prov.(Cancel.) for Employee Benefits	22	6,834,881		4,661,241
Adjust.Rel. to General Provisions (Cancellations)		(9,005,455)		7,342,320
Adjustments Rel. To Interest (Income) and Exp.			(556,849)	11,267,356
Adjustments Related To Interest Income	29	(1,448,982)		(5,955,465)
Adjustments Related To Interest Expenses	29	892,133		17,222,821
Adjust.Rel.to Unrealized Foreign Curr.Conversion Diff.	23		(6,334,389)	2,482,821
Adjustments Related to Tax Expense / Income	30		(594,582)	(11,549,532)
Other Adjustments Related to Nonmonetary Items			2,163,583	(1,428,659)
Adjust. for Losses (Gains) from Disposal of Fixed Assets			(22,495)	(116,293)
Adjust.for Loss (Gain) from Disposal of Tangible Fix. As.		(22,495)		(116,293)
Adjustments for Monetary Position Gains (Losses) (+/-)			(33,107,182)	21,480,308
Changes in Working Capital			187,917,488	(42,919,855)
Adjust.in (Increase) / Decr.in Trade Receivables			108,428,077	(58,962,933)
(Increase)/Decrease in Trade Rec.from Unrelated Parties	7	108,428,077		(58,962,933)
Adjust. Related to (Incr.)/Decr. in Other Rec. related to Operations			652,171	120,379
Adjustments Related to (Increase)/Decrease in Other Receivables related to Operations from Unrelated Parties	8	652,171		120,379
Adjustments Related to (Incr.)/Decr. in Inventories	11		926,109	915,866
Adjustments Related to (Incr.)/Decr. in Prepaid Exp.	12		(1,562,194)	(2,180,458)
Adjustments Related to Incr./ (Decr.) in Trade Debts			5,880,158	(15,864,691)
Adjust. Related to Incr./ (Decr.) in Trade Debts to Unrelated Part.	7	5,880,158		(15,864,691)
Adjust. Related to Incr./ (Decr.) in Liabilities Under Empl. Benefits	19		16,351,780	1,895,753
Incr. (Decr.) In Other Liab. About Costumer Contracts			57,634,409	23,678,046
Inc. (Decr.) in Contr.Liab.Arising from Sale of Goods-Serv.	9	57,634,409		23,678,046
Adjust. Related to Incr./ (Decr.) in Other Debts related to Operations			219,271	4,542,633
Incr. (Decr.) In Other Liab.Rel.to Operations Between Unrelated Parties		219,271		4,542,633
Adjustments Related to Other Increase / (Decrease) in Operational Capital			(612,293)	2,935,550
Decr./ (Incr.) in Other Assets Related to Operations		(604,225)		2,935,550
Decr./ (Incr.) in Other Liabilities Related to Operations		(8,068)		-
Cash Flows From Operations			160,316,792	111,900,071
Interest Paid			(3,580,156)	-
Payments for Provisions About Employee Benefits			(1,587,067)	-
Other Cash Inflows (Outflows)			-	(33,274)

Enclosed notes are integral parts of these statements

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1- 2024 – DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

	Note		Current Period January 1- December 31, 2024	Previous Period January 1- December 31, 2023
TFRS- CASH FLOW STATEMENT	Ref			
CASH FLOWS DUE TO INVESTING ACTIVITIES			(155,712,948)	(93,207,600)
Cash Outflows Related To Acquisiton of Other Companies or Funds Shares or Debt Instruments			(2,718,101)	-
Cash Inflows Due to Sales of Tangible and Intangible Fixed Assets			79,628	149,567
Cash Inflows from Sale of Tangible Fixed Assets	14-15-16	57,133		149,567
Cash Inflows from Sale of Intangible Fixed Assets	14-15-16	22,495	-	-
Cash Outflows due to Purch.of Tang.-Intan.assets			(160,482,494)	(94,959,609)
Cash Outflows due to Purchase of Tangible Fixed Assets	14	(7,058,063)		(14,083,857)
Cash Outflows due to Purchase of Intan.Fixed Assets	16	(153,424,431)		(80,875,752)
Cash Outflows Due To Derivatives			-	(1,895,390)
Interest Received	29		7,408,019	3,497,832
CASH FLOWS DUE TO FINANCING ACTIVITIES			(10,854,155)	16,046,074
Cash Inflows from Issuance of Shares		-	-	61,801,711
Cash Inflows from Issuance of Other Equity Instr.		-	-	61,801,711
Cash Inflows Related to Borrowings	6		47,982,772	110,677,905
Cash Inflows From Credits	6	47,982,772		110,677,905
Cash Outflows Related to Debt Payments	6		(41,857,722)	(110,048,366)
Cash Outflows Due to Credit Repayment	6	(41,857,722)		(110,048,366)
Cash Outflows Rel.to Payments of Rent Contracts	6		(12,688,306)	(34,539,276)
Interest Paid	29		(4,290,901)	(11,847,455)
Interest Received			-	1,555
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES			(11,417,534)	34,705,271
Effect of Foreign Cur. Converion Differ. On Cash and Cash Equivalents			2,736,706	-
NET INCREASE/DECREASE AT CASH AND CASH EQUIVALENTS (+ / -)			(8,680,828)	34,705,271
BEGINNING CASH AND CASH EQUIVALENTS	4		87,422,264	95,002,455
Inflation Effect on Cash and Cash Equiv. (+ / -)			2,879,967	(42,285,462)
ENDING CASH AND CASH EQUIVALENTS	4		81,621,403	87,422,264

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 1 - ORGANIZATION AND SUBJECT OF ACTIVITY**1.1 Field of Activity;**

Kron Teknoloji A.Ş. ("the Company") assumed its current name on November 29, 2022, following a change from its former title, Kron Telekomünikasyon Hizmetleri A.Ş. The Company is registered with the Istanbul Trade Registry Office under registration number 547587.

Kron Teknoloji A.Ş. is a technology enterprise specializing in cybersecurity solutions, primarily serving the telecommunications, financial services, and corporate sectors. The Company provides a wide range of internet-related services, including internet service provision, content provision, and access provision. Additionally, its offerings extend across software development, design, hardware, training, consultancy, and seminar services, specifically tailored for electronic and other communication channels, as well as for various commercial activities conducted over the internet.

The Company is publicly held, with its shares traded on Borsa İstanbul (BIST) since May 27, 2011. The Company operates within the BIST Main Market, specifically categorized under the Technology - Data Processing sector.

The Company's headquarter is located at İstanbul Teknik Üniversitesi (İTÜ) Ayazağa Yerleşkesi, Koru Yolu, ARI 3 Binası, Teknokent No:B401, 34469, Maslak, İstanbul - Türkiye. Additionally, the Company operates a Teknopark branch in Ankara Bilkent Cyberpark, an R&D Center in İzmir, and a subsidiary in New Jersey, USA, under the name "Kron Technologies US."

As of December 31, 2024, the Group — comprising Kron Teknoloji A.Ş. and its wholly-owned subsidiary, Kron Technologies US — had 160 employees (December 31, 2023: 133)

1.2 Capital Structure:

The partnership structure of the group is as follows:

	December 31, 2024		December 31, 2023	
Name	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	15,082,168	24,44	20,926,797
Zeynep Yenel Onursal	13,00	11,129,444	10,00	8,561,112
Other	69,38	59,399,466	65,56	56,123,169
Paid-in Capital	100,00	85,611,078	100,00	85,611,078
Capital Adjustment Differences		236,295,461		236,295,461
Total		321,906,539		321,906,539

1.3 Approval of Financial Statements;

The financial statements of the group prepared were approved by the board of directors on March 11, 2025. The General Assembly has the authority to amend the financial statements after its circulation.

The main accounting policies applied in the preparation of Group's consolidated financial statements are as follows.

NOTE 2- CONSOLIDATED GUIDELINES ON SUBMISSION OF FINANCIAL STATEMENTS**2.1. Basic Guidelines on Submission of Financial Statements and Declaration of Conformity to the Turkish Accounting Standard**

The Group keeps and prepares its statutory books and financial statements in accordance with the Turkish Trade Law and Uniform Account Plan and principles issued by Ministry of Finance of Turkey.

The accompanying financial statements are prepared in accordance with the Taxonomy of TAS in 2016 and the provision "Notice on Guidelines for Financial Reporting In Capital Market" ("Notice"), Seri II, No.14.1 of the Capital Market Board ("CMB") as published in the copy dated 13.06.2013 and numbered 28676 of the Official Gazette and based on the Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS"/TFRS"), which are put into force by the Public Oversight Accounting and Auditing Standards Authority ("POA") pursuant to article 5 of the Notice, and its relevant appendices and comments.

The Group's financial statements and notes are presented in accordance with the formats announced by the CMB with the announcement dated 7 June 2013 and including the mandatory information thereof.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.2. Preparation Of Consolidated Financial Statements

The Group's financial statements are presented in compliance with TAS taxonomy published in April 15, 2018 with the changes in the name of 2019 TFRS, of TFRS 15- Revenue From Customer Contracts and TFRS 16- Leasing standard.

The affiliates in foreign companies are prepared in conformity with laws and regulations of foreign countries the affiliates operate.

2.3 The Bases of Consolidation

The affiliates of the Group are as follows:

Title	Operation Field	Center	Functional Money Unit	Rate of Affiliation	Capital (USD)
Kron Technologies US	Software	New Jersey-USA	US Dollar	100%	2,266,305

On June 8, 2016, Kron Teknoloji decided to establish a wholly-owned subsidiary in the United States of America, with 100% capital ownership. The entity was incorporated as "Krontech Inc." on June 24, 2016, with its registered address at 3 2nd Street, Suite 201, Jersey City, NJ 07302, USA. The subsidiary was established with the primary objective of marketing advanced technology software products throughout North and South America.

Effective June 30, 2017, Kron Technologies US was consolidated within the financial statements as a wholly-owned subsidiary. On August 21, 2019, the entity's name was changed from "Krontech Inc." to "Ironsphere Inc."; subsequently, in 2023, the name was changed again to "Kron Technologies US."

On August 18, 2022, the Board of Directors of Kron Teknoloji A.Ş. approved a capital contribution of USD 2,146,305 to strengthen the capital base of Kron Technologies US, in which Kron Teknoloji A.Ş. maintains 100% ownership. This capital contribution was effected through the offset of receivables associated with prior investments made in Kron Technologies US. Following this capital increase, Kron Technologies US's total capital stood at USD 2,266,305.

In cases where the Company does not have a majority voting right over the invested company/asset, it has control over the invested company/asset, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment on its own. The Company takes into account all relevant events and conditions in assessing whether a majority vote in the relevant investment is sufficient to provide control power, including the following factors:

- Comparing the voting rights held by the Company with the voting rights held by other shareholders;
- Potential voting rights held by the Company and other shareholders;
- Rights arising from other contractual agreements; And
- Other events and conditions that may indicate whether the Company has the current power to manage the relevant activities in situations where decisions need to be made (including votes made at general assembly meetings in previous periods).

Including a subsidiary within the scope of consolidation begins when the Company has control over the subsidiary and ends when it loses control. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition until the date of disposal.

Each item of profit or loss and other comprehensive income belongs to the shareholders of the parent company and non-controlling interests. The total comprehensive income of the subsidiaries is transferred to the parent company shareholders and the non-controlling interests, even if the non-controlling interests result in a reverse balance.

If necessary, adjustments have been made to the accounting policies in the financial statements of subsidiaries to ensure that they are the same as the accounting policies followed by the Company.

All intra-Group assets and liabilities, equity, income and expenses and cash flows related to transactions between Group companies are eliminated in consolidation.

(i) Subsidiaries;

- Subsidiaries represent the entities in which the parent the group has more than 50% of the shares, voting rights or the majority of the management or the right to elect the majority of the management through capital and management relations, either directly or through other subsidiaries or participations. The controlling power is defined as the parent the group's power to manage the financial and operating policies of its subsidiaries and to provide benefits from the activities. The subsidiary, Kron Technologies US is subject to full consolidation.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.4 Assumption on Going Concern

The financial statements are prepared on the going concern basis by assuming that the Group shall get benefit from assets and perform its obligations within next year and in the ordinary course of its business activities.

2.5 Functional and reporting currency and Adjustment of Financial Statements during High Inflation Periods**Operational and reporting currency**

Financial statements are presented in TL, which is the functional and reporting currency of the parent company. The financial statements of the subsidiary Kron Technologies US operating in the United States are prepared in US Dollars and are included in the attached consolidated financial statements by converting them into TL, which is the presentation currency. Differences arising from the conversion to TL are shown in the "Foreign Currency Conversion Differences" account.

Adjustment of financial statements in high inflation periods

According to the standard TAS 29, if the functional money unit is high inflation economy money unit, the companies report according to money purchasing power in the end of reporting period. TAS 29 defines the qualifications that reveals the economy is high inflation economy. At the same time, all the Companies that make reporting in money unit in high inflationary economy should implement the standart beginning from the same date. For this reason, to provide consistency in application process in the country as stated in TAS 29, all the companies will start to implement the standard TAS 29 at the same time with the explanation that will be made by Public Oversight Accounting and Auditing Standards Authority.

Public Oversight Accounting and Auditing Standards Authority has made an explanation in the scope of TMS 29 and its application is in November 23,2023. The financial statements of companies applying Turkish Financial Reporting Standards as of December 31,2023 and afterwards should be adjusted and presented according to accounting standards in the scope of TAS 29.

In this scope, inflation adjustment has been made according to TAS 29 in the scope of TAS 29 in December 31,2024 and December 31,2023.

The financial statements are adjusted according to changes in purchasing power of functional unit and as a result the financial statements are presented according to TAS 29 standard in terms of unit available in the end of the period.

TAS 29 is applied to financial statements of every company in the economy of high inflation. In an economy, if there is high inflation the financial statements are adjusted according to TAS 29, if the functional unit is related to valid monetary unit, the financial statements should be presented in valid measurement unit in the end of reporting period. As of reporting date, as the Consumer Price Index ("TÜFE"), the change in the last 3 years purchasing power the cumulative change is above 100%, the companies operating in Turkish should apply the standard TAS 29 'Adjustment Of Financial Statements of Independently Audited Companies According To Inflation' as of December 31, 2024 and the periods ending after that date.

In the following table, the inflation rates by taking into consideration Consumer Price Index ("TÜFE") published by Turkish Statistical Institute:

Date	Index	Adjustment Coefficient	Three Years Cumulative Inflation Rate
December 31,2024	2,684,55	1	291%
December 31,2023	1,859,38	1,4438	268%
December 31,2022	1,128,45	2,3790	156%

The indexation process are as follows according to TAS 29:

- As of the balance sheet date, all units other than the units with current purchasing power are indexed according to price index coefficients. The amounts related to prior periods are indexed accordingly.
- The monetary asset and liability items are not indexed since they are presented with current purchasing power. The monetary units are cash and receivable and payable amounts to be received and paid in cash.
- The tangibles, affiliates and similar assets are indexed over their purchased amounts not to be over their market value. The depreciation is adjusted similarly. The amounts in the equity item, are adjusted with general price indexes in the periods of their contribution to the Company or establishment in the Company.
- Other than the non monetary items in the balance sheet that have effect on the income statement, are indexed with coefficients calculated over the periods that have income and expenses that have reflected firstly in the financial statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

- The gain or loss as a result of inflation over the net monetary position, is the difference of adjustments over non monetary assets, equity items and income statement accounts. The gain or loss over the net monetary position is included in the net profit.

The compared amounts

The related amounts belonging to prior periods, are readjusted by using the general price index accurate in the end of reporting period by presenting the valid measurement value of the financial statements. The information related to prior periods are disclosed by measurement value valid in the end of reporting period.

2.6 Offsetting – Deduction

The financial assets and liabilities are shown as net values, where any necessary legal rights are available, and it is intended to assess such assets and liabilities as net values, or the assets and liabilities are obtained and fulfilled simultaneously.

2.7 Comparative Information and Amendment of the Financial Statements for the Previous Period

In order to make financial condition and performance trends eligible to determine, the financial statements of the the group are prepared comparatively with the previous period. Comparative information are reclassified, if deemed necessary, in order to ensure compliance with the presentation of financial statements of current period.

As of December 31, 2023, the Group reclassified liquid funds, which were previously recorded under “Financial Investments” and can be easily converted into cash without significant risk of value change, to “Cash and Cash Equivalents”.

	Post-classification December 31, 2023	Pre-classification December 31, 2023
Cash and Cash Equivalents	87,422,264	76,406,031
Financial Instruments	-	11,016,233
	<u>87,422,264</u>	<u>87,422,264</u>

2.8 Changes in Accounting Policies

The Group applied its accounting policies consistently with the previous year. When there are significant changes in accounting policies, they are applied retrospectively and the financial statements of the previous period are rearranged.

The Group started to implement TFRS 16 Leases Standard on January 1- 2019. For leases previously classified as operating leases in accordance with TAS 17, the right-of-use asset was reflected in the financial statements at an amount equal to the lease liability adjusted for the amount of all prepaid or accrued lease payments as of January 1- 2019.

2.9.1. Cash Flow Statement

Cash and cash equivalents are integral part of the cash management of the enterprise. Any financial instruments to be included in the scope of cash equivalents consist of cheques (current type), liquid funds, short-term bonds and drafts, receivables from reverse-repo transactions, deposit accounts with a term shorter than 3 months (any deposit account longer than 3 months is shown among financial investments), and government bonds and treasury bonds with remaining due date shorter than 3 months on acquisition date, or any other liquid debt instruments, and any receivables from money market.

2.9.2. Financial Assets**Classification and Measuring**

TAS 32 Financial Instruments: of the financial assets defined in the Submission Standard and TAS 39 (in TFRS 9 for early appliers), any financial assets held for investment purpose, and cash and cash equivalents, any receivables from activities in the finance sector, trade and other receivables, and ones remaining out of investments assessed by the equity method are shown in this item.

Any financial assets classified in the “current assets includes ones held for purposes of evaluating any inactive funds, obtaining direct interests, dividend incomes, trading profits, etc., or protecting against any damage other than performing any obligations.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Of the financial assets, any ones with remaining due dates shorter than 12 months since the reporting day, and although their due date is longer, ones intended to be sold within 12 months are shown in the item "Financial Investments." Any ones with remaining due date longer than 12 months and any ones intended to be held for a period longer than 12 months are shown in the item "Financial Investments" in the non-current assets.

Financial assets recognized at amortized cost

Financial assets that have fixed or determinate payments, are not traded in an active market and are not derivative instruments, where the management has adopted the business model of collecting contractual cash flows and the contractual terms include only payments of principal and interest arising from the principal balance on certain dates.

Impairment

The Group calculates expected credit loss provision for its trade receivables, which are accounted for at amortized cost in the consolidated financial statements. In the calculation of expected credit losses, the Group's future estimates are taken into account along with past credit loss experiences.

2.9.3. Derivative Financial Instruments

Any derivative financial instruments, which are appropriate the definition "financial asset or financial obligation" in TAS 32, are calculated in accordance with the provisions of the TAS 39 (TFRS 9), and submitted furthermore in the financial statement.

2.9.4. Receivables from Financial Sector Activities

Any receivables other than cash and cash equivalents resulting from the financial sector are shown here.

2.9.5. Trade Receivables

Trade receivables arise from the supply of goods or services directly to a debtor and are recorded at discounted cost based on the original effective interest rates of the invoice amounts.

If there is a situation that indicates that the Group will not be able to collect the amounts due, an impairment provision is created for trade receivables. The amount of this provision is the difference between the registered value of the receivable and the collectible amount. Collectible amount is the discounted value of the expected cash flows, including the amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable. If the impairment amount decreases due to a situation that occurs after the write-off, the said amount is reflected in other income in the current period.

2.9.6. Other Receivables

They include any receivables other than the trade receivables and financial investments. Their examples are the given deposits and guarantees, other receivables from the related parties, any receivables from public authorities other than any assets related to tax of the current period, and other miscellaneous receivables.

Part of these receivables from the related parties is shown in a separate sub-item in accordance with the sample format.

2.9.7. Inventories

It is an item, in which any assets that are available as substances and materials held to sell, manufactured to sell, and to be used during manufacturing process or service delivery in the regular course of business of the enterprise, are shown.

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the amount obtained by deducting the estimated completion cost from the estimated sale price and the estimated sales cost required to realize the sale. The cost of the stocks includes all the purchase costs, conversion costs and other costs incurred to bring the stocks to their current state and position. The advances given for purchase orders have not a nature of inventories, and are shown in the "Prepaid Expenses," until the inventory accounting is conducted.

2.9.8. Alive Assets

If the current assets included in the TAS 41, and any agricultural products collected during harvest relate to the agricultural activities, they are shown in this item. This item is used by the enterprises, which deal with agricultural activities only.

The Group does not have any biological assets as of the date of financial statement.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.9.9. Prepaid Expenses

All amounts paid usually to the suppliers and to be transferred to the expense and cost accounts in a subsequent period (or period) are shown in this item. If the item is negligible, such amounts are submitted in the other current/non-current assets.

2.9.10. Assets Related To the Current Period

Pursuant to the Income Tax Standard TAS 12, any assets such as various taxes and funds related to the current period tax payable over revenue prepaid and possibly subject to discount are shown in this item.

2.9.11. Other Current / Non-Current Assets

The current/non-current assets such as transferred VAT, VAT discount, other VAT, counting and acceptance points are shown in this item.

2.9.12. Non-current Assets Classified For Sales Purpose

Pursuant to the Standard on Non-Current Assets and Discounted Operations TFRS 5, any non-current assets classified for sales purpose, because their book value shall be recovered by means of the sales procedure rather than use, and all assets to be sold are shown in this item.

Furthermore, pursuant to the TFRS 5, any non-current assets classified for purpose of distributing them to the shareholders and all other assets to be sold are also shown in this item since it is committed to distribute them to the shareholders. In this case, this item is called so as to state these assets.

The Group does not have any non-current assets classified as held for sale as of the date of financial statement.

2.9.13. Investments Assessed By Equity Method

Pursuant to the Standard on Investments in Subsidiaries and Business Associates TAS 28, any subsidiaries and business associates assessed by equity method are shown in this item.

The Group has no affiliates and business associates assessed by equity method as of the financial statement period.

2.9.14. Investment Property

Pursuant to the Investment Property Standard TAS 40, any real properties (lands, buildings part of a building) acquired (by their landlord or tenant according to the financial leasing agreements for purposes of obtaining a rental income or capital gains income or both of them) are shown in this item. If the real property is subject to the financial leasing, the details specified in three Standards on Leasing Operations TAS 17 are added.

If it is included in the definition of investment property and the tenant uses the fair value method, it is possible that a right for a real property held by the tenant under the operating lease is shown as an investment property in this item.

The Group does not have any investment property.

2.9.15. Tangible Assets:

They are physical fixed assets that are held to be used in the production or supply of goods and services, to be rented to others or to be used for administrative purposes, and are expected to be used for more than one period. In accordance with TAS, tangible fixed assets are listed in the Statement of Financial Position or in the notes as land and plots, buildings, facilities, machinery and equipment, vehicles, fixtures, investments in progress, assets related to the exploration and evaluation of mineral resources, other tangible assets, etc. can be classified as.

Tangible assets are stated at their net value after deducting accumulated depreciation from their cost.

In the Group's depreciation practice, tangible assets are depreciated using the straight-line method based on their useful lives over their values.

Tangible assets are amortized within the following periods, taking into account their economic lives.

	<u>Useful Life</u>
Furniture and Fixtures	3-15 years
Special Costs	3-15 years

The gain or loss arising on the sale or retirement of a tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income statement.

The advances given for the purchases of tangible assets are shown under "Prepaid Expenses" item rather than this item until the relevant asset is capitalized.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.9.16 Intangible Assets:**a. Intangible assets acquired**

Intangible assets acquired are stated at cost value by deducting accumulated depreciation and accrued depreciation, if any. Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes in the estimations and they are accounted for prospectively if there is a change in the estimates.

Licenses

Purchased licenses are shown at their historical cost. Licenses have limited useful lives and are stated at cost less accumulated depreciation. Purchased licenses are amortized using straight-line depreciation based on their expected useful lives.

Computer Software

Purchased computer software is capitalized based on the costs incurred during its purchase and the period from purchase until it is ready for use. These costs are amortized according to their useful lives.

Internally generated intangible assets-research and development expenses

Research activities expenses are recognized in profit or loss in the period in which they are incurred.

- It is technically possible to complete the intangible asset to be ready for use or ready for sale,
- The intention to complete, use or sell the intangible asset,
- The intangible asset can be used or sold,
- It is known that the asset has a kind of possible economic benefit for the future.
- Having appropriate technical, financial and other resources to complete the development of the intangible asset, use or sell the asset in question, and
- The cost of developing the asset can be measured reliably during the development process.

The amount of intangible assets created internally is the total amount of expenses incurred from the moment the intangible asset meets the above-mentioned accounting conditions. When intangible assets created internally cannot meet the conditions stated above, development expenditures are recorded as an expense in the period they occur. After initial recognition, internally created intangible assets are shown over the amount after the accumulated amortization and accumulated impairment losses are deducted from their cost values, just like intangible fixed assets purchased separately.

The rates determined by taking into account the useful lives of Intangible Fixed Assets are as follows:

	<u>Useful Life</u>
Capitalized Development Costs	5-15 years
Other Intangible Assets	3-10 years

2.9.17. Financial Liabilities

A financial liability is measured at fair value upon initial recognition. During the initial recognition of financial liabilities whose fair value difference is not reflected in profit or loss, transaction costs that can be directly associated with the underwriting of the relevant financial liability are also added to the fair value in question. Financial liabilities are recognized at amortized cost using the effective interest method, with interest expense calculated based on the effective interest rate in subsequent periods.

2.9.18. Borrowing Costs

In the case of assets that require significant time to be ready for use or sale (qualifying assets), borrowing costs directly associated with their purchase, construction or production are included in the cost of the asset until the relevant asset is made ready for use or sale. Borrowing costs other than this situation are recognized in the income statement. The amount of borrowing costs that can be capitalized for funds borrowed for the purpose of acquiring a qualifying asset in a period is the amount determined by deducting the income obtained from temporary investments of these funds from the total borrowing costs incurred for these assets in the relevant period.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.9.19. Taxation

Tax expense (income) consists of current period tax expense (income) and deferred tax expense (income). Corporate Tax liability is calculated on the basis found after correcting the period result by taking into account legally unacceptable expenses and deductions.

The tax provision was calculated by taking into account the profit for the period and deferred tax was taken into account in the calculation.

Deferred tax assets and liabilities arise from significant timing differences (future taxable timing differences) as a result of different treatment of accounting and taxation and are calculated at the current tax rate using the "borrowing" method.

Deferred tax assets are recorded only when a taxable profit is expected to occur in the future, from which this asset can be amortized. Net deferred tax assets arising from timing differences are reduced in proportion to tax deductions in cases where it is not certain that they can be used in future years in the light of available data.

2.9.20. Revenue

Revenue are reflected in the financial statements over an amount which reflects the cost that the Group expects to qualify for the transfer of the goods or services it commits to its customers within scope "TAS 15 Revenue from Customer Contracts" standards.

For this purpose, a 5-step process is applied in the recognition of revenue in accordance with TFRS 15 provisions.

- Identification of contracts with customers
- Determination of separate performance criteria and obligations in the contract
- Determination of contract price
- Distribution of Sales Price to liabilities
- Record revenue as contractual obligations are met

Presentation of service

The Group generates revenue from services related to software, design and hardware, as well as internet service, content and access provision.

For each performance obligation, the Group determines at the beginning of the contract whether it fulfills its performance obligation over time or whether it fulfills its performance obligation at a certain moment in time.

Revenue from a service delivery contract is recognized according to the completion stage of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognized based on the stage of completion of the installation.
- Service fees included in the prices of goods sold are accounted for according to the total cost of the services provided in relation to the goods sold, taking into account the number of services provided in previous sales of goods, and
- Revenue from contracts based on time spent is recognized through working hours and contract fees as direct expenses are incurred.

2.9.21. Impairment of assets

At each balance sheet date, the Group evaluates whether there is any indication of impairment of an asset. If such an indicator is available, the recoverable amount of that asset is estimated. If the registered value of the asset in question or any cash-generating unit of that asset is higher than the amount to be recovered through use or sale, impairment has occurred. The recoverable amount is determined by choosing the higher of the asset's net sales price and value in use. Value in use is the estimated present value of the cash flows expected to be generated from the continued use of an asset and its disposal at the end of its useful life. Impairment losses are recognized in the consolidated income statement.

An impairment loss on a receivable is reversed if the subsequent increase in the recoverable amount of that asset can be attributed to an event that occurred in the periods subsequent to the recognition of the impairment loss. Impairment losses on other assets are reversed if there is a change in the estimates used to determine the recoverable amount. The increase in the registered value of the asset due to the reversal of the impairment loss should not exceed the registered value (net amount remaining after depreciation) that would have been determined if no impairment loss had been included in the consolidated financial statements in previous years.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.9.22. Earnings per Share

Net earnings per share are calculated by dividing the main shareholder's earnings or loss (numerator) the ordinary shareholders into the weighted average of number of ordinary shares (denominator) of the relevant period. In order to calculate the diluted earnings per share, the group adjusts the main shareholder's earnings or loss of the ordinary shareholders and number of weighted average shares based on the impacts of the dilutive potential ordinary shares.

2.9.23 Post-balance-sheet Events

Even if the post-balance sheet events emerge after the disclosure of any announcement regarding profit or disclosure of other selected financial information, they cover all events between the date of the balance sheet and the authorization date for the publishing of the balance sheet. In the event that certain events require correction following the balance sheet date, the Group shall correct the amounts stated in the financial statements in accordance with the then current situation.

2.9.24 Provisions, Contingent Liabilities and Contingent Assets

If there is a current obligation arising from past events, it is probable that the obligation will be fulfilled and the amount of the obligation can be estimated reliably, a provision is made in the financial statements. The amount set aside as a provision is calculated by estimating in the most reliable way the expense to be incurred to fulfill the obligation as of the balance sheet date, taking into account the risks and uncertainties regarding the obligation. If the provision is measured using the estimated cash flows required to meet the current obligation, the carrying amount of the provision is equal to the present value of the relevant cash flows.

In cases where some or all of the economic benefit required to pay the provision is expected to be borne by third parties, the amount to be collected is recognized as an asset if it is virtually certain that the relevant amount will be collected and can be measured reliably.

2.9.25 Payables In Scope Of Employee Benefits / Employee Termination Benefit**Provision for severance pay**

In case of severance pay, pension or dismiss, they are paid in accordance with the legislation in force in Turkish and the provisions of the collective labour agreement. Pursuant to the updated Employee Benefit Standard UMS 19 ("UMS 19"), such payments are defined as the identified pension benefit plans.

The severance pay obligation recognized in the balance sheet is calculated according to the net present value of the liability amounts expected to arise in the future due to the retirement of all employees and reflected in the financial statements. All calculated actuarial gains and losses are recognized under other comprehensive income.

Leave Provisions

Accumulated paid leaves; These are the permissions that are carried forward and can be used in the future period if the rights related to the current period are not fully used and are reflected in the financial statements because they create a liability for the business.

2.9.26 Significant Accounting Assessments, Estimates and Assumptions

Preparation of financial statements require stating the amounts of the reported assets and liabilities as of the date of financial statement, disclosure of contingent assets and liabilities and using of estimates and assumptions that may affect the amounts of income and expenses reported throughout the financial year. Despite these estimates and assumptions are based on the best knowledge of the group management regarding the current events and transactions, actual results may differ from assumptions. The important assumptions and evaluations are as follows:

- According to the laws in force, the group is obliged to pay severance pay to employees whose employment is terminated due to retirement or for reasons other than the resignation and behavior specified in the Labor Law. The provision for severance pay has been calculated according to the net present value of the liability amounts expected to arise in the future due to the retirement of all employees and reflected in the financial statements.

Actuarial loss / gain is accounted under other comprehensive expense account

- If there is objective evidence that the collection is not available, the group calculates provisions for doubtful receivables. Objective evidence occurs when the receivable is in the litigation or execution phase or preparation, the buyer falls into significant financial difficulty, the buyer is in default, or it is likely that there will be a significant and unforeseen delay. The amount of this provision is the difference between the registered value of the receivable and the amount that can be collected. The collectible amount is the value of all cash flows, including the amounts that can be collected from guarantees and security, discounted based on the original effective interest rate of the trade receivable.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

In addition, the group uses the provision matrix by selecting the facilitated application for the impairment calculations of trade receivables accounted for at amortized cost in the financial statements. With this application, the group measures the expected loan loss provision at an amount equal to the lifetime expected loan losses in cases where the trade receivables are not impaired for certain reasons.

In the calculation of expected credit losses, along with past credit loss experiences, the Group's future projections are also taken into account.

Subsequent the allocation of the provision for the doubtful receivable, in case all or part of the doubtful receivable is collected, the collected amount is recorded as income in the profit or loss statement by deducting the provision for the doubtful receivable.

2.10. Changes In Significant Accounting Policies

Public Oversight Accounting and Auditing Standards Authority , has published the Standard of TFRS 16 'Leases' Standard in April 2018. The new standard,has disposed the differentiation of operating lease and financial lease and necessities the rent is to be taken into balance sheet under one model for the Companies in the situation of lessee. For the Companies as lessors, the accounting of leasing operations has not changed significantly and the differentiation of operation lease and financial lease still endures. TFRS 16 substitutes TAS 17 and the comments about TAS 17 and it's valid for the accounting periods of January 1-2019 and the periods beginning after this period.

The Transition to TFRS 16;

For the contracts agreed before January 1-2019 the Company, determined the contract as lease or not or it includes renting operation or not by determining the following factors;

- a) The realization of a contract is dependant on the usage of a special asset or the usage of the asset or
- b) The realization of the transfer of the right of usage is determined by whether the contract transfers the right-of-usage of the related asset.

The Group has not reevaluated the contract whether as qualification of lease or whether it includes lease transactions as of January 1-2019 which is the first implementation of TFRS 16 standart. Instead, the Company applies TAS 17 and TFRS Comment 4 to the contracts defined as lease and it applies TFRS 16 Leasing Standart. Before, TAS 17 and TFRS Comment 4 is applied and TFRS 16 leasing standart has not been applied to the contracts that do not involve leasing operations.

For this reason, there is no necessity in rearranging the financial statements of the prior years, the related financial statements are presented suitably to TAS 17 and TFRS Comment 4.

The Group as the lessee, classifies the transactions that risks and profits of the asset related to lease transaction belong to the Group as financial lease. The otherwise lease operations are classified as operational lease. The lease payments are discounted by using the interest rate in the lease operation when the interest rate is determined easily, if not, by using the alternative borrowing interest rate . The Group has measured the right of use assets equal to renting liability by adjusting the prepaid or prerecognized rent payments.

The Group evaluates whether the contract has leasing qualification or includes leasing operation in the beginning of the Contract. If the contract transfers the control right of an asset for a value for a definite time, this contract is qualified as lease or it includes lease operation. By valuation of whether the transfer is realized or not, the following circumstances are considered.

- a) The contract may involve definite asset is defined by the contract; an asset usually is defined by clearly or implicitly.
- b) The asset's functional division may be physically separate and represents nearly the whole part of the asset's capacity. The supplier's may have a right to substitute the asset and may have an economic benefit, in that case the asset is not defined.
- c) May have a right to possess the economic benefit provided from the usage of defined asset
- d) May have a right to manage the usage of defined asset. The Group if the decisions are pre defined about how and the purpose of the usage, the asset is valued to have usage right. The Group has the management of the asset in the following cases;
 - i) The Group may possess the operational right for the usage period and the supplier does not have a right to change the instructions.
 - ii) The Group may design the asset how and with what purpose for the usage period.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

The Group right of use assets as a lessee.

The Group, presents right of use assets and rent liability in the financial statements in actual beginning of rent process. The right of use assets initially is accounted with cost method and it includes the following:

- a) The initial measurement amount of rent liability,
- b) The amount that is calculated after the deduction of incentives of the actual start of rent and the rent payments made before.
- c) The initial direct costs endured by the Group and,
- d) By the dissembling and transfer of the asset, the estimated costs about the restoration of the field of the asset or about the provisions of the required situation of the asset.
the restoration and the conditions
The Group, bears the liability of the costs about the usage of asset in the beginning date or a definite period of time after the usage.

By implementing the cost method, the right of use asset is measured by;

- a) Deducting accumulated depreciation and accumulated impairment and
- b) Measuring the revalued adjusted cost of rent liability.

The Group implements depreciation provisions of TAS 16 in calculating depreciatin of right of use assets. In case the supplier transfers the possession of the asset to the Group or the cost of right of use asset presents the usage of purchase option, The Group calculates depreciation of right of use asset form the date of actual start of rent until the date of useful life.

In other cases, the Group calculates depreciation in the useful life or renting period which one is shorter. The Group implements TAS 36 in determining whether the asset is impaired and accounting of impairment loss.

Lease Liability

In the actual beginning of rent transactions, The Group measures the present value of the rent payments – not paid in that date- of the lease liability. The rent payments, in case the rate is determined easily, are discounted by implicit interest rate. In case, the rate is not determined easily, the Group implements the alternative borrowing interest rate.

In the actual beginning of leasing, the measurement of lease payments involved on lease liability, includes the payments of the asset of lease period for the lease right and the payments not made in the actual beginning of lease and it follows the following payments:

- a) The amount by deducting the rent incentive receivables from fixed payments.
- b) The variable rent payments by using an index or a rate, the measurement is made in the date of actual beginning of lease by using an index or rate.
- c) The usage price of the option when the Group is having the fairly certainty about using the purchase option
- d) In case, the lease period presents the ending of lease to use an option the penalty payments of ending of lease transactions

After the actual beginning of lease transactions, the Group measures the lease liability in the following ways:

- a) The book value is increased to present the interest in the lease liability.
- b) The book value is decreased to present the lease payments made.
- c) The book value is re-measured to present re-evaluatons and re-structuring or revised fixed lease payments.

The interest of the lease liability of the periods, is the amount calculated by implementing a fixed period interest rate to the residual balance of lease liability. The periodical interest rate, in case it's determined easily, is the implicit interest rate in leasing. In case, the rate is not determined easily, the Group uses its own alternative borrowing interest rate.

After the date of actual beginning of lease, the Group remeasures the lease liability to reflect the changes in the lease payments.

The Group, reflects the remeasurement of lease liability as an adjustment of right-of-use assets to financial statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

2.11 New and Revised Turkey Financial Reporting Standards

As of December 31, 2024 the accounting policies adopted during the preparation of consolidated financial statements are applied consistently with the previous year's accounting policies except for new and changed Turkish Accounting Standards (TAS)/TFRS and TAS/TFRS Comments valid as of January 1-2024. The effects of these standards and comments on the Company's financial situation and performance are explained in the related paragraphs.

a) New standard, amendments and interpretations effective as of January 1- 2024

- Amendments to TAS 1: Classification of Liabilities as Current or Non-Current
- Amendments to TFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to TAS 7 and TFRS 7 Supplier Finance Arrangements

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

b) Standards Issued but Not Yet Effective and Not Early Adopted

As of the approval date of the consolidated financial statements, the following new standards, interpretations, and amendments have been issued but are not yet effective for the current reporting period and have not been early adopted by the Group. Unless otherwise stated, the Group will make the necessary amendments to its consolidated financial statements and disclosures upon the effective date of these new standards and interpretations.

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture
- Amendments to TAS 21 Lack of Exchangeability
- TFRS 17 – New Insurance Contracts Standard

c) Amendments Effective Upon Issuance

Amendments to TAS 12 – International Tax Reform – Pillar Two Model Rules

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

d) Amendments Issued by the IASB but Not Yet Published by POA

The following two amendments to TFRS 9 and TFRS 7, along with the Annual Improvements to TFRS Accounting Standards and TFRS 18 and TFRS 19 Standards, have been issued by the IASB but have not yet been adapted/published by the Public Oversight Authority (POA) under TFRS. Therefore, they do not currently form part of TFRS. The Group will make the necessary amendments to its consolidated financial statements and disclosures once these standards and amendments become effective under TFRS.

- Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments
- Amendments to TFRS 9 and TFRS 7 – Contracts for Electricity Generated from Natural Resources
- TFRS 18 – New Standard on Presentation and Disclosures in Financial Statements

The potential impact of these standards, amendments, and improvements on the Group's financial position and performance is being evaluated.

- TFRS 19 – New Standard on Disclosures for Non-Publicly Accountable Subsidiaries
- This standard is not applicable to the Group.

NOTE 3-SEGMENT REPORTING

The main activity of the Group is to produce software solutions for the needs of telecommunication operators, service providers, financial institutions and corporate companies. Group management monitors Group activities on the basis of main product groups and domestic and international activities. On the other hand, due to the nature and economic characteristics of the products in each main product group, their classification according to sales channels, customer needs and customers' risks, and the legislation affecting the Group's activities being the same, financial information is not reported on a product-by-section basis.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

January 1-

December 31, 2024	USA	Turkey	Elimination	Consolidated
Net Sales	20,592,991	293,055,740	-	313,648,731
Cost of Sales	-	(46,470,659)	-	(46,470,659)
Gross operating profit	20,592,991	246,585,081	-	267,178,072
Marketing Expenses (-)	(51,359,677)	(76,482,870)	-	(127,842,547)
General Administrative Expenses (-)	-	(48,192,679)	-	(48,192,679)
Research and Development Expenses (-)	-	(107,612,613)	-	(107,612,613)
Other Operating Income	-	49,524,787	(1,294,215)	48,230,572
Other Operating Expenses (-)	-	(21,985,236)	-	(21,985,236)
Operating Loss/Profit	(30,766,686)	41,836,470	(1,294,215)	9,775,569
Income from Investment Activities	-	2,683,104	-	2,683,104
Operating Profit/Loss Before Financial Income (Expense)	(30,766,686)	44,519,574	(1,294,215)	12,458,673
Financial Income	344	20,711,450	-	20,711,794
Financial Expense (-)	(2,599,452)	(16,393,979)	1,110,505	(17,882,926)
Net Monetary Position Gains (Losses)	-	(58,610,589)	-	(58,610,589)
Pre-Tax Profit/Loss Margin From Continuing Operations	(33,365,794)	(9,773,544)	(183,710)	(43,323,048)
Current Tax Expense/Income	-	594,582	-	594,582
Period Profit/Loss	(33,365,794)	(9,178,962)	(183,710)	(42,728,466)

December 31, 2024	USA	Turkey	Elimination	Consolidated
Tangible and Intangible Assets and Right of Use Assets Entries	-	172,186,062	-	172,186,062
Depreciaton Expenses	(10,932,375)	(44,747,261)	-	(55,679,636)
Assets	57,820,424	804,359,832	(148,865,346)	713,314,910
Liabilities	138,048,142	271,886,683	(77,718,714)	332,216,111

January 1-

December 31, 2023	USA	Turkey	Elimination	Consolidated
Net Sales	33,216,031	412,033,639	-	445,249,670
Cost of Sales	-	(56,000,635)	-	(56,000,635)
Gross operating profit	33,216,031	356,033,004	-	389,249,035
Marketing Expenses (-)	(64,537,325)	(64,522,439)	-	(129,059,764)
General Administrative Expenses (-)	-	(50,978,938)	-	(50,978,938)
Research and Development Expenses (-)	-	(104,672,169)	-	(104,672,169)
Other Operating Income	-	66,232,605	(55,452)	66,177,153
Other Operating Expenses (-)	-	(25,723,717)	-	(25,723,717)
Operating Loss/Profit	(31,321,294)	176,368,346	(55,452)	144,991,600
Income from Investment Activities	-	3,774,142	-	3,774,142
Operating Profit/Loss Before Financial Income (Expense)	(31,321,294)	180,142,488	(55,452)	148,765,742
Financial Income	507	39,597,299	-	39,597,806
Financial Expense (-)	(664,493)	(48,376,053)	54,658	(48,985,888)
Net Monetary Position Gains (Losses)	-	(83,277,773)	-	(83,277,773)
Pre-Tax Profit/Loss Margin From Continuing Operations	(31,985,280)	88,085,961	(794)	56,099,887
Current Tax Expense/Income	-	10,849,087	-	10,849,087
Period Profit/Loss	(31,985,280)	98,935,048	(794)	66,948,974

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

December 31, 2023	USA	Turkey	Elimination	Consolidated
Tangible and Intangible Assets and Right of Use Assets Entries	-	132,421,926	-	132,421,926
Depreciaton Expenses	(8,387,923)	(44,996,829)	-	(53,384,752)
Assets	148,442,795	740,557,898	(172,019,070)	716,981,623
Liabilities	161,545,127	170,736,964	(66,742,414)	265,539,677

NOTE 4- CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash	392,885	460,374
Cash at the bank	52,081,718	75,945,657
<i>Demand deposits</i>	41,517,857	54,567,871
<i>Term deposits with a maturity of less than three months</i>	10,563,861	21,377,786
(*) <i>Liquid funds</i>	29,146,800	11,016,233
	81,621,403	87,422,264

Liquid funds consist of short-term investment instruments with a maturity of less than three months that can be easily converted into cash at any time and do not carry significant risk of value change.

As of December 31, 2024 and December 31, 2023, the Group has no blocked deposits.

NOTE 5 – FINANCIAL INVESTMENTS**a) Short Term Financial Investments**

As of the balance sheet date, the Group has no short-term financial investments. (December 31, 2023: None.)

b) Long Term Financial Investments

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss		
- Financial Assets Held for Purchase or Sale Purposes	4,613,491	1,895,390
	4,613,491	1,895,390

NOTE 6- FINANCIAL LIABILITIES**a) Short Term Financial Liabilities**

	December 31, 2024	December 31, 2023
Bank Credits	45,864,390	45,874,819
Loan Interests	2,048,825	2,096,132
Other Financial Debts **	453,530	678,518
	48,366,745	48,649,469

b) Short-term Portions of Long-term Loans

	December 31, 2024	December 31, 2023
Liabilities Of Rental Transactions *	10,511,457	5,672,969
	10,511,457	5,672,969

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

c) Long Term Financial Liabilities

	December 31, 2024	December 31, 2023
Liabilities Of Rental Transactions *	27,009,334	35,450,284
	27,009,334	35,450,284

* The Group has recorded TL 10,511,457 in the short term portion of long term liabilities, and TL 27,009,334 in the long term liabilities in the scope of TFRS 16, (December 31,2023; The Group has recorded TL 5,672,969 in the short term portion of long term liabilities, and TL 35,450,284 in the long term liabilities in the scope of TFRS 16.)

** These are credit card debts.

d) Liabilities Of Credits Including Interest and Maturity Of Credits

	December 31, 2024			
	Bank Credits	Leases	Other Debt	Total
Payable within 1 year	47,913,215	10,511,457	453,530	58,878,202
Payable within 2-3 years	-	27,009,334	-	27,009,334
	47,913,215	37,520,791	453,530	85,887,536

	December 31, 2023			
	Bank Credits	Leases	Other Debt	Total
Payable within 1 year	47,970,951	5,672,969	678,518	54,322,438
Payable within 2-3 years	-	35,450,284	-	35,450,284
	47,970,951	41,123,253	678,518	89,772,722

e) Interest Rates of Credits

**December
31,2024**

Type of Currency	Weighted Mean Effective Interest Rate (%)	Short Term	Long Term	Short Term TL Amount (Excluding Interest)	Long Term TL Amount (Excluding Interest)
US Dollar	9	600,000	-	21,168,180	-
US Dollar	8	700,000	-	24,696,210	-
Total			-	45,864,390	-

The interest rates related to US Dollar credits are 8.00% and 9.00%. The maturity dates are between January 2025 and December 2025.

**December
31,2023**

Type of Currency	Weighted Mean Effective Interest Rate (%)	Short Term	Long Term	Short Term TL Amount (Excluding Interest)	Long Term TL Amount (Excluding Interest)
US Dollar	6-9	1,079,342	-	45,874,819	-
Total			-	45,874,819	-

The interest rates related to US Dollar credits are 6.00% and %9.00%. The maturity dates are between March 2024 and June 2024.

f) Other Financial Liabilities

As of 31 December 2024, the group has no other financial liabilities. (31 December 2023: None.)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 7- TRADE RECEIVABLES AND PAYABLES**A-Trade Receivables**

The Group's trade receivables as of the balance sheet date are as follows.

a) Trade Receivables (Short term)

	December 31, 2024	December 31, 2023
Trade receivables	184,691,462	289,414,007
Trade receivables deferred maturity difference (-)	(2,487,939)	(4,049,295)
Provision for doubtful trade receivables (-)	(724,511)	(983,248)
	181,479,012	284,381,464

As of December 31, 2024, the Group has allocated provision for doubtful receivables for the portion of trade receivables amounting to TL 724,511 (2023: TL 983,248). According to the expected credit loss model within the scope of TFRS 9, the Group allocates provision for doubtful receivables for the receivables it filed for commercial receivables and overdue receivables and other undue due receivables. The Group management believes that there is no need for a provision more than the provision for doubtful receivables in the financial statements.

The Group's movement chart regarding doubtful trade receivables are as follows:

	January 1- December 31, 2024	January 1- December 31, 2023
Opening balance	(983,248)	(1,162,762)
Period expense	(49,921)	(354,898)
Monetary gains/(losses)	308,658	534,412
Closing balance	(724,511)	(983,248)

b) Trade receivables (Long term)

As of the balance sheet date, the Group has no long-term trade receivables. (31 December 2023: None.)

The maturity of Group receivables mainly varies between 30-90 days.

B-Trade Payables

The Group's detail of trade payables as of the balance sheet date are as follows:

a) Trade Payables (Short Term)

	December 31, 2024	December 31, 2023
Trade payables	11,925,941	5,950,354
Trade payables deferred maturity difference (-)	(348,557)	(105,981)
	11,577,384	5,844,373

b) Trade Payables (LongTerm)

As of the date of balance sheet, the Group has no long-term trade payables. (31 December 2023-None.)

NOTE 8-OTHER RECEIVABLES AND PAYABLES**A- Other Receivables****a) Other Receivables (Short term)**

	December 31, 2024	December 31, 2023
Miscellaneous other receivables	134,661	4,360
	134,661	4,360

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

b) Other Receivables (Long term)

	December 31, 2024	December 31, 2023
Deposits and Guarantees Given	2,140,954	2,641,977
	2,140,954	2,641,977

B- Other Payables**a) Other Payables (Short Term)**

	December 31, 2024	December 31, 2023
Income and stamp tax payable	3,745,448	1,287,813
VAT payable	11,406,993	13,686,826
Miscellaneous other payables	444	-
Other liabilities payable	85,550	44,525
	15,238,435	15,019,164

b) Other Payables (Long Term)

The Group does not have any long term other payables as of the balance sheet date. (31 December 2023: None.)

NOTE 9- RECEIVABLES AND OBLIGATIONS ARISING FROM CONTRACTS WITH CUSTOMERS**a) Receivables Arising from Contracts with Customers (Short Term)**

The Group does not have any receivables from short term customer contracts. (31 December 2023- None.)

b) Receivables Arising from Contracts with Customers (Long Term)

The Group does not have any receivables from long term customer contracts. (31 December 2023: None.)

c) Liabilities Arising from Contracts with Customers (Short-Term)

	December 31, 2024	December 31, 2023
Advances received	-	94,863
Maintenance, license etc. income*	84,094,690	35,227,054
Other income	-	269,047
	84,094,690	35,590,964

d) Liabilities Arising from Contracts with Customers (Long-Term)

	December 31, 2024	December 31, 2023
Maintenance, license etc. income*	65,717,885	56,587,202
	65,717,885	56,587,202

* It consists of the income that the Group will obtain from transactions that have been invoiced to the customer within the scope of customer contracts, but where the service will be carried out in subsequent periods.

NOTE 10- OTHER CURRENT ASSETS/ OTHER FIXED ASSETS**a) Other Current Assets**

	December 31, 2024	December 31, 2023
Job advances	42,234	69,417
Personnel advances	771,482	464,655
	813,716	534,072

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

b) Other Fixed Assets

The Group does not have other fixed assets. (31 December 2023 – None)

NOTE 11- INVENTORIES

	December 31, 2024	December 31, 2023
Trade goods	1,842,368	2,768,477
Provision for impairment of inventory (-)	(113,723)	(86,593)
	1,728,645	2,681,884

The impairment of inventory is as follows as of December 31, 2024 and December 31, 2023.

	January 1-2024 December 31, 2024	January 1-2023 December 31, 2023
Opening balance	(86,593)	(86,593)
Expense of the period	(27,130)	-
Closing balance	(113,723)	(86,593)

As of December 31, 2024, the group has no inventory which was given as pledge against the loans used. (December 31, 2023-None.)

NOTE 12- PREPAID EXPENSES AND DEFERRED INCOME**a) Prepaid Expenses (Short-Term)**

	December 31, 2024	December 31, 2023
Advances Given	4,060,367	1,017,273
Insurance, repair, maintenance and seminar expenses for the incoming months	8,403,194	10,477,854
	12,463,561	11,495,127

b) Prepaid Expenses (Long-Term)

	December 31, 2024	December 31, 2023
Insurance, repair, maintenance and seminar expenses for the incoming years	6,052,489	5,447,599
	6,052,489	5,447,599

NOTE 13- GOVERNMENT INCENTIVES AND GRANTS

The Group benefits from insurance premium incentives in accordance with laws no. 5510, 5746, 6111 and 17103, and from income tax incentives in accordance with laws no. 5746 and 4691. In this context, in the period of December 31, 2024, TL 21,240,004 benefited from SSI premium incentives and TL 75,890,885 income tax incentives. (December 31, 2023: TL 16,847,627 SSI incentive, TL 50,450,783 income tax incentive).

The amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of December 31, 2024.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 14- TANGIBLE FIXED ASSETS

Movements occurred in tangible fixed assets and respective accumulated depreciation concerning the period ended as of December 31, 2024 and December 31, 2023 are as follows:

December 31, 2024	Fixtures	Leasehold Improvements	Total
Cost Value			
Opening balance as of January 1- 2024	31,314,933	4,512,525	35,827,458
Assets acquired through Purchase	5,615,255	1,442,808	7,058,063
Outflows	(312,165)	-	(312,165)
Foreign currency conversion and index differences	(364,154)	-	(364,154)
Closing balance as of December 31, 2024	36,253,869	5,955,333	42,209,202
Accumulated Depreciation			
Opening balance as of January 1- 2024	(23,432,622)	(4,325,079)	(27,757,701)
Period Expense	(5,466,434)	(240,225)	(5,706,659)
Outflows	255,032	-	255,032
Foreign currency conversion and index differences	1,748,100	-	1,748,100
Closing balance as of December 31, 2024	(26,895,924)	(4,565,304)	(31,461,228)
Net book value as of December 31, 2024	9,357,945	1,390,029	10,747,974

December 31, 2023	Fixtures	Leasehold Improvements	Total
Cost Value			
Opening balance as of January 1- 2023	28,202,819	4,512,525	32,715,344
Assets acquired through Purchase	3,701,636	-	3,701,636
Outflows	(489,678)	-	(489,678)
Foreign currency conversion and index differences	(99,844)	-	(99,844)
Closing balance as of December 31, 2023	31,314,933	4,512,525	35,827,458
Accumulated Depreciation			
Opening balance as of January 1- 2023	(20,311,213)	(4,245,962)	(24,557,175)
Period Expense	(3,584,160)	(79,117)	(3,663,277)
Outflows	456,398	-	456,398
Foreign currency conversion and index differences	6,353	-	6,353
Closing balance as of December 31, 2023	(23,432,622)	(4,325,079)	(27,757,701)
Net book value as of December 31, 2023	7,882,311	187,446	8,069,757

Pledges and Mortgages on Assets

There are no pledges and mortgages on the tangible assets detailed above as of December 31, 2024 and 2023.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 15- RIGHT OF USE ASSETS

The balance of the right of use assets as of December 31, 2024 and December 31, 2023 the depreciation and amortization expenses for the relevant period are as follows;

	December 31, 2024	December 31, 2023
Cost Value		
Opening balance as of January 1-	56,325,469	47,313,075
Assets acquired through leasing	11,703,568	37,462,319
Transfers/ Adjustments	(6,717,643)	(28,449,925)
Closing balance as of 31 December	61,311,394	56,325,469
Accumulated Amortization		
Opening balance as of January 1-	(12,852,097)	(31,491,644)
Period expense	(13,999,324)	(7,740,919)
Transfers/ Adjustments	4,078,124	26,380,466
Closing balance as of 31 December	(22,773,297)	(12,852,097)
Net book value as of 31 December	38,538,097	43,473,372

NOTE 16- INTANGIBLE FIXED ASSETS

Movements occurred in intangible fixed asses and respective accumulated depreciation concerning the period ended as of December 31, 2024 and December 31, 2023 are as follows:

	December 31, 2024			
Cost Value	Development Expenses Capitalized	Development Expenses In Progress	Other Intangible Assets	Total
Opening balance as of January 1- 2024	534,277,585	51,611,038	3,533,239	589,421,862
Assets acquired through purchase	13,361,115	140,063,316		153,424,431
Transfers/ Adjustments	(67,687,821)	(41,533,170)	-	(109,220,991)
Foreign currency conversion and index differences	(18,857,461)	-	-	(18,857,461)
Closing balance as of 31 December 2024	461,093,418	150,141,184	3,533,239	614,767,841
Accumulated Amortization				
Opening balance as of January 1- 2024	(319,579,148)	-	(3,477,630)	(323,056,778)
Period expense	(35,938,397)	-	(35,256)	(35,973,653)
Transfers/ Adjustments	109,220,990	-	-	109,220,990
Foreign currency conversion and index differences	4,046,522	-	-	4,046,522
Closing balance as of 31 December 2024	(242,250,033)	-	(3,512,886)	(245,762,919)
Net book value as of 31 December 2024	218,843,385	150,141,184	20,353	369,004,922

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Cost Value	December 31, 2023			Total
	Development Expenses Capitalized	Development Expenses In Progress	Other Intangible Assets	
Opening balance as of January 1- 2023	449,165,425	50,635,634	3,533,239	503,334,298
Assets acquired through purchase	9,719,667	81,538,304	-	91,257,971
Transfers/ Adjustments	80,562,900	(80,562,900)	-	-
Foreign currency conversion and index differences	(5,170,407)	-	-	(5,170,407)
Closing balance as of 31 December 2023	534,277,585	51,611,038	3,533,239	589,421,862
Accumulated Amortization				
Opening balance as of January 1- 2024	(277,738,020)	-	(3,393,727)	(281,131,747)
Period expense	(41,896,653)	-	(83,903)	(41,980,556)
Foreign currency conversion and index differences	55,525	-	-	55,525
Closing balance as of 31 December 2023	(319,579,148)	-	(3,477,630)	(323,056,778)
Net book value as of 31 December 2023	214,698,437	51,611,038	55,609	266,365,084

NOTE 17- PERIOD INCOME TAX LIABILITY

	December 31, 2024	December 31, 2023
Prepaid bank withholdings	459,493	134,912
	459,493	134,912

The prepaid taxes belong to the temporary tax paid and the interest income from the group's time deposits and the income tax amounts deducted by the relevant financial institutions.

NOTE 18- PERIOD PROFIT TAX LIABILITY

Group does not have period profit tax liability as of December 31, 2024 and December 31, 2023.

NOTE 19- LIABILITIES UNDER EMPLOYEE BENEFITS**a) Liabilities Under Employee Benefits (Short-Term)**

	December 31, 2024	December 31, 2023
Wages payable to personnel	46,806,462	28,814,124
Social security premium payable	5,667,949	7,308,507
	52,474,411	36,122,631

The social security premiums of TL 5,667,949 and personnel wages of TL 46,806,462, both related to December 2024, were paid in January 2025.

(December 31, 2023: Social security premiums to be paid, 7,308,507, and wages to be paid to the personnel, TL 28,814,124, were paid in January 2024.)

b) Liabilities Under Employee Benefits (Long-Term)

As of December 31, 2024, the Group does not have any debts within the scope of benefits for long-term employees. (31 December 2023: None.)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 20- OTHER LIABILITIES**a) Other Liabilities (Short Term)**

	December 31, 2024	December 31, 2023
Other expense provisions	-	11,592,578
Other expense accruals	295,628	1,271,814
	295,628	12,864,392

b) Other Liabilities (Long Term)

As of 31 December 2024, there is no other long-term liability amount. (31 December 2023: None)

NOTE 21- COMMITMENTS**a)Collaterals, pledges and mortgages acquired by the Group**

The tables regarding the collateral / pledge / mortgage ("TRI") position given by the group as of 31 December 2024 and 31 December 2023 are as follows.

	December 31, 2024		December 31, 2023	
	Currency Amount	TL Equivalent*	Currency Amount	TL Equivalent*
A. CPM Given On Behalf of Its Own Legal Entity				
a) Guarantee Letters				
-TL	3,030,416	3,030,416	3,616,500	3,616,500
-USD	288,017	10,161,326	824,063	35,024,802
Total		13,191,742		38,641,302

* Amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of December 31, 2024.

b)Collaterals, pledges and mortgages received by the Group

There are no letters of guarantee, pledges and mortgages received by the Group. (31 December 2023- None)

NOTE 22- SHORT /LONG-TERM PROVISIONS**a) Short-Term Provisions for Employee Benefits**

	December 31, 2024	December 31, 2023
Leave Provisions	12,929,369	9,611,967
	12,929,369	9,611,967

The movements of unused leave fees are as follows:

	January 1- December 31, 2024	January 1- December 31, 2023
Opening Balance January 1	(9,611,967)	(9,078,472)
Provisions Calculated In The Period	(7,935,096)	(7,742,389)
Provisions No Longer Required	1,663,182	1,404,363
Monetary Gains/Losses	2,954,512	5,804,531
Ending Provision	(12,929,369)	(9,611,967)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Seniority Incentive Bonus

As of 31 December 2024, there is no liability amount related to seniority incentive bonus. (31 December 2023: None).

Other

The Group does not have any provision for social aid payments and tax risks. (December 31, 2023 - None).

b) Long-Term Provisions for Employee Benefits**- Provision for Severance Pay**

As per the rules of the Labour Law in effect, it is obliged to pay the legally deserved severance payments to the employees whose labor contracts have expired provided that they have become entitled to acquire severance payment. In addition, according to the current Social Security Law's No.506/dated March 6, 1981, No.2422/dated August 25, 1999, No.4447, as well as its amended Article No.60, the legal severance payments have to be paid to the employees who became entitled to acquire severance payment in case they leave. Some transitional provisions regarding pre-retirement service conditions were removed from the Law with the amendment of the relevant law on 23 May 2002.

As of December 31, 2024, the severance pay to be paid is subject to a monthly ceiling of TL 41,828 (2023: TL 23,490) Severance payment liability is calculated based on the estimation for the present value of the future potential obligations of the Company arising from the retirements of its employees. IAS 19 "Employee Benefits" (amended) sets forth actuarial valuation methods for the calculation of Company's liabilities within the scope of defined benefit plans. Accordingly, actuarial assumptions used in the calculation of total liabilities are indicated below.

Accordingly, the actuarial assumptions used in calculating total liabilities are stated below:

Main assumption is an increase in maximum liability for each service year in parallel to inflation rate. Therefore, the discount rate being applied implies the anticipated real interest rate after the adjustment of inflation effects in future. The liabilities in the attached financial statements as of the dates December 31, 2024 calculated through the estimation of the present value for the potential liabilities in future arising from the retirements of the employees. The severance pay ceiling is revised every six months, and the ceiling amount of TL 46,655 (January 1- 2024: TL 35,059), effective as of January 1- 2025, was taken into account in calculating the Company's severance pay provision.

Actuarial valuation methods must be used to estimate the Group's liability due to existing retirement plans. Severance pay provision is calculated based on the present net value of future liability amounts due to the retirement of all employees and is reflected in the attached financial statements.

Long-term Provisions Related to Employee Benefits

	December 31, 2024	December 31, 2023
Provision for severance pay	4,000,773	4,126,262
	4,000,773	4,126,262
Severance Pay Movements	January 1- December 31, 2024	January 1- December 31, 2023
Provision as of January 1	(4,126,262)	(3,797,533)
Interest Cost	(467,892)	(474,230)
Current Service Costs	(562,967)	(1,174,893)
Payments In The Period	1,587,067	2,220,412
Actuarial earnings and loss	(1,950,196)	(2,801,781)
Monetary Gains/Losses	1,519,477	1,901,763
Term End Provision	(4,000,773)	(4,126,262)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 23- CAPITAL, RESERVES AND OTHER EQUITY ITEMS**a) Paid Capital and Capital Adjustment Differences**

As of December 31, 2024, the capital of the Group is TL 85,611,078, (December 31, 2023: TL 85,611,078) and the registered capital ceiling is TL 500,000,000 . * (31 December 2023: 150,000,000 TL)

* With the decision of the Extraordinary General Assembly dated 16 April 2024, it was decided to increase the registered capital ceiling to 500,000,000 (five hundred million) Turkish Liras and this situation was registered with the İstanbul Trade Registry on 24 April 2024.

The partnership structure of the Group is as follows.

Name	December 31, 2024		December 31, 2023	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	15,082,168	24,44	20,926,797
Zeynep Yenel Onursal	13,00	11,129,444	10,00	8,561,112
Other	69,38	59,399,466	65,56	56,123,169
Paid-in Capital	100,00	85,611,078	100,00	85,611,078
Capital Adjustment Differences		236,295,461		236,295,461
Total		321,906,539		321,906,539

Capital adjustment differences represent the variance between the total amounts of cash and cash-equivalent contributions to capital, adjusted for inflation accounting, and their amounts before the adjustment.

Additional Information on Capital, Reserves and Other Equity Items

The comparison of the relevant equity items in the Group's consolidated financial statements as of December 31, 2024, adjusted for inflation, with the inflation-adjusted amounts in the financial statements prepared in accordance with Turkish Commercial Code No. 6762 and applicable regulations is as follows:

	Inflation-adjusted amounts included in fin.statements prepared in acc. with Turkish Comm.Code No. 6762 and other regulations	Inflation-adjusted amounts included in the financial statements prepared in accordance with TAS/IFRS	Difference recognized in retained earnings
December 31, 2024			
Capital Adjustment Differences	299,586,390	236,295,461	63,290,929
Share Premium	1,499,513	1,714,186	(214,673)
Restrained Reserves From Profit	39,187,261	34,127,095	5,060,166

b) Share Premiums (Discounts)

	December 31, 2024	December 31, 2023
Share Premiums (Discounts)	1,714,186	1,714,186
	1,714,186	1,714,186

c) Defined Benefit Plans Remeasurement Gains / Losses

The group calculates the actuarial gains/losses in the defined benefit plans regarding its employees and presents them in the financial statements

Actuarial Gain / (Loss)

	January 1- December 31, 2024	January 1- December 31, 2023
Opening Balance	(3,038,843)	(937,507)
Actuarial Gain / (Loss)	(1,950,196)	(2,801,781)
Deferred Tax Asset	487,549	700,445
Current Year Transactions Net	(1,462,647)	(2,101,336)
Net Actuarial Gains / Losses	(4,501,490)	(3,038,843)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

d) Foreign currency conversion difference

	December 31, 2024	December 31, 2023
Foreign currency conversion difference	(105,026,946)	(78,874,912)

e) Restrained Reserves from Profit

	December 31, 2024	December 31, 2023
Legal Reserves	27,915,093	21,690,482
Venture Capital Fund	6,212,002	2,151,721
	34,127,095	23,842,203

f) Previous Year Profits / Losses

	December 31, 2024	December 31, 2023
Previous Year Profits / Losses	175,607,881	118,943,799

NOTE 24- REVENUE AND COST OF SALES**a) Revenue**

	January 1- December 31, 2024	January 1- December 31, 2023
Domestic Sales	218,361,685	262,576,289
Overseas Sales	100,713,216	192,918,816
Sales Returns (-)	(5,361,991)	(9,919,865)
Sales Discounts (-)	(64,179)	(325,570)
Net Sales	313,648,731	445,249,670

b) Cost of Sales (-)

	January 1- December 31, 2024	January 1- December 31, 2023
Cost of services sold (-)	(46,470,659)	(56,000,635)
	(46,470,659)	(56,000,635)

NOTE 25- GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES and RESEARCH AND DEVELOPMENT EXPENSES

	January 1- December 31, 2024	January 1- December 31, 2023
a)General Administrative Expenses (-)	(48,192,679)	(50,978,938)
b)Marketing Expenses (-)	(127,842,547)	(129,059,764)
c)Research and Development Expenses	(107,612,613)	(104,672,169)
Total	(283,647,839)	(284,710,871)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

a)General Administrative Expenses (-)	January 1- December 31, 2024	January 1- December 31, 2023
Personnel Wages	(32,561,345)	(35,459,249)
Depreciation Costs	(692,789)	(720,523)
Taxes, Duties and Charges	(428,083)	(460,285)
Communication Expenses	(124,160)	(109,272)
Travel Expenses	(2,466,165)	(2,494,694)
Vehicle Expenses	(378,480)	(376,565)
Outsourced Benefits and Services	(6,598,759)	(3,729,562)
Miscellaneous Expenses	(4,764,159)	(7,610,079)
Bank and Commission Expenses	(178,739)	(18,709)
Total	(48,192,679)	(50,978,938)

b) Details of Marketing Expenses	January 1- December 31, 2024	January 1- December 31, 2023
Personnel Wages	(82,566,069)	(65,606,993)
Depreciation Costs	(11,160,317)	(8,561,148)
Taxes, Duties and Charges	(3,130,314)	(1,084,442)
Communication Expenses	(383,236)	(437,402)
Travel Expenses	(3,447,323)	(5,314,822)
Vehicle Expenses	(775,694)	(619,833)
Marketing Expenses	(5,375,957)	(24,530,266)
Outsourced Benefits and Services	(4,055,164)	(3,717,729)
Exhibition, Fair and Seminar Expenses	(6,596,580)	(5,666,435)
Sales Commissions	(3,771,082)	(3,878,338)
Miscellaneous Expenses	(6,580,811)	(9,642,356)
Total	(127,842,547)	(129,059,764)

c) Research And Development Expenses	January 1- December 31, 2024	January 1- December 31, 2023
Personnel Wages	(53,460,464)	(49,842,751)
Depreciation Costs	(42,912,007)	(42,710,102)
Communication Expenses	(157,678)	(146,468)
Travel Expenses	(398,216)	(938,423)
Vehicle Expenses	(188,192)	(126,506)
Outsourced Benefits and Services	(7,738,868)	(6,886,509)
Miscellaneous Expenses	(2,757,188)	(4,021,410)
Total	(107,612,613)	(104,672,169)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 26- EXPENSES CLASSIFIED ACCORDING TO ASSORTMENT

a) Depreciation and Amortization Expenses (-)	January 1- December 31, 2024	January 1- December 31, 2023
Service Cost	(914,523)	(1,392,979)
Research And Development Expenses	(42,912,007)	(42,710,102)
Marketing Expenses	(11,160,317)	(8,561,148)
General Administrative Expenses	(692,789)	(720,523)
Total	(55,679,636)	(53,384,752)

b) Personnel Expenses (-)	January 1- December 31, 2024	January 1- December 31, 2023
Research And Development Expenses	(53,460,464)	(49,842,751)
Wages & Salaries	(53,460,464)	(49,842,751)
General Administrative Expenses	(32,561,345)	(35,459,249)
Wages & Salaries	(32,561,345)	(35,459,249)
Marketing and Sales Costs	(82,566,069)	(65,606,993)
Wages & Salaries	(82,566,069)	(65,606,993)
Total	(168,587,878)	(150,908,993)

NOTE 27- OPERATING INCOME / EXPENSES

Details of operating income related to the years to end after December 31, 2024 and December 31, 2023 are as follows:

a) Other Operating Income	January 1- December 31, 2024	January 1- December 31, 2023
Exchange Rate Difference Income from Operations	31,112,049	55,673,764
Cancellation Of Provision Of Employee Termination Benefit	428,946	126,555
Maturity Difference Income Accrued	7,446,816	2,456,077
Provisions No Longer Required	2,164,110	1,162,208
Other ordinary income and profits	2,610,077	1,129,715
Other	2,619,500	469,157
Incentive Income	1,849,074	5,159,677
	48,230,572	66,177,153

b) Other Operating Expenses	January 1- December 31, 2024	January 1- December 31, 2023
Exchange Rate Difference Expense from Operations	(5,793,980)	(6,111,845)
Maturity Difference Expense Accrued	(5,959,037)	(5,375,366)
Provisions for Inventory Impairment Expense	(31,140)	-
Provisions for Doubtful Receivables	(49,921)	(354,898)
Deduction of Tax	(6,252,781)	(3,907,991)
Other Ordinary Income and Profits	(3,898,377)	(9,973,617)
	(21,985,236)	(25,723,717)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 28- INCOME FROM INVESTING ACTIVITIES**a) Revenues from Investment Activities**

	January 1- December 31, 2024	January 1- December 31, 2023
Income on Sales of Fixed assets	22,495	116,293
Exchange Rate Protected Deposit Income	-	1,418,838
Securities Sales Income	2,660,609	2,239,011
	2,683,104	3,774,142

b) Expenses Due To Investing Activities (-)

As of December 31, 2024, there is no expense due to investment activities. (December 31, 2023 – None)

NOTE 29- FINANCING INCOME/ EXPENSES**a) Financing Income**

	January 1- December 31, 2024	January 1- December 31, 2023
Interest income	7,408,019	3,497,832
Exchange rate difference income	13,303,775	36,099,974
	20,711,794	39,597,806

b) Financing Expenses

	January 1- December 31, 2024	January 1- December 31, 2023
Bank interest expenses	(4,290,901)	(11,847,455)
Exchange rate difference expense	(10,011,869)	(35,284,163)
Interest Expense of Right-Of-Use Assets	(3,580,156)	(1,854,270)
	(17,882,926)	(48,985,888)

c) Net Monetary Position Gains (Losses)

The net monetary position gains for the year ending December 31, 2024, are as follows:

	January 1- December 31, 2024	January 1- December 31, 2023
Net Monetary Position Gains (Losses)	(58,610,589)	(83,277,773)
	(58,610,589)	(83,277,773)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Non-monetary Items	December 31, 2024
Statement of Financial Position Items	(43,894,827)
Inventories	38,701
Prepaid expenses	897,672
Financial investments, subsidiaries	43,292,980
Tangible assets	3,268,133
Intangible assets	69,674,262
Deferred tax assets/liabilities	748,270
Right-of-use assets	8,014,912
Other liabilities	(10,702,804)
Paid-in capital	(98,947,148)
Share premiums	(526,904)
Other comprehensive income or expense not to be reclassified to profit or loss	1,185,228
Other comprehensive income or expense to be reclassified to profit or loss	3,629,896
Restricted reserves allocated from profit	(10,489,937)
Previous years' profits/losses	(53,978,088)
Statement of Profit or Loss Items	(14,715,762)
Revenue	(32,972,971)
Cost of sales	4,453,921
Research and development expenses	6,723,525
Marketing expenses	7,023,573
General administrative expenses	5,650,587
Other income/expenses from operating activities	(762,206)
Income/expenses from investing activities	(302,994)
Financing income/expenses	(4,529,197)
Net monetary position gains/ (losses)	(58,610,589)

NOTE 30- TAX PROVISIONS AND LIABILITIES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)**a) Period Income Tax Liability**

Turkish tax legislation does not allow the parent company to file tax returns based on the financial statements in which it consolidates its subsidiaries and affiliates. For this reason, the tax provisions reflected in these consolidated financial statements have been calculated separately for the subsidiaries included in the scope of full consolidation.

The corporate tax rate in Turkey is 25% for 2024. (25% for 2023)

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions and deducting the exemptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid and all or part of the profit is paid as dividend;

- To real persons
- Natural and legal persons who are exempt or exempt from Income and Corporate Tax,
- Limited taxpayer real and legal persons,

In case of distribution, 10% Income Tax Withholding is calculated. If the period profit is added to the capital, it is not considered as profit distribution and withholding tax is not applied.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Corporations calculate provisional tax based on their quarterly financial profits and declare and pay it by the 17th day of the second month following that period. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year.

Within the scope of the Temporary Article added to the Technology Development Zones Law No. 4691 with Article 44 of Law No. 5035, income and corporate taxpayers operating in technology development zones will be able to keep their earnings exclusively from software and R&D activities in this zone until December 31, 2024. It is exempt from income and corporate tax.

According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However financial losses can not be offsetted from last year's profits.

In Turkey, there is no practice of reaching an agreement with the tax authority regarding the taxes to be paid. Corporate tax returns are submitted to the relevant tax office by the evening of the last day of the fourth month following the month in which the accounting period closes. However, the authorities authorized for tax inspection may examine the accounting records within 5 years and if incorrect transactions are detected, the tax amounts to be paid may change.

b) Deferred tax

The group calculates its deferred income tax assets and liabilities by taking into account the effects of temporary differences that arise as a result of different evaluations between the balance sheet items and the legal financial statements. These temporary differences generally result from the recognition of income and expenses in different reporting periods in accordance with the communiqué and tax laws.

In the deferred tax calculations in the financial statements dated 31 December 2024, 25% is used as the tax rate by taking into consideration of tax differences in the following years.

Items which are the basis for deferred tax and corporate tax are mentioned below:

Deferred Tax (Assets) / Liabilities:	December 31, 2024	December 31, 2023
Cash and Equivalents	12,585	10
Trade Receivables	787,510	1,240,034
Other Receivables	(9,453)	-
Inventories	48,759	(22,823)
Prepaid Expenses	(28,329)	(66,606)
Tangible and Intangible Fixed Assets and Depr. Diff.	(14,953,866)	(1,201,156)
Right of Use Assets	(1,353,662)	(1,233,063)
Loans and Leases	42,791	-
Trade Payables	(84,954)	(26,495)
Severance Pay Provision	1,000,193	1,031,566
Leave Provisions	3,232,342	2,402,992
Financial Investments	(9,128)	-
Deferred Income	973,906	309,902
Previous Year's Loss	2,262,364	-
R&D Discount	11,595,434	-
Total	3,516,492	2,434,361

Previous Years' Losses

In accordance with the Tax Procedure Law, prior years' losses are recognized at their carrying value and can be carried forward for a maximum of five years. Accordingly, the last year in which unused tax losses can be recorded is 2029. The Group's management has assessed that it is probable that sufficient taxable profits will be available in the future, based on the expected improvement in operational performance in the coming years. As a result, a deferred tax asset arising from unused tax losses amounting to TL 2,262,364 has been recognized in the financial statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Movement of deferred tax (asset)/ Liabilities within current period and the previous period are listed below:

	January 1- December 31, 2024	January 1- December 31, 2023
Opening balance as of January 1	2,434,361	(9,115,171)
Deferred tax income/expense for the period	594,582	10,849,087
Reflected to Comprehensive Income and Equity	487,549	700,445
Current Period / Previous Period	3,516,492	2,434,361

As of each balance sheet date, deferred tax assets that are not reflected in the records are reviewed. If it is probable that the financial profit to be obtained in the future will allow the deferred tax asset to be earned, the deferred tax asset that was not reflected in the records in previous periods is reflected in the records.

The reconciliation study between tax income/expense and the accounting profit within scope of IAS 12 is specified below.

	January 1- December 31, 2024	January 1- December 31, 2023
Period Profit/Loss Of Continuing Operations	(43,323,048)	56,099,887
Calculated Tax Over %25-25 Local Tax Rate	10,830,762	(14,024,972)
Tax Effect of Expenses Not Allowed By Law	3,240,577	2,026,225
Tax Effect of Deductions and Allowances	(13,857,797)	(33,149,281)
Effect of Temporary Timing Differences	(381,040)	55,997,115
Tax Income	594,582	10,849,087

NOTE 31- EARNINGS PER SHARE

As of the current and previous period, group's number of shares and profit/loss calculations per unit share are as follows.

	January 1- December 31, 2024	January 1- December 31, 2023
Net period profit / loss	(42,728,466)	66,948,974
Number of Shares	85,611,078	42,805,539
Profit / loss per share	(0,499)	1,564

NOTE 32- RELATED PARTY DISCLOSURES**a) Related Parties End of Period Balance Sheet Balances**

None. (December 31, 2023: None)

b) Purchases/Sales of Goods and Services Made with Related Parties During the Period

None. (December 31, 2023: None)

c) Remuneration and Similar Benefits to the Chairman of board, Members of the board, General Manager and Deputy managers

	January 1- December 31, 2024	January 1- December 31, 2023
Salaries and Other Short-Term Benefits (Net) (Excluding Paid Compensation)	11,187,595	13,550,861
	11,187,595	13,550,861

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

NOTE 33- FEATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS**Financial Instruments**

The Group is focused on managing various financial risks due to its activities, including the effects of changes in debt and capital market prices, exchange rates and interest rates. The Group aims to minimize the potential negative effects of market fluctuations with its risk management program.

The Group has determined the policies summarized below for the management of risks arising from financial instruments.

Loan Risk

The credit risk of the Group is the total of financial assets shown at the balance sheet date. Credit risk includes the risk that a company's receivables will not be collected. The Group constantly monitors customers who do not pay their debts and their guarantors separately or as a Group, and includes this information in credit risk controls. If the cost is reasonable, credit ratings are made to external evaluation institutions for customers and their guarantors. The Group's policy is to only do business with organizations with sufficient credibility.

Although there is no significant credit risk between trade receivables and other receivables for an organization or group, there is a concentration risk since most of the trade receivables are from 4 customers. The credit risk regarding the money and liquid values equivalent to money in banks and other short-term receivables is negligible, because the banks where the money and liquid values are held are banks with high quality and credit ratings.

Credit risks exposed due to type of financial instruments

	Receivables		Deposits at Banks	Cash and Cash Equivalents
	Trade Receivables	Other Receivables		
December 31, 2024	Other Party	Other Party		
Maximum credit risk exposed as of the reporting date (*)	183,966,951	2,275,615	52,081,718	29,539,685
- Part of the maximum risk secured by means of guarantee, etc. (**)	-	-	-	-
A. Net book value of financial assets that are neither past due or impaired	183,966,951	2,275,615	52,081,718	29,539,685
B. Net book value of assets overdue but not undergone impairment	-	-	-	-
C. Net book value of assets undergone impairment	-	-	-	-
- Overdue (Gross Book Value)	724,511	-	-	-
- Impairment (-)	(724,511)	-	-	-
- Part of the net value secured by means of guarantee, etc.	-	-	-	-
D. Items involving credit risk which are not included in the statement of financial position				

Credit risks exposed due to type of financial instruments

	Receivables		Deposits at Banks	Cash and Cash Equivalents
	Trade Receivables	Other Receivables		
December 31, 2023	Other Party	Other Party		
Maximum credit risk exposed as of the reporting date (*)	288,430,759	2,646,337	75,945,657	11,476,607
- Part of the maximum risk secured by means of guarantee, etc. (**)	-	-	-	-
A. Net book value of fin.assets that are neither past due or impaired	288,430,759	2,646,337	75,945,657	11,476,607
B. Net book value of assets overdue but not undergone impairment	-	-	-	-
C. Net book value of assets undergone impairment	-	-	-	-
- Overdue (Gross Book Value)	983,248	-	-	-
- Impairment (-)	(983,248)	-	-	-
- Part of the net value secured by means of guarantee, etc.	-	-	-	-
D. Items involving credit risk which are not included in the statement of financial position				

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Liquidity Risk

Liquidity risk is the risk of a Group being unable to meet its funding needs. The Group has the right to utilize banks, suppliers, and shareholders as funding sources. Liquidity risk is mitigated by balancing cash inflows and outflows with the support of loans granted by reputable credit institutions. Additionally, the Group continuously assesses liquidity risk by identifying and monitoring changes in funding conditions to achieve its strategic objectives.

The breakdown of financial assets and liabilities by maturity has been presented considering the period from the balance sheet date to the maturity date.

Liquidity Risk TableDecember 31, 2024

Expected (or by contract) Due Dates	Book Value	Sum of Cash Outflow by Contract (I+II+III+IV)	<3 months (I)	3-12 months	1-5 years
Non-derivative					
Financial Liabilities					
Bank loans and interest	48,366,745	50,247,165	23,553,306	26,693,859	-
Lease Payables	37,520,791	37,520,791	2,497,069	8,014,388	27,009,334
Financial lease payables		-	-	-	-
Trade payables	11,577,384	11,925,941	11,925,941	-	-
Other payables	15,238,435	15,238,435	15,238,435	-	-
Total liabilities	112,703,355	114,932,332	53,214,751	34,708,247	27,009,334

Liquidity Risk TableDecember 31, 2023

Expected (or by contract) Due Dates	Book Value	Sum of Cash Outflow by Contract (I+II+III+IV)	<3 months (I)	3-12 months	1-5 years
Non-derivative					
Financial Liabilities					
Bank loans and interest	48,649,469	49,817,543	19,239,527	30,578,016	-
Lease Payables	41,123,253	41,123,253	202,237	5,470,732	35,450,284
Financial lease payables		-	-	-	-
Trade payables	5,844,373	5,950,354	5,950,354	-	-
Other payables	15,019,164	15,019,164	15,019,164	-	-
Total liabilities	110,636,259	111,910,314	40,411,282	36,048,748	35,450,284

Exchange rate risk

The Group is mainly exposed to foreign exchange risk arising from exchange rate changes due to the conversion of amounts owed or credited in US Dollars into Turkish Lira. These risks are monitored and limited by analyzing the foreign exchange position.

The Group manages foreign currency exchange rate risk by organizing foreign currency assets and liabilities in a balanced manner and by matching the maturities and foreign currency positions of liabilities and assets.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

The group's foreign asset and liability amounts and foreign currency position statements according to original amounts and Turkish Lira currency amounts as follows:

Foreign exchange position table *	December 31, 2024			
	Total TL Equivalent	US Dollar	Avro	Other
Cash and Cash Equiv. & Fin. Invest.	56,862,788	1,318,435	187,205	10,612,462
Short Term Trade Receivables	137,527,352	3,605,321	-	31,587,054
Short-term Other Assets	3,529,794	100,050	-	-
Long Term Trade Receivables	1,314,897	37,270	-	-
Short and Long Term Financial Liabilities	(45,864,390)	(1,300,000)	-	-
Other Monetary Liabilities	(228,052)	(6,464)	-	-
Short-term Trade Payables	(6,838,915)	(172,496)	(20,479)	(20)
Net Foreign Currency Position	146,303,474	3,582,116	166,726	42,199,496
Monetary Items Net Foreign Exchange Asset(Liability) Position	142,773,680	3,482,066	166,726	42,199,496
Export	100,713,216	2,454,070	-	213,686

Foreign exchange position table *	December 31, 2023			
	Total TL Equivalent	US Dollar	Avro	Other
Cash and Cash Equiv. & Fin. Invest.	56,725,416	1,219,885	68,654	3,500,952
Short Term Trade Receivables	152,089,475	3,475,213	29,000	6,414,346
Short-term Other Assets	1,584,072	37,270	-	-
Short and Long Term Financial Liabilities	(81,616,767)	(1,920,278)	-	-
Short-term Trade Payables	(4,518,469)	(95,561)	(6,843)	(284,585)
Net Foreign Currency Position	124,263,727	2,716,529	90,811	9,630,713
Monetary Items Net Foreign Exchange Asset(Liability) Position	124,263,727	2,716,529	90,811	3,216,367
Export	192,918,816	3,851,962	223,915	8,733

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of December 31, 2024.

Foreign Exchange Sensitiveness Analysis

The table below demonstrates the group's sensitivity to the 10% increase and decrease in USD and Euro currencies. Whereas the 10% rate is the rate used during the reporting of the exchange risk to senior executives, and the said rate states the potential change the management expects to see in the exchange rate. Sensitivity analysis only covers the foreign currency monetary items at the end of year and shows the influences of 10% exchange rate change of the said items. Positive value states increase in profit/ loss. As can be seen in the following Exchange Rate Sensitivity Analysis Statement, gross profit would be TL 14,630,347 more/less. (31 December 2023: TL 12,426,373)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Foreign Currency Position Table	December 31, 2024			
	Profit / Loss		Equity	
	Increase of Foreign Currency	Decrease of Foreign Currency	Increase of Foreign Currency	Decrease of Foreign Currency
In case US Dollar changes 10 % against TL:				
1- US Dollar net asset/liability	12,637,812	(12,637,812)	12,637,812	(12,637,812)
2- The part secured against US Dollar risk (-)	-	-	-	-
3- US Dollar Net Effect(1+2)	12,637,812	(12,637,812)	12,637,812	(12,637,812)
In case EURO changes 10 % against TL:				
4- EURO net asset/liability	612,488	(612,488)	612,488	(612,488)
5- The part secured against EURO risk (-)	-	-	-	-
6- Euro Net Effect(4+5)	612,488	(612,488)	612,488	(612,488)
In case Other Currencies change 10 % against TL:				
7-Other exchange net asset / liability	1,380,047	(1,380,047)	1,380,047	(1,380,047)
9- Other exchange net effect (7+8)	1,380,047	(1,380,047)	1,380,047	(1,380,047)
TOTAL (3+6+9)	14,630,347	(14,630,347)	14,630,347	(14,630,347)

Foreign Currency Position Table *	December 31, 2023			
	Profit / Loss		Equity	
	Increase of Foreign Currency	Decrease of Foreign Currency	Increase of Foreign Currency	Decrease of Foreign Currency
In case US Dollar changes 10 % against TL:				
1- US Dollar net asset/liability	11,545,950	(11,545,950)	11,545,950	(11,545,950)
2- The part secured against US Dollar risk (-)				
3- US Dollar Net Effect(1+2)	11,545,950	(11,545,950)	11,545,950	(11,545,950)
In case EURO changes 10 % against TL:				
4- EURO net asset/liability	427,083	(427,083)	427,083	(427,083)
5- The part secured against EURO risk (-)				
6- Euro Net Effect(4+5)	427,083	(427,083)	427,083	(427,083)
In case Other Currencies change 10 % against TL:				
7-Other exchange net asset / liability	453,340	(453,340)	453,340	(453,340)
9- Other exchange net effect (7+8)	453,340	(453,340)	453,340	(453,340)
TOTAL (3+6+9)	12,426,373	(12,426,373)	12,426,373	(12,426,373)

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of December 31, 2024.

Interest Rate Risk Management and Interest Rate Sensitivity

Since some of the group loans are taken with fixed interest and some without interest to be used in tax payments, the loan is not exposed to interest rate risk.

Therefore, the Group did not calculate credit interest risk in this period.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

Capital Management

During the management of capital, the targets of the Group are providing return for partners, to benefit for other shareholders and decrease the cost of capital and sustain the probable capital structure in order to sustain the operations of the Group Risks associated with each capital group as well as the capital cost of the company are assessed by top management. It is aimed to keep the balance through new share issue as well as re-borrowing or refunding the current debt in order to preserve and reorganize the capital structure according to the assessments of top management. Besides, in capital management while securing the sustainability of the activities is sought on one hand, boosting the profitability by means of optimizing the balance of debt and equity is intended on the other hand.

	December 31, 2024	December 31, 2023
Total Debts	332,216,111	265,539,677
Cash and Cash Equivalents	81,621,403	87,422,264
Net Debt	250,594,708	178,117,413
Equities	381,098,799	451,441,946
Equity / Net Debt Rate	1.52	2.53

NOTE 34- POST-BALANCE SHEET EVENTS**December 31, 2024**

- Financial statements were approved by the board of directors on March 11, 2025.
- Severance pay ceiling amount has become TL 46,655 as of January 1, 2025

December 31, 2023

- Financial statements were approved by the board of directors on March 2, 2024. Board members have the authority to change the financial statements.
- Severance pay ceiling amount has become TL 35,059 as of January 1, 2024.

- Kron Teknoloji AŞ, with the decision of the Extraordinary General Assembly dated April 16, 2024, decided to increase the registered capital ceiling of 150,000,000 (one hundred and fifty million) Turkish Liras to 500,000,000 (five hundred million) Turkish Liras, with a validity period of 2028. This situation was approved by the Capital Markets Board on February 13, 2024, numbered E-29833736-110.03.03-49643 and it was registered at the Istanbul Trade Registry on 24 April 2024, approved by the letter of the T.C. Ministry of Commerce dated 1 March 2024 and numbered E-50035491-431.02-00094542553.

NOTE 35- INDEPENDENT AUDIT FEES FOR THE REPORTING PERIOD**Fees For Services Rendered By Independent Audit Authority**

In accordance with the decision of the Public Oversight Authority dated March 30, 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below.

	December 31, 2024	December 31, 2023
(Amounts Excluding VAT)		
Independent Audit Fee	1,807,822	1,384,501
	1,807,822	1,384,501

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of December 31, 2024.

NOTE 36- OTHER MATTERS**a) Financial Statement Disclosures:**

- As of December 31, 2024, total insurance amount of asset values is USD 55,480. (December 31, 2023: USD 431,680)

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of December 31, 2024.)

b) Classifications of Previous Period Financial Statements and Their Qualifications

In order for compliance with the presentation of the current period financial statements, comparative information is reclassified when deemed necessary.

c) Significant Accounting Policies

Significant accounting policies of the group regarding financial instruments are explained under the note Financial Instruments included in Note 2.

NOTE 37- OTHER COMPLEMENTARY INFORMATION**EBITDA Reconciliation**

EBITDA is not a performance measure defined under IFRS. The reconciliation of EBITDA for the fiscal periods ended December 31, 2024, and December 31, 2023, is as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Operating Profit (Loss)	9,775,569	144,991,600
Depreciation and amortization of tangible and intangible fixed assets and right-of-use assets	55,679,636	53,384,752
Extraordinary Expenses	12,366,882	-
EBITDA	77,822,087	198,376,352