

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AS OF
JANUARY 1, 2025- JUNE 30, 2025
(Convenience Translation into English)

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

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the General Assembly of Kron Teknoloji Anonim Şirketi

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Kron Teknoloji Anonim Şirketi (“the Company”) and its subsidiary’s (together will be referred as “the Group”) as of June 30, 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month interim period then ended, as well as a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of this consolidated interim condensed financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”) published by the Public Oversight, Accounting and Auditing Standards Authority (“KGK”). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standards on Auditing on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Other Complementary Information^[1]

The Group’s management is responsible for the other complementary information. The other complementary information includes the “Other Complementary Information” set out in Note 28, which does not contain a measurement criterion within the scope of TMS 34, and does not form part of the interim consolidated financial statements or the auditor’s report on these statements.

Our conclusion on the interim consolidated financial information does not cover the other complementary information, and we do not provide any assurance on it. Within the scope of our limited review of the interim consolidated financial information, our responsibility with respect to the other complementary information is to read it and, in doing so, consider whether it is materially inconsistent with the consolidated financial information or with the knowledge we obtained during the limited review, or otherwise appears to be materially misstated.

If, based on the work performed, we conclude that there is a material misstatement in the other complementary information, we are required to report our findings. Nothing has come to our attention that causes us to believe that the other complementary information is materially misstated.

Conclusion

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

Istanbul, August 18, 2025

KAVRAM BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.

Member Crowe Global

BÜNYAMİN KALYONCU

Responsible Auditor

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer.	Interim Reviewed	Audited
		Current Period June 30, 2025	Previous Period December 31, 2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	160,274,406	95,230,955
Trade Receivables	7	191,020,833	189,100,594
-Trade Receivables from Related Parties		-	-
-Trade Receivables from Unrelated Parties		191,020,833	189,100,594
Other Receivables		134,661	157,114
-Other Receivables from Related Parties		-	-
-Other Receivables from Unrelated Parties		134,661	157,114
Assets of Customer Contracts	8	8,477,747	22,639,615
-Contract Assets from Sale of Goods and Services		8,477,747	22,639,615
Inventories		2,081,872	2,016,879
Prepaid Expense	9	15,440,451	14,541,736
- Prepaid Expenses to Unrelated Parties		15,440,451	14,541,736
Current Tax Assets		1,034,079	536,109
Other Current Assets		981,240	949,395
-Other Current Assets from Unrelated Parties		981,240	949,395
SUB TOTAL		379,445,289	325,172,397
TOTAL CURRENT ASSETS		379,445,289	325,172,397
NON-CURRENT ASSETS			
Financial Investments	5	5,406,621	5,382,744
Financial Assets Fair Value Reflected To Profit/Loss		5,406,621	5,382,744
-Financial Assets Held With The Aim Of Purchase and Sale		5,406,621	5,382,744
Investments in Affiliates, Joint Ventures and Subsidiaries		-	-
Other Receivables		2,517,716	2,497,937
-Other Receivables From Unrelated Parties		2,517,716	2,497,937
Tangible Fixed Assets	11	11,627,840	12,540,091
-Furniture and fixtures		10,209,559	10,918,289
-Special Cost		1,418,281	1,621,802
Right-Of-Use Assets	12	36,620,974	44,963,939
Intangible Fixed Assets	13	537,044,888	430,532,802
- Capitalized Development Costs		341,135,140	255,333,331
- Other Intangible Fixed Assets		195,909,748	175,199,471
Prepaid Expenses	9	4,123,146	7,061,681
- Prepaid Expenses to Unrelated Parties		4,123,146	7,061,681
Deferred Tax Asset	22	-	4,102,832
Total Non-Current Assets		597,341,185	507,082,026
TOTAL ASSETS		976,786,474	832,254,423

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer.	Interim Reviewed	Audited
		Current Period June 30, 2025	Previous Period December 31, 2024
Liabilities			
Short-Term Liabilities			
Short-Term Borrowings	6	69,905,786	56,431,416
- Short-Term Borrowings From Unrelated Parties		69,905,786	56,431,416
-Bank credits		69,585,142	55,902,264
-Other Short Term Liabilities		320,644	529,152
Short-term Portion of Long-term Borrowings	6	11,716,521	12,264,137
Short-Term Por of Long Term Loans From UnRel Parties		11,716,521	12,264,137
- Debts from Leasing Transactions		11,716,521	12,264,137
Trade Payables	7	14,329,158	13,507,797
Trade Payables to Unrelated Parties		14,329,158	13,507,797
Payables in Scope of Employee Benefits	14	25,412,480	61,223,994
Other Payables		5,300,857	17,779,292
Other Payables to Unrelated Parties		5,300,857	17,779,292
Liabilities from Customer Contracts	8	143,298,986	98,116,639
Contractual Liabilities From Sales Goods and Services		143,298,986	98,116,639
Short-Term Provisions	16	16,758,729	15,085,212
Short-Term Provisions for Employee Benefits		16,758,729	15,085,212
Other Short-Term Liabilities		731,251	344,921
Other Short-Term Liabilities to Unrelated Parties		731,251	344,921
SUB-TOTAL		287,453,768	274,753,408
TOTAL SHORT-TERM LIABILITIES		287,453,768	274,753,408
LONG TERM Liabilities			
Long Term Provisions	6	24,445,680	31,512,870
Long Term Loans From UnRelated Parties		24,445,680	31,512,870
Loans From Lease Transactions		24,445,680	31,512,870
Other Payables		1,231,965	-
Other Payables to Related Parties		1,231,965	-
Other Payables to Unrelated Parties	8	74,388,027	76,675,685
Liabilities from Customer Contracts		74,388,027	76,675,685
Contractual Liabilities From Sales Goods and Services	16	5,805,113	4,667,862
Long-Term Provisions		5,805,113	4,667,862
- Long-Term Provisions For Employee Benefits	22	5,462,079	-
TOTAL LONG-TERM LIABILITIES		111,332,864	112,856,417
TOTAL LIABILITIES		398,786,632	387,609,825

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer.	Interim Reviewed	Audited
		Current Period June 30, 2025	Previous Period December 31, 2024
EQUITY			
Equity Attributable To Owners of Parent Company		577,999,842	444,644,598
Paid In Capital	17	171,142,450	85,611,078
Capital Adjustment Differences	17	289,971,530	289,971,530
Share Premium (Discount)	17	2,000,016	2,000,016
Accum. Other comprehensive income / (expense) not to be reclassified in Profit/Loss		(5,901,203)	(5,252,068)
<i>Revaluation measurement gains/losses</i>		(5,901,203)	(5,252,068)
<i>- Actuarial Gain/Loss Fund from defined benefit plan</i>	17	(5,901,203)	(5,252,068)
Accum. Other comprehensive income / (expense) to be reclassified in Profit/Loss		(124,952,445)	(122,539,139)
<i>Foreign currency conversion differences</i>	17	(124,952,445)	(122,539,139)
Restrained Reserves From Profit		39,817,450	39,817,450
<i>Legal Reserves</i>	17	32,569,659	32,569,659
Venture Capital Fund	17	7,247,791	7,247,791
Previous Years' Profits / (Losses)	17	155,035,731	204,888,741
Net Profit (Loss) For The Period	23	50,886,313	(49,853,010)
TOTAL EQUITY		577,999,842	444,644,598
TOTAL LIABILITIES		976,786,474	832,254,423

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

PROFIT OR LOSS AND OTHER COMPREHENSIVE	Note Refer.	Interim Reviewed	Audited	Current Period	Previous Period
		Current Period January 1 – June 30, 2025	Previous Period January 1- June 30, 2024	Current Period April 1- June 30, 2025	Previous Period April 1- June 30, 2024
Revenue	18	220,871,735	206,166,335	122,105,900	108,881,020
Cost of Sales (-)	18	(17,430,636)	(31,552,162)	(10,104,385)	(14,192,134)
GROSS PROFIT (LOSS) FROM TRADE OPERATIONS		203,441,099	174,614,173	112,001,515	94,688,886
GROSS PROFIT/LOSS		203,441,099	174,614,173	112,001,515	94,688,886
General Administrative Expenses	19	(20,407,295)	(32,350,677)	(7,746,995)	(16,986,505)
Marketing Expenses	19	(74,533,344)	(63,522,878)	(37,268,638)	(29,628,157)
Research and Development Expenses	19	(46,470,111)	(71,405,446)	(23,102,937)	(34,117,981)
Other Operating Income	20	41,084,195	33,696,389	19,629,810	6,485,259
Other Operating Expenses	20	(9,424,573)	(14,645,097)	(5,482,284)	(5,709,393)
OPERATING LOSS/PROFIT		93,689,971	26,386,464	58,030,471	14,732,109
Income From Investment Operations		2,270,593	1,823,715	791,475	1,108,429
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME (EXPENSE)		95,960,564	28,210,179	58,821,946	15,840,538
Financial Income	21	10,823,810	14,435,107	6,301,503	4,964,317
Financial Expense (-)	21	(12,608,122)	(13,367,651)	(6,178,319)	(3,453,278)
Net Monetary Position Gains (Losses)	21	(33,508,649)	(44,103,148)	(17,807,177)	(10,603,952)
PRE-TAX PROFIT/LOSS MARGIN FROM CONTINUING OPERATIONS		60,667,603	(14,825,513)	41,137,953	6,747,625
Continuing Operations Tax Expense/Income		(9,781,290)	(767,320)	(6,845,583)	7,811,963
Deferred Tax Expense/Income	22	(9,781,290)	(767,320)	(6,845,583)	7,811,963
CURRENT PROFIT / LOSS FROM CONTINUING OPERATIONS	23	50,886,313	(15,592,833)	34,292,370	14,559,588
PERIOD PROFIT/LOSS		50,886,313	(15,592,833)	34,292,370	14,559,588
Period Loss/Profit Distribution		50,886,313	(15,592,833)	34,292,370	14,559,588
Shares of Main Partnership Earnings (loss) per Share from Continuing Operations	23	50,886,313 0,297	(15,592,833) (0,182)	34,292,370 0,200	14,559,588 0,170
-Diluted Earnings (loss) per Share from Continuing Operations	23	0,509	-	0,300	-

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

		Interim reviewed	Audited		
	Note Refer.	Current Period January 1 – June 30, 2025	Previous Period January 1- June 30, 2024	Current Period April 1- June 30, 2025	Previous Period April 1- June 30, 2024
PERIOD PROFIT/LOSS		50,886,313	(15,592,833)	34,292,370	14,559,588
OTHER COMPREHENSIVE INCOME (LOSS)					
Not to be Reclassified in Profit or Loss					
Remeasurement Profit of Defined Benefit Plans (Before tax)	22-23	(865,514)	(2,175,684)	(1,245,032)	(1,369,340)
Income (Loss) that will not be Reclassified in Profit or Loss		216,379	543,922	311,258	342,337
- Deferred Tax Income/ Expense	30	216,379	543,922	311,258	342,337
To be Reclassified in Profit or Loss		(2,413,306)	(17,170,087)	3,013,522	(9,492,818)
Other Compr.Inc.Rel. to Foreign Curr. Conv.Diff. from Foreign Oper., Net of Tax		(2,413,306)	(17,170,087)	3,013,522	(9,492,818)
- Other Compr.Inc.Rel. to Foreign Curr. Conv.Diff. from Foreign Oper., Net of Tax	23	(2,413,306)	(17,170,087)	3,013,522	(9,492,818)
OTHER COMPREHENSIVE INCOME (LOSS)		(3,062,441)	(18,801,849)	2,079,748	(10,519,821)
TOTAL COMPREHENSIVE INCOME (LOSS)		47,823,872	(34,394,682)	36,372,118	4,039,767
Division Of Total Comprehensive Income		47,823,872	(34,394,682)	36,372,118	4,039,767
-Share of Main Partnership		47,823,872	(34,394,682)	36,372,118	4,039,767

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- 2025 –JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

		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		Restricted Reserves on Retained Earnings	Accumulated Losses		Paid-in Capital
		Paid-in Capital	Capital Adjustment Differences	Share Issue Premium / Discounts	Actuarial Gains / Losses Due to Remeasurement of Defined Benefit Plan	Foreign currency conversion differences		Previous Period Profit / Loss	Net Profit or Loss	
Previous Period	Balances as of 1 January 2024	85,611,078	289,971,530	2,000,016	(3,545,552)	(110,013,402)	27,817,754	147,404,775	87,471,102	526,717,301
	Transfers	-			-	-		87,471,102	(87,471,102)	-
	Total comprehensive income (Expense)	-	-	-	(1,631,762)	(17,170,087)	-	-	(15,592,833)	(34,394,682)
	Period Profit (Loss)								(15,592,833)	(15,592,833)
	Other Comprehensive Income (Expense)				(1,631,762)	(17,170,087)				(18,801,849)
	Balances as of June 30, 2024	85,611,078	289,971,530	2,000,016	(5,177,314)	(127,183,489)	27,817,754	234,875,877	(15,592,833)	492,322,619
Current Period	Balances as of 1 January 2025	85,611,078	289,971,530	2,000,016	(5,252,068)	(122,539,139)	39,817,450	204,888,741	(49,853,010)	444,644,598
	Transfers							(49,853,010)	49,853,010	-
	Total comprehensive income (Expense)	-	-	-	(649,135)	(2,413,306)		-	50,886,313	47,823,872
	Period Profit (Loss)								50,886,313	50,886,313
	Other Comprehensive Income (Expense)				(649,135)	(2,413,306)				(3,062,441)
	Sermaye Arttırımı	85,531,372								85,531,372
	Balances as of June 30, 2025	171,142,450	289,971,530	2,000,016	(5,901,203)	(124,952,445)	39,817,450	155,035,731	50,886,313	577,999,842

Enclosed notes are integral parts of these statements

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1- 2025 – JUNE 30, 2025
(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

			Interim Reviewed	Interim Reviewed
	Note Refer.		Current Period January 1 – June 30, 2025	Previous Period January 1 – June 30, 2024
TFRS- CASH FLOW STATEMENT				
CASH FLOWS OBTAINED FROM OPERATIONS			76,649,665	140,811,135
Period Profit / Loss			50,886,313	(15,592,833)
Period Profit / (Loss) from Continuing Operations	23	50,886,313		(15,592,833)
Adjustments Related to Net Period Profit/ (Loss) Reconciliation			8,931,252	10,112,875
Adjustments Related to Depreciation/Amort. Exp	11-12-13		29,480,577	39,653,423
Adjustments Related To Impairment (Cancellation)			(46,052)	(122,593)
Adjust.Rel.To Impairment (Cancel.) of Receivables	7	86,633		(159,232)
Adjust.Rel.To Impairment (Cancel.) of Inventory		(132,685)		36,639
Adjustments Related to Provisions			5,570,588	(962,722)
Adjust.Rel. to Prov.(Cancel.) for Employee Benefits	16	5,184,258		8,120,703
Adjust.Rel. to General Provisions (Cancellations)		386,330		(9,083,425)
Adjustments Rel. To Interest (Income) and Exp.			(5,026,644)	144,193
Adjustments Related To Interest Income	21	(7,551,433)		(92,359)
Adjustments Related To Interest Expenses	21	2,524,789		236,552
Adjust.Rel.to Unrealized Foreign Curr.Conversion Diff.	17		7,552,916	(1,233,733)
Adjustments Related to Tax Expense / Income	22		9,781,290	767,320
Other Adjustments Related to Nonmonetary Items			787,700	7,206,496
Adjustments for Monetary Position Gains (Losses) (+/-)			(39,169,123)	(35,339,509)
Changes in Working Capital			19,441,499	148,575,582
Adjust.in (Increase)/Decr.in Trade Receivables (Increase)/Decrease in Trade Rec.from Unrelated Parties	7	8,038,502	8,038,502	158,585,202
Adjust. Related to (Incr.) / Decr. in Other Rec. related to Operations			127,514	282,275
Receivables rel. to Operations from Unrelated Parties		127,514		282,275
Adjustments related to the decrease (increase) in assets arising from customer contracts	8		14,161,868	-
Adjustments Rel.to (Incr.) / Decr. in Inventories			67,692	810,672
Adjustments Rel.to (Incr.) / Decr. in Prepaid Exp.	9		2,039,820	(5,570,639)
Adjustments Rel.to Incr. / (Decr.) in Trade Debts			(288,167)	2,034,976
Adj.Rel.to Incr./ (Decr) in Trade Debts to Unrel.Part.	7	(288,167)		2,034,976
Adjust. Related to Incr. / (Decr.) in Liabilities Under Empl. Benefits	14		(35,811,514)	(18,350,639)
Incr. (Decr.) In Other Liab. About Costumer Contracts			42,894,689	23,129,915
Inc.(Dec.) in Contr.Liab.Arising from Sale of Goods-Serv.	8	42,894,689		23,129,915
Adjust. Related to Incr. / (Decr.) in Other Debts related to Operations			(11,246,470)	(11,834,790)
Incr. (Decr.) In Other Liab.Rel.to Operations Between Unrelated Parties		(11,246,470)		(11,834,790)
Adjustments Related to Other Increase / (Decrease) in Operational Capital			(542,435)	(511,390)
Decr./ (Incr.) in Other Assets Related to Operations		(529,815)		(506,728)
Decr./ (Incr.) in Other Liabilities Related to Operations		(12,620)		(4,662)
Cash Flows From Operations			79,259,064	143,095,624
Interest Paid			(1,586,461)	(1,751,101)
Payments for Provisions About Employee Benefits			(1,022,938)	(533,388)

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD JANUARY 1- 2025 – JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

			Interim Reviewed	Interim Reviewed
			Current Period January 1 – June 30, 2025	Previous Period January 1 – June 30, 2024
IFRS- CASH FLOW STATEMENT	Note Refer.			
CASH FLOWS DUE TO INVESTING ACTIVITIES			(121,221,881)	(129,072,699)
Cash Outflows Related To Acquisition of Other Companies or Funds Shares or Debt Instruments	5		(23,877)	(63,597,756)
Cash Inflows Due to Sales of Tangible and Intangible Fixed Assets			-	65,017
Cash Inflows from Sale of Tangible Fixed Assets	11-12-13	-		65,017
Cash Outflows due to Purch.of Tang.-Intan.assets			(129,156,112)	(69,878,991)
Cash Outflows due to Purchase of Tangible Fixed Assets	11	(1,721,146)		(17,927,937)
Cash Outflows due to Purchase of Intan.Fixed Assets	13	(127,434,966)		(51,951,054)
Interest Received	21		7,958,108	4,339,031
CASH FLOWS DUE TO FINANCING ACTIVITIES			86,975,581	(29,561,451)
Cash Inflows Rel.to.Issuance of Shares and Oth.Equity Inst.			85,531,372	-
Cash Inflows Rel.to. Issuance of Other Equity Instruments		85,531,372		-
Cash Inflows Related to Borrowings	6		32,653,640	25,729,059
Cash Inflows From Credits	6	32,653,640		25,729,059
Cash Outflows Related to Debt Payments	6		(21,173,520)	(49,239,129)
Cash Outflows Due to Credit Repayment	6	(21,173,520)		(49,239,129)
Cash Outflows Rel.to Payments of Rent Contracts	6		(7,034,357)	(2,976,550)
Interest Paid	21		(3,001,554)	(3,074,831)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES			42,403,365	(17,823,015)
Effect of Foreign Cur. Converion Differ. On Cash and Cash Equivalents			1,201,020	830,464
NET INCREASE/DECREASE AT CASH AND CASH EQUIVALENTS (+ / -)			43,604,385	(16,992,551)
BEGINNING CASH AND CASH EQUIVALENTS	4		95,230,955	89,146,299
Inflation Effect on Cash and Cash Equiv. (+ / -)			21,439,066	7,197,060
ENDING CASH AND CASH EQUIVALENTS	4		160,274,406	79,350,808

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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, Kuru 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 June 30, 2025 the Group — comprising Kron Teknoloji A.Ş. and its wholly-owned subsidiary, Kron Technologies US — had 153 employees (December 31, 2024: 160)

1.2 Capital Structure

The partnership structure of the group is as follows:

Name	June 30, 2025		December 31, 2024	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	30,164,336	17,62	15,082,168
Zeynep Yenel Onursal	13,00	22,258,888	13,00	11,129,444
Ayşe Yenel	3,88	6,649,606	3,88	3,324,803
Other	65,50	112,149,326	65,50	56,074,663
Paid-in Capital	100,00	171,222,156	100,00	85,611,078
Capital Commitments		(79,706)		-
Capital Adjustment Differences		289,971,530		289,971,530
Total		461,113,980		375,582,608

Within the Company's registered capital ceiling of TL 500,000,000, the issued capital of TL 85,611,078, which had been fully paid in cash, was increased by TL 85,611,078 (representing a 100% increase), bringing the share capital to TL 171,222,156. In relation to the capital increase, the prospectus was approved by the Capital Markets Board at its meeting dated 30 May 2025 and numbered 33/938, and the approved prospectus was declared to the Company on 4 June 2025.

1.3 Approval of Financial Statements

The financial statements of the group prepared were approved by the board of directors on August 18, 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 Türkiye.

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.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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.

The Group's consolidated condensed financial statements for the three-month interim period ended June 30, 2025, have been prepared in accordance with TAS 34 'Interim Financial Reporting'

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.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

(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.

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 June 30, 2025, June 30, 2024 and December 31, 2024.

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.

Restatements made in accordance with TAS 29 have been performed using the inflation adjustment coefficient derived from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute (TUIK). As of June 30, 2025, the indices and adjustment coefficients used in the restatement of the financial statements are as follows:

Tarih	Index	Adjustment Coefficient
2025-June	3,132,17	1,00000
2024-December	2,684,55	1,16674
2024-June	2,319,29	1,35049

The main principles of indexation procedures under TAS 29 are outlined below:

- 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.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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.

- 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. The Group has reclassified the following items of December 31, 2024 as below.

	Post-classification December 31, 2024	Pre-classification December 31, 2024
Trade Receivables	189,100,594	211,740,209
Assets from Customer Contracts	22,639,615	-
	<u>211,740,209</u>	<u>211,740,209</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.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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.

Of the financial asserts, 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 (IFRS 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 JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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.

	Useful Life
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 JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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 JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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.

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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.

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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 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 transacitons 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 prepaied 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 obess 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.

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 merhod 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.

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c) The initial direct costs endured by the Group and,

d) The estimated costs to be incurred by the Group in relation to the dismantling and removal of the underlying asset, the restoration of the site on which it is located, or the restoration required to bring the site to the condition stipulated by the terms and conditions of the lease of the underlying asset.

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.

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2.11. New and Revised Türkiye Financial Reporting Standards

As of June 30, 2025 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.

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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.

January 1- June 30, 2025	USA	Türkiye	Elimination	Consolidated
Net Sales	7,635,038	213,236,697	-	220,871,735
Cost of Sales	-	(17,430,636)	-	(17,430,636)
Gross Operating profit	7,635,038	195,806,061	-	203,441,099
Marketing Expenses (-)	(37,060,556)	(37,472,788)	-	(74,533,344)
General Administrative Expenses (-)	-	(20,407,295)	-	(20,407,295)
Research and Development Expenses (-)	-	(46,470,111)	-	(46,470,111)
Other Operating Income	382,450	41,743,345	(1,041,600)	41,084,195
Other Operating Expenses (-)	-	(9,424,573)	-	(9,424,573)
Operating Loss/Profit	(29,043,068)	123,774,639	(1,041,600)	93,689,971
Income from Investment Activities	-	2,270,593	-	2,270,593
Operating Profit/Loss Before Financial Income (Expense)	(29,043,068)	126,045,232	(1,041,600)	95,960,564
Financial Income	195	10,823,615	-	10,823,810
Financial Expense (-)	(1,755,775)	(11,873,087)	1,020,740	(12,608,122)
Net Monetary Position Gains (Losses)	-	(33,508,649)	-	(33,508,649)
Pre-Tax Profit/Loss Margin From Continuing Operations	(30,798,648)	91,487,111	(20,860)	60,667,603
Current Tax Expense/Income	-	(9,781,290)	-	(9,781,290)
Period Profit/Loss	(30,798,648)	81,705,821	(20,860)	50,886,313
June 30, 2025	USA	Türkiye	Elimination	Consolidated
Tangible and Intangible Assets and Right of Use Assets Entries	-	130,050,392	-	130,050,392
Depreciaton Expenses	(3,383,084)	(26,097,493)	-	(29,480,577)
Assets	(11,014,913)	1,123,152,529	(135,351,142)	976,786,474
Liabilities	178,908,349	337,672,934	(117,794,651)	398,786,632
January 1- June 30, 2024	USA	Türkiye	Elimination	Consolidated
Net Sales	11,920,142	194,246,193	-	206,166,335
Cost of Sales	-	(31,552,162)	-	(31,552,162)
Gross Operating profit	11,920,142	162,694,031	-	174,614,173
Marketing Expenses (-)	(30,186,147)	(33,336,731)	-	(63,522,878)
General Administrative Expenses (-)	-	(32,350,677)	-	(32,350,677)
Research and Development Expenses (-)	-	(71,405,446)	-	(71,405,446)
Other Operating Income	-	34,837,410	(1,141,021)	33,696,389
Other Operating Expenses (-)	-	(14,645,097)	-	(14,645,097)
Operating Loss/Profit	(18,266,005)	45,793,490	(1,141,021)	26,386,464
Income from Investment Activities	-	1,823,715	-	1,823,715
Operating Profit/Loss Before Financial Income (Expense)	(18,266,005)	47,617,205	(1,141,021)	28,210,179
Financial Income	226	14,434,881	-	14,435,107
Financial Expense (-)	(2,062,813)	(12,400,420)	1,095,582	(13,367,651)
Net Monetary Position Gains (Losses)	-	(44,103,148)	-	(44,103,148)
Pre-Tax Profit/Loss Margin From Continuing Operations	(20,328,592)	5,548,518	(45,439)	(14,825,513)
Current Tax Expense/Income	-	(767,320)	-	(767,320)
Period Profit/Loss	(20,328,592)	4,781,198	(45,439)	(15,592,833)

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June 30, 2024	USA	Türkiye	Elimination	Consolidated
Tangible and Intangible Assets and Right of Use Assets Entries	-	75,078,764	-	75,078,764
Depreciation Expenses	(7,014,753)	(32,638,670)	-	(39,653,423)
Assets	161,623,700	784,552,151	(185,125,792)	761,050,059
Liabilities	158,592,246	180,804,926	(70,669,733)	268,727,439

NOTE 4- CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024
Cash	452,242	458,395
Cash at the bank	159,822,164	60,765,823
<i>Demand deposits</i>	21,285,426	48,440,544
<i>Term deposits with a maturity of less than three months</i>	138,536,738	12,325,279
(*) <i>Liquid funds</i>	-	34,006,737
	160,274,406	95,230,955

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 June 30, 2025 and December 31, 2024, 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, 2024: None.)

Long Term Financial Investments

	June 30, 2025	December 31, 2024
Financial assets at fair value through profit or loss		
- Financial Assets Held for Purchase or Sale Purposes	5,406,621	5,382,744
	5,406,621	5,382,744

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

	June 30, 2025	December 31, 2024
Bank Credits	67,559,360	53,511,818
Loan Interests	2,025,782	2,390,446
Other Financial Debts **	320,644	529,152
	69,905,786	56,431,416

b) Short-term Portions of Long-term Loans

	June 30, 2025	December 31, 2024
Liabilities of Rental Transactions *	11,716,521	12,264,137
	11,716,521	12,264,137

c) Long Term Financial Liabilities

	June 30, 2025	December 31, 2024
Liabilities of Rental Transactions *	24,445,680	31,512,870
	24,445,680	31,512,870

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* Group has recognized liabilities amounting to TL 11,716,521 under the current portion of long-term borrowings and TL 24,445,680 under long-term borrowings in accordance with TFRS 16. (As of December 31, 2024: Group had recognized liabilities amounting to TL 12,264,137 under the current portion of long-term borrowings and TL 31,512,870 under long-term borrowings in accordance with TFRS 16.)

** Credit card debts

d) Liabilities Of Credits Including Interest and Maturity Of Credits

June 30, 2025				
	Bank Credits	Leases	Other Debt	Total
Payable within 1 year	69,585,142	11,716,521	320,644	81,622,307
Payable within 2-3 years	-	24,445,680	-	24,445,680
	69,585,142	36,162,201	320,644	106,067,987
December 31, 2024				
	Bank Credits	Leases	Other Debt	Total
Payable within 1 year	55,902,264	12,264,137	529,152	68,695,553
Payable within 2-3 years	-	31,512,870	-	31,512,870
	55,902,264	43,777,007	529,152	100,208,423

e) Interest Rates of Credits**June 30, 2025**

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	8	500,000	-	19,870,400	-
US Dollar	8	500,000	-	19,870,400	-
US Dollar	8	700,000	-	27,818,560	-
			-	67,559,360	-

The interest rates related to US Dollar credits are 8.00%. The maturity dates range between December 2025 and March 2026.

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	-	24,697,762	-
US Dollar	8	700,000	-	28,814,056	-
Total			-	53,511,818	-

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

f) Other Financial Liabilities

As of June 30, 2025 the group has no other financial liabilities. (December 31, 2024 : None.)

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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)

	June 30, 2025	December 31, 2024
Trade receivables	191,831,977	192,848,688
Trade receivables deferred maturity difference (-)	-	(2,902,778)
Provision for doubtful trade receivables (-)	(811,144)	(845,316)
	191,020,833	189,100,594

As of June 30, 2025, the Group has allocated provision for doubtful receivables for the portion of trade receivables amounting to TL 811,144 (2024: TL 845,316). 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- June 30, 2025	January 1- June 30, 2024
Opening balance	(845,316)	(1,147,198)
Period expense	(86,633)	-
Collections / Provisions no Longer Required	-	170,871
Monetary gains/(losses)	120,805	215,854
Closing Balance	(811,144)	(760,473)

b) Trade Receivables (Long Term)

As of the balance sheet date, the Group has no long-term trade receivables. (December 31,2024: 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)

	June 30, 2025	December 31, 2024
Trade payables	14,329,158	13,914,472
Trade payables deferred maturity difference (-)	-	(406,675)
	14,329,158	13,507,797

b) Trade Payables (Long Term)

As of the date of balance sheet, the Group has no long-term trade payables. (December 31,2024:None.)

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NOTE 8- RECEIVABLES AND OBLIGATIONS ARISING FROM CONTRACTS WITH CUSTOMERS**a) Receivables Arising from Contracts with Customers (Short Term)**

	June 30, 2025	December 31, 2024
Maintenance, License assets etc. *	8,477,747	22,639,615
	8,477,747	22,639,615

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

The Group does not have any receivables from long term customer contracts. (December 31,2024: None.)

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

	June 30, 2025	December 31, 2024
Advances received	28,849	-
Maintenance, license etc. income*	139,269,184	98,116,639
Other income	4,000,953	-
	143,298,986	98,116,639

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

	June 30, 2025	December 31, 2024
Maintenance, license etc. income*	68,468,810	76,675,685
Other Income	5,919,217	-
	74,388,027	76,675,685

* Contract assets represent the consideration to which the Group is entitled in exchange for goods or services transferred to customers under ongoing customer contracts.

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

	June 30, 2025	December 31, 2024
Advances Given	1,172,026	4,737,393
Insurance, repair, maintenance and seminar expenses for the incoming months	14,268,425	9,804,343
	15,440,451	14,541,736

b) Prepaid Expenses (Long Term)

	June 30, 2025	December 31, 2024
Insurance, repair, maintenance and seminar expenses for the incoming years	4,123,146	7,061,681
	4,123,146	7,061,681

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

NOTE 10- GOVERNMENT INCENTIVES AND GRANTS

The Group benefits from social security premium incentives under Laws No. 5510, 5746, 6111, and 17103, and from income tax incentives under Laws No. 5746 and 4691. In this context, for the period ending June 30, 2025, the Group benefited from social security premium incentives amounting to TRY 13,064,414 and income tax incentives amounting to TRY 14,353,055. (December 31, 2024: TRY 24,781,562 in social security premium incentives, TRY 88,544,931* in income tax incentives).

* The amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of June 30, 2025.

NOTE 11- TANGIBLE FIXED ASSETS

Movements occurred in tangible fixed assets and respective accumulated depreciation concerning the period ended as of June 30, 2025 and June 30, 2024 are as follows:

June 30, 2025	Fixtures	Leasehold Improvements	Total
Cost Value			
Opening balance as of January 1- 2025	42,298,839	6,948,325	49,247,164
Assets acquired through Purchase	1,721,147	-	1,721,147
Foreign currency conversion and index differences	(71,705)	-	(71,705)
Closing balance as of June 30, 2025	43,948,281	6,948,325	50,896,606
Accumulated Depreciation			
Opening balance as of January 1- 2025	(31,380,550)	(5,326,523)	(36,707,073)
Period Expense	(2,344,412)	(203,521)	(2,547,933)
Foreign currency conversion and index differences	(13,760)	-	(13,760)
Closing balance as of June 30, 2025	(33,738,722)	(5,530,044)	(39,268,766)
Net book value as of June 30, 2025	10,209,559	1,418,281	11,627,840
June 30, 2024	Fixtures	Leasehold Improvements	Total
Cost Value			
Opening balance as of January 1- 2024	36,536,520	5,264,962	41,801,482
Assets acquired through Purchase	4,031,496	1,683,380	5,714,876
Outflows	(285,288)	-	(285,288)
Foreign currency conversion and index differences	(265,124)	-	(265,124)
Closing balance as of June 30, 2024	40,017,604	6,948,342	46,965,946
Accumulated Depreciation			
Opening balance as of January 1- 2024	(27,339,879)	(5,046,261)	(32,386,140)
Period Expense	(2,240,602)	(73,810)	(2,314,412)
Outflows	220,272	-	220,272
Foreign currency conversion and index differences	173,342	-	173,342
Closing balance as of June 30, 2024	(29,186,867)	(5,120,071)	(34,306,938)
Net book value as of June 30, 2024	10,830,737	1,828,271	12,659,008

Pledges and Mortgages on Assets

There are no pledges and mortgages on the tangible assets detailed above as of June 30, 2025 and June 30, 2024.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

NOTE 12- RIGHT OF USE ASSETS

The balance of the right of use assets as of June 30, 2025 and June 30, 2024 the depreciation and amortization expenses for the relevant period are as follows;

	June 30, 2025	June 30, 2024
Cost Value		
Opening balance as of January 1	71,534,456	65,717,417
Assets acquired through leasing	894,280	5,199,775
Transfers/ Adjustments	(1,051,675)	(5,576,611)
Closing balance as of June 30,	71,377,061	65,340,581
Accumulated Depreciation		
Opening balance as of January 1	(26,570,517)	(14,995,110)
Period expense	(8,449,543)	(7,243,448)
Transfers/ Adjustments	263,973	3,604,741
Closing balance as of June 30	(34,756,087)	(18,633,817)
Net book value as of June 30	36,620,974	46,706,764

NOTE 13- INTANGIBLE FIXED ASSETS

Movements occurred in intangible fixed asses and respective accumulated depreciation concerning the period ended as of June 30, 2025 and June 30, 2024 are as follows:

	June 30, 2025			
Cost Value	Development Expenses Capitalized	Development Expenses In Progress	Other Intangible Assets	Total
Opening balance as of January 1- 2025	537,976,135	175,175,710	4,122,387	717,274,232
Assets acquired through purchase	3,820,525	123,614,440	-	127,434,965
Transfers/ Adjustments	102,891,211	(102,891,211)	-	-
Foreign currency conversion and index differences	(3,713,218)	-	-	(3,713,218)
Closing balance as of June 30, 2025	640,974,653	195,898,939	4,122,387	840,995,979
Accumulated Amortization				
Opening balance as of January 1- 2025	(282,642,804)	-	(4,098,626)	(286,741,430)
Period expense	(18,470,149)	-	(12,952)	(18,483,101)
Foreign currency conversion and index differences	1,273,440	-	-	1,273,440
Closing balance as of June 30, 2025	(299,839,513)	-	(4,111,578)	(303,951,091)
Net book value as of June 30, 2025	341,135,140	195,898,939	10,809	537,044,888

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

Cost Value	June 30, 2024			
	Development Expenses Capitalized	Development Expenses In Progress	Other Intangible Assets	Total
Opening balance as of January 1- 2024	623,365,239	60,216,881	4,122,387	687,704,507
Assets acquired through purchase	102,630	64,061,483	-	64,164,113
Foreign currency conversion and index differences	(13,729,193)	-	-	(13,729,193)
Closing balance as of June 30, 2024	609,738,676	124,278,364	4,122,387	738,139,427
Accumulated Amortization				
Opening balance as of January 1- 2024	(372,867,069)	-	(4,057,504)	(376,924,573)
Period expense	(30,067,381)	-	(28,182)	(30,095,563)
Foreign currency conversion and index differences	4,226,882	-	-	4,226,882
Closing balance as of June 30, 2024	(398,707,568)	-	(4,085,686)	(402,793,254)
Net book value as of June 30, 2024	211,031,108	124,278,364	36,701	335,346,173

In 2025, increased investments in new product development led to a greater portion of R&D expenses being capitalized. Consequently, tangible assets rose, while operating R&D expenses declined compared to the previous year.

NOTE 14- LIABILITIES UNDER EMPLOYEE BENEFITS**a) Liabilities Under Employee Benefits (Short-Term)**

	June 30, 2025	December 31, 2024
Wages payable to personnel	20,042,196	54,610,971
Social security premium payable	5,370,284	6,613,023
	25,412,480	61,223,994

The social security premiums of TL 5,370,284 and personnel wages of TL 20,042,196, related to June 2025, were paid in July 2025.

(December 31, 2024: The social security premiums of TL 6,613,023 and personnel wages of TL 54,610,971, related to June 2024 were paid in January 2025.

b) Liabilities Under Employee Benefits (Long-Term)

As of June 30, 2025 the Group does not have any debts within the scope of benefits for long-term employees. (December 31, 2024: None.)

NOTE 15- 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 June 30, 2025 and December 31, 2024 are as follows.

	June 30, 2025		December 31, 2024	
	Currency	TL Equivalent*	Currency	TL Equivalent*
A. CPM Given On Behalf of Its Own Legal Entity				
a) Guarantee Letters				
-TL	6,678,127	6,678,127	3,535,708	3,535,708
-USD	140,232	5,572,932	288,017	11,855,625
Total		12,251,059		15,391,333

* Amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of June 30, 2025.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

b) Collaterals, pledges and mortgages received by the Group

There are no letters of guarantee, pledges and mortgages received by the Group. (December 31, 2024: None.)

NOTE 16- SHORT /LONG-TERM PROVISIONS**a) Short-Term Provisions for Employee Benefits**

	June 30, 2025	December 31, 2024
Leave Provisions	16,758,729	15,085,212
	16,758,729	15,085,212

The movements of unused leave fees are as follows:

	January 1- June 30, 2025	January 1- June 30, 2024
Opening Balance January 1	(15,085,212)	(11,214,707)
Provisions Calculated In The Period	(5,190,601)	(7,057,110)
Provisions No Longer Required	1,169,772	625,835
Monetary Gains/Losses	2,347,312	2,223,880
Ending Provision	(16,758,729)	(15,422,102)

Seniority Incentive Bonus

As of June 30, 2025, there is no liability amount related to seniority incentive bonus. (December 31, 2024: None).

Other

The Group does not have any provision for social aid payments and tax risks. (December 31, 2024 : 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 June 30, 2025, the severance pay to be paid is subject to a monthly ceiling of TL 46,655 (2024: TL 41,828) 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. TAS 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 June 30, 2025 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 53,920 (January 1- 2024: TL 35,059), effective as of July 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.

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

Long-term Provisions Related to Employee Benefits

	June 30, 2025	December 31, 2024
Provision for severance pay	5,805,113	4,667,862
	5,805,113	4,667,862

Severance Pay Movements

	January 1- June 30, 2025	January 1- June 30, 2024
Provision as of January 1	(4,667,862)	(4,814,293)
Interest Cost	(839,552)	(324,182)
Current Service Costs	(1,163,427)	(1,689,023)
Payments In The Period	1,022,938	533,388
Actuarial earnings and loss	(865,514)	(2,175,684)
Monetary Gains/Losses	708,304	1,123,338
Term End Provision	(5,805,113)	(7,346,456)

NOTE 17- CAPITAL, RESERVES AND OTHER EQUITY ITEMS**a) Paid Capital and Capital Adjustment Differences**

As of June 30, 2025 the capital of the Group is TL 171,222,156 (December 31, 2024: TL 85,611,078) and the registered capital ceiling is TL 500,000,000. (31 December 2024. TL 500,000,000)

The partnership structure of the Group is as follows.

	June 30, 2025		December 31, 2024	
Name	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	30,164,336	17,62	15,082,168
Zeynep Yenel Onursal	13,00	22,258,888	13,00	11,129,444
Ayşe Yenel	3,88	6,649,606	3,88	3,324,803
Other	65,50	112,149,326	65,50	56,074,663
Paid-in Capital	100,00	171,222,156	100,00	85,611,078
Capital Commitments		(79,706)		-
Capital Adjustment Differences		289,971,530		289,971,530
Total		461,113,980		375,582,608

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 June 30, 2025, 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 / TFRS	Difference recognized in retained earnings
June 30, 2025			
Capital Adjustment Differences	299,586,390	289,971,530	9,614,860
Share Premium	1,499,513	2,000,016	(500,503)
Restrained Reserves From Profit	39,187,261	39,817,450	(630,189)

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

b) Share Premiums (Discounts)

	June 30, 2025	December 31, 2024
Share Premiums (Discounts)	2,000,016	2,000,016
	2,000,016	2,000,016

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- June 30, 2025	January 1- June 30, 2024
Opening Balance	(5,252,068)	(3,545,552)
Actuarial Gain / (Loss)	(865,514)	(2,175,684)
Deferred Tax Asset	216,379	543,922
Current Year Transactions Net	(649,135)	(1,631,762)
Net Actuarial Gains / Losses	(5,901,203)	(5,177,314)

d) Foreign currency conversion difference

	June 30, 2025	December 31, 2024
Foreign currency conversion difference	(124,952,445)	(122,539,139)

e) Restrained Reserves from Profit

	June 30, 2025	December 31, 2024
Legal Reserves	32,569,659	32,569,659
Venture Capital Fund	7,247,791	7,247,791
	39,817,450	39,817,450

f) Previous Year Profits / Losses

	June 30, 2025	December 31, 2024
Previous Year Profits / Losses	155,035,731	204,888,741

NOTE 18- REVENUE AND COST OF SALES**a) Revenue**

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Domestic Sales	158,487,221	129,201,409	94,829,116	60,810,488
Overseas Sales	62,384,514	82,976,331	27,276,784	53,230,390
Sales Returns (-)	-	(6,011,405)	-	(5,159,858)
Net Sales	220,871,735	206,166,335	122,105,900	108,881,020

b) Cost of Sales (-)

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Cost of Services Old (-)	(17,430,636)	(31,552,162)	(10,104,385)	(14,192,134)
	(17,430,636)	(31,552,162)	(10,104,385)	(14,192,134)

KRON TEKNOLOJİ A.Ş. and ITS SUBSIDIARY'S**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30, 2025**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

NOTE 19- GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES and RESEARCH AND DEVELOPMENT EXPENSES

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
a)General Administrative Expenses (-)	(20,407,295)	(32,350,677)	(7,746,995)	(16,986,505)
b)Marketing Expenses (-)	(74,533,344)	(63,522,878)	(37,268,638)	(29,628,157)
c)Research and Development Expenses	(46,470,111)	(71,405,446)	(23,102,937)	(34,117,981)
Total	(141,410,750)	(167,279,001)	(68,118,570)	(80,732,643)

a)General Administrative Expenses (-)	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Personnel Wages	(10,107,649)	(20,093,957)	(3,198,007)	(8,451,798)
Depreciation Costs	(372,765)	(604,417)	(190,426)	(461,590)
Taxes, Duties and Charges	(76,842)	(316,435)	(38,365)	(229,535)
Communication Expenses	(98,249)	(58,557)	(53,303)	(26,848)
Travel Expenses	(537,472)	(3,621,109)	(283,852)	(1,948,129)
Vehicle Expenses	(657,866)	(209,865)	(335,302)	(115,270)
Outsourced Benefits and Services	(4,413,659)	(4,294,314)	(2,214,207)	(3,392,388)
Miscellaneous Expenses	(52,901)	(132,597)	(50,273)	(49,584)
Bank and Commission Expenses	(4,089,892)	(3,019,426)	(1,383,260)	(2,311,363)
Total	(20,407,295)	(32,350,677)	(7,746,995)	(16,986,505)

b) Details of Marketing Expenses	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Personnel Wages	(42,908,817)	(39,562,228)	(20,282,816)	(19,537,930)
Depreciation Costs	(6,339,763)	(7,180,189)	(3,117,101)	(3,357,517)
Taxes, Duties and Charges	(678,158)	(638,924)	(525,052)	(583,367)
Communication Expenses	(227,307)	(210,036)	(58,740)	(84,759)
Travel Expenses	(4,710,995)	(1,792,622)	(2,644,001)	(781,358)
Vehicle Expenses	(2,239,730)	(348,512)	(1,130,551)	(207,198)
Marketing Expenses	(7,373,433)	(3,081,895)	(4,425,061)	(426,275)
Outsourced Benefits and Services	(2,810,510)	(1,681,506)	(1,143,064)	(966,968)
Exhibition, Fair and Seminar Expenses	(3,456,365)	(2,665,312)	(1,820,876)	(887,385)
Sales Commissions	(1,592,898)	(2,072,643)	(776,782)	(882,137)
Miscellaneous Expenses	(2,195,368)	(4,289,011)	(1,344,594)	(1,913,263)
Total	(74,533,344)	(63,522,878)	(37,268,638)	(29,628,157)

c) Research And Development Expenses	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Personnel Wages	(11,365,838)	(34,219,162)	(2,459,464)	(15,150,083)
Depreciation Costs	(22,277,970)	(31,160,072)	(11,613,813)	(15,761,167)
Communication Expenses	(113,464)	(79,840)	(54,144)	(49,369)
Travel Expenses	(162,570)	(237,484)	(89,571)	(186,039)
Vehicle Expenses	(2,165,165)	(101,843)	(983,679)	(64,139)
Outsourced Benefits and Services	(9,002,479)	(3,285,613)	(7,255,188)	(1,933,001)
Miscellaneous Expenses	(1,382,625)	(2,321,432)	(647,078)	(974,183)
Total	(46,470,111)	(71,405,446)	(23,102,937)	(34,117,981)

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(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

In 2025, increased investments in new product development led to a greater portion of R&D expenses being capitalized. Consequently, intangible fixed assets rose, while operating R&D expenses declined compared to the previous year.

NOTE 20- OPERATING INCOME / EXPENSES

Details of operating income related to the years to end after June 30, 2025 and June 30, 2024 are as follows:

a) Other Operating Income

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Exchange Rate Diff.Income from Oper.	30,168,045	24,815,544	13,657,119	6,006,392
Income of Reversal of Inventory Impairment Provision	139,319	-	6,634	-
Accrued Income for Maturity Difference	2,902,778	4,913,562	-	(359,639)
Provisions No Longer Required	1,169,772	969,172	874,800	545,766
Other Ordinary Income and Profits	6,704,281	2,998,111	5,091,257	292,740
	41,084,195	33,696,389	19,629,810	6,485,259

b) Other Operating Expenses

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Exchange Rate Difference Expense from Operations	(3,775,444)	(4,988,938)	(2,886,571)	(3,726,989)
Maturity Difference Expense Accrued	(406,675)	(4,246,673)	-	1,416,876
Deduction of Tax	(3,807,794)	(3,620,657)	(2,235,361)	(2,787,679)
Other Ordinary Income and Profits	(1,434,660)	(1,788,829)	(360,352)	(611,601)
Total	(9,424,573)	(14,645,097)	(5,482,284)	(5,709,393)

NOTE 21- INCOME and EXPENSES FROM FINANCING ACIVITIES and NET MONETARY POSITION GAINS (LOSSES)**a) Financing Income**

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Interest income	7,958,108	4,339,031	4,988,914	2,572,597
Exchange rate difference income	2,865,702	10,096,076	1,312,589	2,391,720
	10,823,810	14,435,107	6,301,503	4,964,317

b) Financing Expenses

	January 1 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Bank interest expenses	(3,001,554)	(3,074,830)	(1,314,524)	(831,089)
Exchange rate difference expense	(8,020,107)	(8,541,720)	(4,124,549)	(1,791,279)
Interest Expense of Right-Of- Use Assets	(1,586,461)	(1,751,101)	(739,246)	(830,910)
	(12,608,122)	(13,367,651)	(6,178,319)	(3,453,278)

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(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

c) Net Monetary Position Gains (Losses)

Net monetary position gains for the years ended June 30, 2025, are as follows:

Non-monetary Items	June 30, 2025
Statement of Financial Position Items	(16,925,978)
Inventories	(1,256)
Prepaid expenses	907,868
Financial investments, subsidiaries	17,554,004
Tangible assets	1,808,000
Intangible assets	57,340,080
Deferred tax assets/liabilities	586,340
Right-of-use assets	2,999,072
Other liabilities	(11,742,913)
Paid-in capital	(53,676,069)
Share premiums	(285,830)
Other comprehensive income or exp. not to be reclassified to profit or loss	791,793
Other comprehensive income or expense to be reclassified to profit or loss	(5,360,396)
Restricted reserves allocated from profit	(5,690,355)
Previous years' profits/losses	(22,156,316)
Statement of Profit or Loss Items	(16,582,671)
Revenue	(18,224,912)
Cost of sales	561,991
Research and development expenses	929,063
Marketing expenses	1,718,051
General administrative expenses	1,134,119
Other income/expenses from operating activities	(1,626,553)
Income/expenses from investing activities	(96,387)
Financing income/expenses	(978,043)
Net monetary position gains/ (losses)	(33,508,649)

NOTE 22- 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 Türkiye is 25% for 2025. (25% for 2024)

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,

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In case of distribution, 15% 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.

Corporations calculate provisional tax based on their quarterly financial profits and declare and pay it by the 17th day of the second month (3 quarters) 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.

Pursuant to the Provisional Article added to the Technology Development Zones Law No. 4691 by Article 44 of Law No. 5035, the earnings derived exclusively from software development and R&D activities conducted in technology development zones by income and corporate taxpayers operating therein are exempt from income and corporate taxes.

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 Türkiye, 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

Group calculates deferred tax assets and liabilities by considering the effects of temporary differences arising from different valuations of statutory balance sheet items and balance sheet items prepared for Capital Markets Board. These temporary differences generally result from the recognition of income and expenses in different reporting periods according to the communiqué and tax laws.

In the deferred tax calculations in the financial statements dated June 30, 2025 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:	June 30 ,2025	December 31, 2024
Cash and Equivalents	338	14,692
Trade Receivables	192,165	918,811
Other Receivables	564	(11,029)
Inventories	(4,427)	56,889
Prepaid Expenses	(253,870)	(33,053)
Tangible and Intangible Fixed Assets and Depr. Diff.	(31,009,701)	(17,447,274)
Right of Use Assets	(1,346,013)	(1,579,372)
Loans and Leases	(61,927)	49,926
Trade Payables	(13)	(99,119)
Severance Pay Provision	1,451,278	1,166,965
Leave Provisions	4,189,682	3,771,303
Financial Investments	-	(10,650)
Deferred Income	6,389,676	1,136,295
Previous Year's Loss	-	2,639,591
R&D Discount	14,990,169	13,528,857
Total	(5,462,079)	4,102,832

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

	January 1- June 30, 2025	January 1- June 30, 2024
Opening balance as of January 1	4,102,832	2,840,278
Deferred tax income/expense for the period	(9,781,290)	(767,320)
Reflected to Comprehensive Income and Equity	216,379	543,922
Current Period / Previous Period	(5,462,079)	2,616,880

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.

NOTE 23- 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 – June 30, 2025	January 1 – June 30, 2024	April 1 – June 30, 2025	April 1 – June 30, 2024
Net period profit / loss	50,886,313	(15,592,833)	34,292,370	14,559,588
Number of Shares	171,222,156	85,611,078	171,222,156	85,611,078
Profit / loss per share	0,297	(0,182)	0,200	0,170
Diluted Earnings (loss) per Share from Continuing Operations	0,509	-	0,300	-

NOTE 24- RELATED PARTY DISCLOSURES**a) Related Parties End of Period Balance Sheet Balances**

None. (December 31, 2024: None)

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

None. (December 31, 2024: None)

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

	January 1 – June 30, 2025	January 1 – June 30, 2024
Salaries and Oth.Short-Term Benefits (Net) (Excl.Paid Compensation)	6,443,238	6,727,493
	6,443,238	6,727,493

NOTE 25- 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.

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(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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		
June 30, 2025	Other Party	Other Party		
Maximum credit risk exposed as of reporting date (*)	191,020,833	2,652,377	159,822,164	452,242
- 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	191.020.833	2,652,377	159,822,164	452,242
B. Net book value of assets overdue but not undergone impairment	-	-	-	-
C. Net book value of assets undergone impairment	-	-	-	-
- Overdue (Gross Book Value)	811,144	-	-	-
- Impairment (-)	(811,144)	-	-	-
- 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, 2024	Other Party	Other Party		
Maximum credit risk exposed as of reporting date (*)	192,003,372	2,655,051	60,765,823	34,465,132
- 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	192,003,372	2,655,051	60,765,823	34,465,132
B. Net book value of assets overdue but not undergone impairment	-	-	-	-
C. Net book value of assets undergone impairment	-	-	-	-
- Overdue (Gross Book Value)	845,316	-	-	-
- Impairment (-)	(845,316)	-	-	-
- 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	-	-	-	-

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.

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Liquidity Risk Table**June 30, 2025**

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	69,905,786	72,920,885	320,643	72,600,242	-
Lease Payables	36,162,201	36,162,201	2,890,002	8,826,519	24,445,680
Trade payables	14,329,158	14,329,158	14,329,158	-	-
Other payables	6,532,822	6,532,822	6,532,822	-	-
Total liabilities	126,929,967	129,945,066	24,072,625	81,426,761	24.445.680

December 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	56,431,416	53,265,512	24,968,153	28,297,359	-
Lease Payables	43,777,007	43,777,007	2,647,068	9,617,069	31,512,870
Trade payables	13,507,797	13,914,472	13,914,472	-	-
Other payables	17,779,292	17,779,292	17,779,292	-	-
Total liabilities	131,495,512	128,736,283	59,308,985	37,914,428	31,512,870

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.

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**June 30, 2025**

	Total TL Equiv.	US Dollar	Euro	Other
Cash and Cash Equiv. & Fin. Invest.	21,399,128	277,712	94,883	11,801,691
Short Term Trade Receivables	131,665,902	3,002,726	-	24,506,146
Long Term Trade Receivables	1,481,140	37,270	-	-
Short and Long Term Financial Liabilities	(73,518,970)	(1,849,962)	-	-
Other Monetary Liabilities	(103,525)	(2,605)	-	-
Short-term Trade Payables	(11,777,351)	(271,612)	(6,843)	(821,504)
Net Foreign Currency Position	69,146,324	1,193,529	88,040	35,486,333
Monetary Items Net Foreign Exchange Asset(Liability)	69,146,324	1,193,529	88,040	35,486,333
Export	38,723,559	847,504	-	10,384,427

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Foreign exchange position table ***December 31, 2024**

	Total TL Equiv.	US Dollar	Euro	Other
Cash and Cash Equiv. & Fin. Invest.	60,278,536	1,318,435	187,205	10,612,462
Short Term Trade Receivables	145,788,620	3,605,321	-	31,587,054
Short-term Other Assets	3,741,829	100,050	-	-
Long Term Trade Receivables	1,393,883	37,270	-	-
Short and Long Term Financial Liabilities	(48,619,464)	(1,300,000)	-	-
Other Monetary Liabilities	(241,751)	(6,464)	-	-
Short-term Trade Payables	(7,249,729)	(172,496)	(20,479)	(20)
Net Foreign Currency Position	155,091,924	3,582,116	166,726	42,199,496
Monetary Items Net Foreign Exchange Asset(Liability)	151,350,095	3,482,066	166,726	10,612,442
Export	106,763,059	2,454,070	-	213,686

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of June 30, 2025.

Foreign Exchange Sensitiveness Analysis

The table below demonstrates the group's sensitivity to the 10% increase and decrease in USD, Euro and other 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 6,914,632 more/less. (December 31, 2024: TL 15,509,191)

Foreign Currency Position Table	June 30, 2025			
	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	4,743,179	(4,743,179)	4,743,179	(4,743,179)
2- The part secured against US Dollar risk (-)	-	-	-	-
3- US Dollar Net Effect(1+2)	4,743,179	(4,743,179)	4,743,179	(4,743,179)
In case EURO changes 10 % against TL:				
4- EURO net asset/liability	410,332	(410,332)	410,332	(410,332)
5- The part secured against EURO risk (-)	-	-	-	-
6- Euro Net Effect(4+5)	410,332	(410,332)	410,332	(410,332)
In case other currencies change 10 % against TL:				
7-Other exchange net asset / liability	1,761,121	(1,761,121)	1,761,121	(1,761,121)
8- Other exchange net effect (7)	1,761,121	(1,761,121)	1,761,121	(1,761,121)
TOTAL (3+6+8)	6,914,632	(6,914,632)	6,914,632	(6,914,632)

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(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of June 30, 2025, unless otherwise stated.)

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	13,396,965	(13,396,965)	13,396,965	(13,396,965)
2- The part secured against US Dollar risk (-)				
3- US Dollar Net Effect(1+2)	13,396,965	(13,396,965)	13,396,965	(13,396,965)
In case EURO changes 10 % against TL:				
4- EURO net asset/liability	649,280	(649,280)	649,280	(649,280)
5- The part secured against EURO risk (-)				
6- Euro Net Effect(4+5)	649,280	(649,280)	649,280	(649,280)
In case other currencies change 10 % against TL:				
7-Other exchange net asset / liability	1,462,946	(1,462,946)	1,462,946	(1,462,946)
8- Other exchange net effect (7)	1,462,946	(1,462,946)	1,462,946	(1,462,946)
TOTAL (3+6+8)	15,509,191	(15,509,191)	15,509,191	(15,509,191)

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of June 30,2025.

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.

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.

	June 30, 2025	December 31, 2024
Total Debts	398,786,632	387,609,825
Cash and Cash Equivalents	160,274,406	95,230,955
Net Debt	238,512,226	292,378,870
Equities	577,999,842	444,644,598
Equity / Net Debt Rate	2,42	1,52

NOTE 26- POST-BALANCE SHEET EVENTS**June 30, 2025**

- Financial statements were approved by the board of directors on August 18, 2025.
- Severance pay ceiling amount has become TL 53,920 as of July 1, 2025

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

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NOTE 27- OTHER MATTERS**a) Financial Statement Disclosures:**

- As of June 30, 2025, total insurance amount of asset values is USD 775,000. (December 31, 2024: USD 550,480)

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 28- OTHER COMPLEMENTARY INFORMATION**EBITDA Reconciliation**

EBITDA is not a performance measure defined under IFRS. The reconciliation of EBITDA for the fiscal periods ended June 30, 2025 and June 30, 2024 is as follows:

	January 1- June 30, 2025	January 1- June 30, 2024
Operating Profit (Loss)	93,689,971	26,386,464
Depreciation and amortization of tangible and intangible fixed assets and right-of-use assets	29,480,577	39,653,423
EBITDA	123,170,548	66,039,887