

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES AS OF  
INTERIM PERIOD JANUARY 1, 2024- SEPTEMBER 30, 2024  
(Convenience Translation into English)**

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

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
CONSOLIDATED FINANCIAL STATEMENT AS OF SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30,2024, unless otherwise stated)

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)</b>	<b>1-2-3</b>
<b>CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT</b>	<b>4-5</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>6</b>
<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>7-8</b>
<b>CONSOLIDATED NOTES REGARDING FINANCIAL STATEMENTS</b>	<b>9-41</b>

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
CONSOLIDATED FINANCIAL STATEMENT AS OF SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30,2024, unless otherwise stated)

<b>ASSETS</b>	<b>Note</b>	<b>Current Period</b>	<b>Previous Period</b>
	<b>Refer.</b>	<b>September 30,</b>	<b>December 31,</b>
		<b>2024</b>	<b>2023</b>
<b>Current Assets</b>			
<b>Cash and Cash Equivalents</b>	<b>4</b>	<b>35,443,783</b>	<b>71,897,737</b>
<b>Financial Investments</b>	<b>5</b>	<b>54,550,426</b>	<b>10,366,227</b>
Financial Assets Fair Value Reflected To Profit/Loss		54,550,426	10,366,227
-Financial Assets Held With The Aim Of Purchase and Sale		54,550,426	10,366,227
<b>Trade Receivables</b>	<b>7</b>	<b>131,613,970</b>	<b>267,601,701</b>
-Trade Receivables from Related Parties		131,613,970	267,601,701
-Trade Receivables from Unrelated Parties			
<b>Other Receivables</b>	<b>8</b>	<b>21,464</b>	<b>4,103</b>
-Other Receivables from Related Parties		21,464	4,103
<b>Inventories</b>	<b>11</b>	<b>1,451,279</b>	<b>2,523,642</b>
<b>Prepaid Expense</b>	<b>12</b>	<b>8,567,614</b>	<b>10,816,863</b>
-Prepaid Expenses to Unrelated Parties		8,567,614	10,816,863
<b>Current Tax Assets</b>	<b>17</b>	<b>403,917</b>	<b>126,952</b>
<b>Other Current Assets</b>	<b>10</b>	<b>752,014</b>	<b>502,559</b>
-Other Current Assets from Unrelated Parties		752,014	502,559
<b>SUB-TOTAL</b>		<b>232,804,467</b>	<b>363,839,784</b>
<b>TOTAL CURRENT ASSETS</b>		<b>232,804,467</b>	<b>363,839,784</b>
<b>NON-CURRENT ASSETS</b>			
<b>Financial Investments</b>	<b>5</b>	<b>1,587,567</b>	<b>1,783,554</b>
Financial Assets Fair Value Reflected To Profit/Loss		1,587,567	1,783,554
-Financial Assets Held With The Aim Of Purchase and Sale		1,587,567	1,783,554
<b>Investments in Affiliates, Joint Ventures and Subsidiaries</b>			
<b>Other Receivables</b>	<b>8</b>	<b>2,123,392</b>	<b>2,486,089</b>
-Other Receivables From Unrelated Parties		2,123,392	2,486,089
<b>Tangible Fixed Assets</b>	<b>14</b>	<b>10,250,684</b>	<b>7,593,604</b>
-Furniture and fixtures		8,859,406	7,417,219
-Leasehold Improvements		1,391,278	176,385
<b>Right-Of-Use Assets</b>	<b>15</b>	<b>40,869,749</b>	<b>40,908,250</b>
<b>Intangible Fixed Assets</b>	<b>16</b>	<b>291,113,793</b>	<b>250,648,365</b>
- Capitalized Development Costs		213,278,698	202,030,279
- Other Intangible Fixed Assets		77,835,095	48,618,086
<b>Prepaid Expenses</b>	<b>12</b>	<b>7,901,419</b>	<b>5,126,166</b>
- Prepaid Expenses to Unrelated Parties		7,901,419	5,126,166
<b>Deferred Tax Asset</b>	<b>28</b>	<b>10,727,930</b>	<b>2,290,723</b>
<b>Total Non-Current Assets</b>		<b>364,574,534</b>	<b>310,836,751</b>
<b>TOTAL ASSETS</b>		<b>597,379,001</b>	<b>674,676,535</b>

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
CONSOLIDATED FINANCIAL STATEMENT AS OF SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30,2024, unless otherwise stated)

<b>Statement of Financial Position (Balance Sheet)</b>	<b>Note Refer.</b>	<b>Current Period September 30, 2024</b>	<b>Previous Period December 31, 2023</b>
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>			
<b>Short-Term Borrowings</b>	<b>6</b>	<b>21,930,359</b>	<b>45,778,935</b>
-Short-Term Borrowings From Unrelated Parties		21,930,359	45,778,935
-Bank credits		21,885,123	45,140,453
-Other Short Term Liabilities		45,236	638,482
<b>Short-term Portion of Long-term Borrowings</b>	<b>6</b>	<b>10,545,599</b>	<b>5,338,238</b>
Short-Term Portion of Long Term Loans From Unrelated Parties		10,545,599	5,338,238
-Debts from Leasing Transactions		10,545,599	5,338,238
<b>Trade Payables</b>	<b>7</b>	<b>3,712,451</b>	<b>5,499,529</b>
-Trade Payables to Related Parties		-	-
-Trade Payables to Unrelated Parties		3,712,451	5,499,529
<b>Payables Under Employee Benefits</b>	<b>19</b>	<b>18,206,776</b>	<b>33,991,236</b>
<b>Other Payables</b>	<b>8</b>	<b>3,595,790</b>	<b>14,132,967</b>
-Other Payables to Unrelated Parties		3,595,790	14,132,967
<b>Liabilities from Customer Contracts</b>	<b>9</b>	<b>26,671,715</b>	<b>33,490,939</b>
-Contractual Liabilities From Sales of Goods and Services		26,671,715	33,490,939
<b>Short-Term Provisions</b>	<b>22</b>	<b>12,821,015</b>	<b>9,044,818</b>
-Short-Term Provisions for Employee Benefits		12,821,015	9,044,818
<b>Other Short-Term Liabilities</b>	<b>20</b>	<b>2,318,812</b>	<b>12,105,337</b>
-Other Short-Term Liabilities to Unrelated Parties		2,318,812	12,105,337
<b>SUB-TOTAL</b>		<b>99,802,517</b>	<b>159,381,999</b>
<b>TOTAL SHORT-TERM LIABILITIES</b>		<b>99,802,517</b>	<b>159,381,999</b>
<b>LONG TERM LIABILITIES</b>			
<b>Long Term Provisions</b>	<b>6</b>	<b>28,677,162</b>	<b>33,358,560</b>
-Long Term Loans From Unrelated Parties		28,677,162	33,358,560
-Loans From Lease Transactions		28,677,162	33,358,560
<b>Liabilities from Customer Contracts</b>	<b>9</b>	<b>87,966,255</b>	<b>53,248,307</b>
-Contractual Liabilities From Sales of Goods and Services		87,966,255	53,248,307
<b>Long-Term Provisions</b>	<b>22</b>	<b>6,060,821</b>	<b>3,882,795</b>
-Long-Term Provisions For Employee Benefits		6,060,821	3,882,795
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>122,704,238</b>	<b>90,489,662</b>
<b>TOTAL LIABILITIES</b>		<b>222,506,755</b>	<b>249,871,661</b>

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
CONSOLIDATED FINANCIAL STATEMENT AS OF SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30,2024, unless otherwise stated)

<b>Statement of Financial Position (Balance Sheet)</b>	<b>Note Refer.</b>	<b>Current Period September 30, 2024</b>	<b>Previous Period December 31, 2023</b>
<b>EQUITY</b>			
<b>Equity Attributable to Owners of Parent Company</b>	<b>23</b>	<b>374,872,246</b>	<b>424,804,874</b>
<b>Paid In Capital</b>		85,611,078	85,611,078
Capital Adjustment Differences		217,301,551	217,301,551
Share Premium (Discount)		1,613,041	1,613,041
<b>Accum. Other Comprehensive Income/(Expense) not to be reclassified in Profit/Loss</b>		<b>(4,578,901)</b>	<b>(2,859,538)</b>
-Revaluation measurement gains/losses		(4,578,901)	(2,859,538)
-Gains (Losses) on Remeasurement of Defined Benefit Plans		(4,578,901)	(2,859,538)
<b>Accum. Other comprehensive income/(expense) to be reclassified in Profit/Loss</b>		<b>(100,036,913)</b>	<b>(88,727,348)</b>
-Foreign currency conversion differences		(100,036,913)	(88,727,348)
<b>Restrained Reserves From Profit</b>		<b>22,435,408</b>	<b>22,435,408</b>
-Legal Reserves		20,410,648	20,410,648
-Venture Capital Fund		2,024,760	2,024,760
<b>Previous Years' Profits/(Losses)</b>		<b>189,430,682</b>	<b>118,884,014</b>
<b>Net Profit (Loss) For The Period</b>	<b>29</b>	<b>(36,903,700)</b>	<b>70,546,668</b>
<b>TOTAL EQUITY</b>		<b>374,872,246</b>	<b>424,804,874</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>597,379,001</b>	<b>674,676,535</b>

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
CONSOLIDATED FINANCIAL STATEMENT AS OF SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30,2024, unless otherwise stated)

	Note	Current Period January 1- September 30, 2024	Previous January 1- September 30, 2023	Current Period July 1- September 30 2024	Previous July 1- September 30 2023
<b>PROFIT or LOSS and OTHER COMPREHENSIVE INCOME ST.</b>	<b>Note Refer.</b>				
Revenue	24	218,382,922	248,001,474	52,105,221	81,776,443
Cost of Sales (-)	24	(34,506,457)	(34,326,567)	(9,058,942)	(10,753,026)
<b>GROSS PROFIT/(LOSS) FROM TRADE OPERATIONS</b>		<b>183,876,465</b>	<b>213,674,907</b>	<b>43,046,279</b>	<b>71,023,417</b>
<b>GROSS PROFIT/(LOSS)</b>		<b>183,876,465</b>	<b>213,674,907</b>	<b>43,046,279</b>	<b>71,023,417</b>
General Administrative Expenses	25	(37,037,939)	(32,168,883)	(10,946,404)	(10,668,029)
Marketing Expenses	25	(76,385,059)	(88,857,250)	(25,152,456)	(23,793,599)
Research and Development Expenses	25	(81,592,042)	(75,933,060)	(24,001,973)	(31,581,740)
Other Operating Income	26	32,627,934	52,959,230	5,451,051	9,220,441
Other Operating Expenses	26	(14,363,480)	(16,224,579)	(2,551,886)	(3,808,274)
<b>OPERATING (LOSS)/PROFIT</b>		<b>7,125,879</b>	<b>53,450,365</b>	<b>(14,155,389)</b>	<b>10,392,216</b>
Income From Investment Operations		1,984,895	2,297,791	514,028	863,015
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCIAL INCOME (EXPENSE)</b>		<b>9,110,774</b>	<b>55,748,156</b>	<b>(13,641,361)</b>	<b>11,255,231</b>
Financial Income	27	17,595,528	32,190,503	5,953,296	6,755,855
Financial Expense (-)	27	(13,993,755)	(39,569,588)	(3,212,449)	(5,664,189)
Net Monetary Position Gains (Losses)	27	(57,480,333)	(48,655,352)	(21,910,171)	(24,666,443)
<b>PRE-TAX PROFIT/(LOSS) MARGIN FROM CONTINUING OPERATIONS</b>		<b>(44,767,786)</b>	<b>-286,281</b>	<b>(32,810,685)</b>	<b>(12,319,546)</b>
Continuing Operations Tax Expense/Income		7,864,086	(4,885,205)	8,482,947	(2,882,428)
Deferred Tax Expense/Income	28	7,864,086	(4,885,205)	8,482,947	(2,882,428)
<b>PERIOD PROFIT / (LOSS) FROM CONTINUING OPERATIONS</b>		<b>(36,903,700)</b>	<b>(5,171,486)</b>	<b>(24,327,738)</b>	<b>(15,201,974)</b>
<b>PERIOD PROFIT/(LOSS)</b>		<b>(36,903,700)</b>	<b>(5,171,486)</b>	<b>(24,327,738)</b>	<b>(15,201,974)</b>
Distribution of Period Loss/Profit		(36,903,700)	(5,171,486)	(24,327,738)	(15,201,974)
Shares of Main Partnership		(36,903,700)	(5,171,486)	(24,327,738)	(15,201,974)
Earnings per Share from Continuing Oper.	29	-0,431	-0,121	-0,284	-0,355

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
CONSOLIDATED FINANCIAL STATEMENT AS OF SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30,2024, unless otherwise stated)

	Note Refer.	Current Period January 1- September 30, 2024	Previous January 1- September 30, 2023	Current Period July 1- September 30 2024	Previous July 1- September 30 2023
<b>PERIOD PROFIT/(LOSS)</b>		<b>(36,903,700)</b>	<b>(5,171,486)</b>	<b>(24,327,738)</b>	<b>(15,201,974)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>Items Not to be Reclassified in Profit/Loss</b>		<b>(1,719,363)</b>	<b>(1,093,552)</b>	<b>-403,311</b>	<b>-640,353</b>
Remeasurement Gains (Losses) of Defined Benefit Plans, Before Tax	22	(2,292,484)	(1,458,069)	-537,747	-853,803
Tax Effect of Other Comprehensive Income Not to be Classified in Profit / Loss		573,121	364,517	134,436	213,45
-Deferred Tax Income/ Expense	27	573,121	364,517	134,436	213,45
<b>Items to be Reclassified in Profit or Loss</b>		<b>(11,309,565)</b>	<b>(11,300,809)</b>	<b>2,538,489</b>	<b>(4,801,528)</b>
Other Comprehensive Income Related to Foreign Currency Conversion Differences Arising from Businesses Abroad, After Tax		(11,309,565)	(11,300,809)	2,538,489	(4,801,528)
-Gains (Losses) from Foreign Currency Conversion Differences Arising from Businesses Abroad, After Tax	22	(11,309,565)	(11,300,809)	2,538,489	(4,801,528)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>(13,028,928)</b>	<b>(12,394,361)</b>	<b>2,135,178</b>	<b>(5,441,881)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>(49,932,628)</b>	<b>(17,565,847)</b>	<b>(22,192,560)</b>	<b>(20,643,855)</b>
Distribution of Total Comprehensive Income		(49,932,628)	(17,565,847)	(22,192,560)	(20,643,855)
-Shares of Main Partnership		(49,932,628)	(17,565,847)	(22,192,560)	(20,643,855)

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD JANUARY 1, 2024 –SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of the (TL) as of September 30, 2024, 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			Accumulated Gains/Losses		
	Statement of Changes in Equity	Paid-in Capital	Capital Adjustment Differences	Share Issue Premium / Discounts	Actuarial Gains/Losses Due to Remeasurement of Defined Benefit Plan	Foreign Currency Conversion Differences	Restricted Reserves on Retained Earnings	Previous Period Profit / Loss	Period Net Profit or Loss	Equity
Previous Period	<b>Balances as of 1 January 2023</b>	<b>14,268,513</b>	<b>175,037,858</b>	-	<b>(882,192)</b>	<b>(78,614,741)</b>	<b>21,661,031</b>	<b>185,108,266</b>	<b>(6,890,002)</b>	<b>309,688,733</b>
	Other Corrections									-
	Transfers	-			-	-	-	(6,890,002)	6,890,002	-
	Total comprehensive income (Expense)	-	-	-	(1,093,552)	(11,300,809)	-	-	(5,171,486)	(17,565,847)
	Period Profit (Loss)								(5,171,486)	(5,171,486)
	Other Comprehensive Income (Expense)				(1,093,552)	(11,300,809)				(12,394,361)
	Capital Increase	28,537,026	26,914,422	-				(55,451,448)		-
	<b>Balances as of September 30, 2023</b>	<b>42,805,539</b>	<b>201,952,280</b>	-	<b>(1,975,744)</b>	<b>(89,915,550)</b>	<b>21,661,031</b>	<b>122,766,816</b>	<b>(5,171,486)</b>	<b>292,122,886</b>
Current Period	<b>Balances as of 1 January 2024</b>	<b>85,611,078</b>	<b>217,301,551</b>	<b>1,613,041</b>	<b>(2,859,538)</b>	<b>(88,727,348)</b>	<b>22,435,408</b>	<b>118,884,014</b>	<b>70,546,668</b>	<b>424,804,874</b>
	Other Corrections									-
	Transfers							70,546,668	(70,546,668)	-
	Total comprehensive income (Expense)	-	-	-	(1,719,363)	(11,309,565)		-	(36,903,700)	(49,932,628)
	Period Profit (Loss)								(36,903,700)	(36,903,700)
	Other Comprehensive Income (Expense)				(1,719,363)	(11,309,565)				(13,028,928)
	Capital Increase									-
	<b>Balances as of September 30, 2024</b>	<b>85,611,078</b>	<b>217,301,551</b>	<b>1,613,041</b>	<b>(4,578,901)</b>	<b>(100,036,913)</b>	<b>22,435,408</b>	<b>189,430,682</b>	<b>(36,903,700)</b>	<b>374,872,246</b>

Enclosed notes are integral parts of these statements.



**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

TFRS- CASH FLOW STATEMENT	Note Refer.	Current Period January 1-September 30, 2024	Previous Period January 1-September 30, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>115,911,712</b>	<b>91,647,072</b>
<b>Period Profit / Loss</b>		<b>(36,903,700)</b>	<b>(5,171,486)</b>
Period Profit /(Loss) from Continuing Operations	29	(36,903,700)	(5,171,486)
<b>Adjustments Related to Net Period Profit/ (Loss) Reconciliation</b>		<b>14,168,039</b>	<b>50,911,433</b>
Adjustments Related to Depreciation/Amort. Exp.	13- 14-15	43,108,473	34,598,081
<b>Adjustments Rel.To Impairment (Cancellation)</b>		<b>(111,283)</b>	<b>(4,873)</b>
Adjust.Rel.To Impairment (Cancel.) of Receivables	7	(116,906)	(4,873)
Adjust.Rel.To Impairment (Cancel.) of Inventory		5,623	
<b>Adjustments Related to Provisions</b>		<b>541,915</b>	<b>(8,939,701)</b>
Adjust.Rel. to Prov.(Cancel.) for Employee Benefits	19	7,449,144	(4,376,597)
Adjust.Rel. to General Provisions (Cancellations)		(6,907,229)	(4,563,104)
<b>Adjustments Rel. To Interest (Income) and Exp.</b>		<b>(2,029,998)</b>	<b>8,734,618</b>
Adjustments Related To Interest Income	27	(3,608,164)	(3,168,439)
Adjustments Related To Interest Expenses	27	1,578,166	11,903,057
Adjust.Rel.to Unrealized Foreign Curr.Conversion Diff.	23	3,852,778	11,289,915
Adjustments Related To Fair Value Losses (Gains)		-	-
Other Adjust.Related To Fair Value Losses (Gains)		-	-
Adjustments Related to Tax Expense / (Income)	28	(7,864,086)	4,885,205
Other Adjustments Related to Nonmonetary Items		4,464,220	1,056,254
Adjustments for Monetary Position Gain (Loss) (+/-)		(27,793,980)	-885,832
Other Adjustments Rel.to Porift (Loss) Reconciliation		-	177,766
<b>Changes in Working Capital</b>		<b>141,936,710</b>	<b>48,631,201</b>
<b>Adjust.in (Increase)/Decr.in Trade Receivables (Inc.) /Dec.in Trade Receiv. from Unrelated Par.</b>	7	141,445,970	73,658,456
<b>Adjust. Rel.to (Inc.)/Dec. in Other Receivables Related to Operations</b>		<b>626,785</b>	<b>238,185</b>
Adjust. Rel. to (Inc.)/Dec. in Other Receivables Related to Operations from Unrelated Parties	8	626,785	238,185
Adjust.Rel.to (Increase)/Decrease in Inventories	11	1,066,740	280,875
Adjust.Rel.to (Increase)/Decrease in Prepaid Exp.	12	(514,874)	1,564,717
<b>Adjust.Rel.to Increase/(Decrease) in Trade Payables</b>		<b>(1,730,510)</b>	<b>(16,519,455)</b>
Adjust. Rel. to Inc./ (Dec.) in Trade Payables to Unrelated Part.	7	(1,730,510)	(16,519,455)
Inc/(Dec.) In Liabilities Under Employee Benefits	19	(15,784,460)	(16,400,619)
<b>Adjust.Rel.to Inc. /(Dec.) in Liabilities from Customer Contracts</b>		<b>27,898,724</b>	<b>11,740,036</b>
Inc. (Dec.) in Contr. Liabilities Arising from Sales of Goods and Services	9	27,898,724	11,740,036
<b>Adjust. Related to Incr. /(Decr.) in Other Payables Related to Operations</b>		<b>(10,537,177)</b>	<b>(8,758,284)</b>
Adjust. Related to Inc. /(Dec.) in Other Payables Related to Operations to Unrelated Parties		(10,537,177)	(8,758,284)
<b>Adjustments Related to Other Increase/ (Decrease)in</b>		<b>(534,488)</b>	<b>2,827,290</b>
Working Capital			
Dec. /(Inc.) in Other Assets Related to Operations		(526,42)	2,819,361
Dec. /(Inc.) in Other Liabilities Rel.to Operations		(8,068)	7,929
<b>Cash Flows From Operations</b>		<b>119,201,049</b>	<b>94,371,148</b>
Interest Paid		(2,810,595)	(1,148,514)
Payments for Provisions About Employee Benefits		-478,742	(1,575,562)

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

	Note	Current Period	Previous Period
TFRS- CASH FLOW STATEMENT	Refer.	January 1-September 30, 2024	January 1-September 30, 2023
<b>CASH FLOWS DUE TO INVESTING ACTIVITIES</b>		<b>(124,144,139)</b>	<b>(88,922,455)</b>
<b>Cash Outflows Related To Acquisiton Of Other Companies or Funds Shares or Debt Instruments</b>		<b>(43,988,212)</b>	<b>(35,538,626)</b>
Cash Inflows Due to Sales of Tangible and Intangible Fixed Assets		52,436	30,731
-Cash Inflows from Sale of Tangible Fixed Assets	<b>13-14-15</b>	52,436	30,731
<b>Cash Outflows Due to Purchase of Tangible-Intangible Fixed Assets</b>		<b>(86,563,715)</b>	<b>(54,345,424)</b>
-Cash Outflows from Purchase of Tangible Fix.As.	<b>14</b>	(5,715,277)	(2,639,917)
-Cash Outflows from Purchase of Intangible Fix.As.	<b>16</b>	(80,848,438)	(51,705,507)
Interest Received	<b>27</b>	6,355,352	930,864
<b>CASH FLOWS DUE TO FINANCING ACTIVITIES</b>		<b>(29,286,596)</b>	<b>(16,139,811)</b>
<b>Cash Inflows Related to Borrowings</b>	<b>6</b>	<b>21,985,640</b>	<b>61,501,926</b>
-Cash Inflows From Credits	<b>6</b>	21,985,640	61,501,926
<b>Cash Outflows Related to Debt Payments</b>	<b>6</b>	<b>(39,388,093)</b>	<b>(66,844,940)</b>
-Cash Outflows Due to Credit Repayment	<b>6</b>	(39,388,093)	(66,844,940)
Cash Outflows Rel.to Payments of Rent Contracts	<b>6</b>	(8,628,026)	(1,553,688)
Interest Paid	<b>27</b>	(3,256,117)	(9,243,109)
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES</b>		<b>(37,519,023)</b>	<b>(13,415,194)</b>
Effect of Foreign Cur. Converion Differ. On Cash and Cash Equivalents		2,736,706	3,730,072
<b>NET INCREASE/DECREASE AT CASH AND CASH EQUIVALENTS (+/-)</b>		<b>(34,782,317)</b>	<b>(9,685,122)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>4</b>	<b>71,897,737</b>	<b>81,552,586</b>
Inflation Effect on Cash and Cash Equiv. (+/-)		(1,671,637)	(33,115,053)
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>4</b>	<b>35,443,783</b>	<b>38,752,411</b>

*Enclosed notes are integral parts of these statements.*

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**NOTE 1 - ORGANIZATION AND FIELD 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 Istanbul (BIST) since May 27, 2011. The Company operates within the BIST Main Market, specifically categorized under the Technology - Data Processing sector.

The Company's principal office is located at İ.T.Ü. Ayazağa Campus, Koru Yolu, ARI 3 Building, Technopark No: B401, 34469 Maslak, Istanbul, Türkiye. The Company also operates additional offices, including its R&D center in Ankara at Bilkent Cyberpark, C Block, Floor 3, No: 321, Bilkent, Ankara, Türkiye; its R&D center in Izmir at Akdeniz Mah., 1353 Sk., Armesa Business Center, No: 2, Konak, Izmir, Türkiye; and its subsidiary Kron Technologies US at 3 2nd Street, Suite 201, Jersey City, NJ 07302, USA.

As of September 30, 2024, the Group — comprising Kron Teknoloji A.Ş. and its wholly-owned subsidiary, Kron Technologies US — had 161 employees (December 31, 2023: 130 employees).

**1.2 Capital Structure:**

Partners with a share of 10% or more of the Group's capital are listed below.

Name	September 30, 2024		December 31, 2023	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	15,082,168	24,44	20,926,797
Zeynep Yenel Onursal	13,00	11,129,444	10,00	8,561,112
Other	69,38	59,399,466	65,56	56,123,169
<b>Paid-in Capital</b>	<b>100,00</b>	<b>85,611,078</b>	<b>100,00</b>	<b>85,611,078</b>
<b>Capital Adjustment Differences</b>		<b>217,301,551</b>		<b>217,301,551</b>
<b>Total</b>		<b>302,912,629</b>		<b>302,912,629</b>

**1.3 Approval of Financial Statements:**

The financial statements of the group were approved by the board of directors on November 11, 2024. The General Assembly has the authority to amend the financial statements after its circulation.

**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 Turkish.

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

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

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

The consolidated summary financial statements of the Group for the six-month interim accounting period ending on September 30, 2024 have been prepared in accordance with TAS 34 "Interim Financial Reporting".

**2.2. Preparation of Consolidated Financial Statements**

The financial statements of the Group are presented in accordance with the TAS taxonomy published under the name of the updated 2019 TFRS, which was published by the POA with the decision number 30 on 2 June 2016 and subsequently announced to the public on 15 April 2019, together with the changes in TFRS 15 Revenue from Customer Contracts and TFRS 16 Leases.

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

**2.3 The Basis of Consolidation**

**Subsidiaries of the Group are as follows:**

<b>Title</b>	<b>Operation Field</b>	<b>Center</b>	<b>Functional Money Unit</b>	<b>Ownership</b>	<b>Capital (USD)</b>
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 SUBSIDIARY'S

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, 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 TAS 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 September 30, 2024, December 31, 2023, and September 30, 2023.

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

TAS 29 is applied to financial statements of every company in the economy of high inflation. In an economy, if there is high inflation the financial statements are adjusted according to TAS 29, if the functional unit is related to valid monetary unit, the financial statements should be presented in valid measurement unit in the end of reporting period. As of reporting date, as the Consumer Price Index ("TÜFE"), the change in the last 3 years purchasing power the cumulative change is above 100%, the companies operating in Turkish should apply the standard TAS 29 'Adjustment Of Financial Statements of Independently Audited Companies According To Inflation' as of September 30, 2024 and the periods ending after that date.

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

Date	Index	Adjustment Coefficient	Cumulative Inflation Rate for 3 Years
September 30, 2024	2.526,16	1,00000	343%
December 31, 2023	1.859,38	1,35860	268%
September 30, 2023	1.691,04	1,49385	254%

The indexation processes are as follows according to TAS 29:

- As of the balance sheet date, all units other than the units with current purchasing power are indexed according to price index coefficients. The amounts related to prior periods are indexed accordingly.

- The monetary asset and liability items are not indexed since they are presented with current purchasing power. The monetary units are cash and receivable and payable amounts to be received and paid in cash.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

- 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.

**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 measurement

The Group accounts for its financial assets in the category of financial assets recognized at amortized cost. Classification is made based on the business model and expected cash flows determined according to the purposes of utilizing financial assets. Management classifies financial assets on the date they are purchased.

They are classified as assets recognized at amortized cost. If their maturity is less than 12 months from the balance sheet date, they are classified as current assets, and if their maturity is longer than 12 months, they are classified as non-current assets. Assets recognized at amortized cost include "trade receivables" and "cash and cash equivalents" items in the statement of financial position.

**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.

## **KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

#### **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 for the definition financial asset or financial obligation in TAS 32, are accounted in accordance with the provisions of the TFRS 9, and submitted furthermore in the statement of financial position. The Group does not have derivative instruments as of the balance sheet date.

#### **2.9.4. Receivables from Financial Sector Activities**

Any receivables other than cash and cash equivalents and financial investments 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.

#### **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.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**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 footnotes 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.

	<b><u>Useful Life</u></b>
Furniture and Fixtures	3-15 years
Leasehold Improvements	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 SUBSIDIARY'S

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, 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 SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, 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.

## **KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

#### **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. 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.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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 suppliers 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 obsess 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 method and it includes the following:

- a) The initial measurement amount of rent liability,
- b) The amount that is calculated after the deduction of incentives of the actual start of rent and the rent payments made before.

## **KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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

d) By the disassembling and transfer of the asset, the estimated costs about the restoration of the field of the asset or about the provisions of the required situation of the asset.  
the restoration and the conditions

The Group, bears the liability of the costs about the usage of asset in the beginning date or a definite period of time after the usage.

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

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

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

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

#### **Lease Liability**

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

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

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

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

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

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

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

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

#### **2.11 New and Revised Turkish Financial Reporting Standards**

As of September 30, 2024 the accounting policies adopted during the preparation of consolidated financial statements are applied consistently with the previous year's accounting policies except for new and changed Turkish Accounting Standards (TAS)/IFRS and TAS/IFRS Comments valid as of January 1,2021. The effects of these standards and comments on the Company's financial situation end performance are explained in the related paragraphs.

## **KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

#### **New standards in force as of June 30, 2024, and amendments and interpretations to existing previous standards:**

Amendments regarding the extension of the facilitating application of TFRS 16 "Leases - COVID 19 Lease privileges"; As of March 2021, this change has been extended until June 2022 and is in effect as of April 1, 2021.

Due to the COVID-19 pandemic, tenants have been provided with some privileges in rent payments. These concessions can take various forms, including suspension or postponement of rent payments. On 28 May 2020, with the amendment published in the IASB IFRS 16 Leases standard, it introduced an optional facilitating practice for tenants not to evaluate whether the privileges granted due to COVID-19 in their rent payments are a change in the lease. Lessees may elect to account for such lease privileges under the terms that would apply absent a modification of the lease. This ease of implementation often causes the lease concession to be accounted for as a variable lease payment in periods when an event or condition triggering a decrease in lease payments occurs.

#### **Narrow scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements to TFRS 1, TFRS 9, TAS 41 and TFRS 16; Effective for annual reporting periods beginning on or after 1 January 2022.**

- Amendments to TFRS 3 "Business combinations"; this amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.

- Amendments to TAS 16 "Tangible fixed assets"; prohibits a company from deducting revenue from the sale of manufactured products from the amount of tangible assets until the asset is ready for use. Instead, the company will recognize such sales proceeds and the associated cost in profit or loss.

- Amendments to TAS 37, "Provisions, Contingent Liabilities and Contingent Assets", this amendment specifies what costs the company will include when deciding whether to incur a loss from a contract.

Annual improvements make minor changes to the illustrative examples of TFRS 1 "Turkish Financial Reporting Standards", TFRS 9 "Financial Instruments", TAS 41 "Agricultural Activities" and TFRS 16.

**Narrow scope changes in TAS 1, Practice Statement 2 and TAS 8** are effective for annual reporting periods beginning on or after 1 January 2023. These amendments are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

**TAS 12, Amendment to Deferred Tax related to Assets and Liabilities arising from a Single Transaction** is valid for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that cause equal amounts of taxable and deductible temporary differences when first recognized by companies.

**TFRS 16, Sale and leaseback transactions;** It is valid for annual reporting periods beginning on or after January 1, 2024. These changes include the sale and leaseback provisions in TFRS 16, which explain how an entity accounts for a sale and leaseback transaction after the transaction date. Sale and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

**TAS 1, amendment of the "Presentation of financial statements" standard regarding the classification of liabilities;** The effective date is valid for annual reporting periods beginning on or after January 1, 2024. These changes clarify how the requirements that an entity must comply with within twelve months after the reporting period affect the classification of a liability. These changes are not expected to have a significant impact on the financial position and performance of the Company.

#### **NOTE 3-SEGMENT REPORTING**

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

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

<b>September 30, 2024</b>	<b>USA</b>	<b>Turkiye</b>	<b>Elimination</b>	<b>Consolidated</b>
Revenues	15,839,156	202,543,766	-	218,382,922
Cost of Sales	-	(34,506,457)	-	(34,506,457)
Gross operating profit	15,839,156	168,037,309	-	183,876,465
Marketing Expenses (-)	(34,529,967)	(41,855,092)	-	(76,385,059)
General Administrative Expenses (-)	-	(37,037,939)	-	(37,037,939)
Research and Development Expenses (-)	-	(81,592,042)	-	(81,592,042)
Other Operating Income	-	33,796,623	(1,168,689)	32,627,934
Other Operating Expenses (-)	-	(14,363,480)	-	(14,363,480)
Operating Loss/Profit	(18,690,811)	26,985,379	(1,168,689)	7,125,879
Income from Investment Activities	-	1,984,895	-	1,984,895
Expense from Investment Activities (-)	-	-	-	-
Operating Profit/Loss Before Fin.Inc. (Exp.)	(18,690,811)	28,970,274	(1,168,689)	9,110,774
Financial Income	255	17,595,273	-	17,595,528
Financial Expense (-)	(2,158,896)	(12,893,587)	1,058,728	(13,993,755)
Net Monetary Position Gains (Losses)	-	(57,480,333)	-	(57,480,333)
<b>Pre-Tax Profit/Loss Margin From Continuing Operations</b>	<b>(20,849,452)</b>	<b>(23,808,373)</b>	<b>(109,961)</b>	<b>(44,767,786)</b>
Current Tax Expense/Income	-	7,864,086	-	7,864,086
Period Profit/Loss	(20,849,452)	(15,944,287)	(109,961)	(36,903,700)

<b>September 30, 2023</b>	<b>USA</b>	<b>Turkiye</b>	<b>Elimination</b>	<b>Consolidated</b>
Revenues	18,365,018	229,636,456	-	248,001,474
Cost of Sales	-	(34,326,567)	-	(34,326,567)
Gross operating profit	18,365,018	195,309,889	-	213,674,907
Marketing Expenses (-)	(44,707,908)	(44,149,342)	-	(88,857,250)
General Administrative Expenses (-)	-	(32,168,883)	-	(32,168,883)
Research and Development Expenses (-)	-	(75,933,060)	-	(75,933,060)
Other Operating Income	-	52,975,393	(16,162)	52,959,231
Other Operating Expenses (-)	-	(16,224,579)	-	(16,224,579)
Operating Loss/Profit	(26,342,890)	79,809,418	(16,162)	53,450,366
Income from Investment Activities	-	2,297,791	-	2,297,791
Expense from Investment Activities (-)	-	-	-	-
Operating Profit/Loss Before Fin.Inc. (Exp.)	(26,342,890)	82,107,209	(16,162)	55,748,157
Financial Income	287	32,190,216	-	32,190,503
Financial Expense (-)	(161,597)	(39,423,896)	15,904	(39,569,589)
Net Monetary Position Gains (Losses)	-	(48,655,352)	-	(48,655,352)
<b>Pre-Tax Profit/Loss Margin From Continuing Operations</b>	<b>(26,504,200)</b>	<b>26,218,177</b>	<b>(258)</b>	<b>(286,281)</b>
Current Tax Expense/Income	-	(4,885,205)	-	(4,885,205)
Period Profit/Loss	(26,504,200)	21,332,972	(258)	(5,171,486)

**NOTE 4- CASH AND CASH EQUIVALENTS**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Cash	389,612	433,210
Cash at the bank	35,054,171	71,464,527
Demand deposits	20,749,952	51,348,125
Term deposits with a maturity of less than three months	14,304,219	20,116,402
	<b>35,443,783</b>	<b>71,897,737</b>

As of September 30, 2024 and December 31, 2023 the Group has no blocked deposits.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Financial assets at fair value through profit or loss</b>		
- Financial Assets Held for Purchase or Sale Purposes	54,550,426	10,366,227
	<u>54,550,426</u>	<u>10,366,227</u>

**b- Long Term Financial Investments**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Financial assets at fair value through profit or loss</b>		
- Financial Assets Held for Purchase or Sale Purposes	1,587,567	1,783,554
	<u>1,587,567</u>	<u>1,783,554</u>

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Bank Credits	20,472,600	43,168,002
Loan Interests	1,412,523	1,972,451
Other financial debts **	45,236	638,482
	<u>21,930,359</u>	<u>45,778,935</u>

**b) Short-term Portions of Long-term Loans**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Liabilities Of Rental Transactions *	10,545,599	5,338,238
	<u>10,545,599</u>	<u>5,338,238</u>

**c) Long Term Financial Liabilities**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Liabilities Of Rental Transactions *	28,677,162	33,358,560
	<u>28,677,162</u>	<u>33,358,560</u>

\* The Group has recorded TL 10,545,599 in the short-term portion of long-term liabilities and TL 28,677,162 in the long-term liabilities in scope of TFRS 16, (December 31,2023; The Group has recorded TL 5,338,238 in the short-term portion of long-term liabilities and TL 33,358,560 in the long-term liabilities in the scope of TFRS 16)

\*\* Amounts related with credit card debts.



**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**d) Liabilities of Credits Including Interest and Maturity of Credits**

	<b>September 30, 2024</b>			
	<b>Bank Credits</b>	<b>Leases</b>	<b>Other Debt</b>	<b>Total</b>
Payable within 1 year	21,885,123	10,545,599	45,236	32,475,958
Payable within 2-3 years	-	28,677,162	-	28,677,162
	21,885,123	39,222,761	45,236	61,153,120

  

	<b>December 31, 2023</b>			
	<b>Bank Credits</b>	<b>Leases</b>	<b>Other Debt</b>	<b>Total</b>
Payable within 1 year	45,140,453	5,338,238	638,482	51,117,173
Payable within 2-3 years	-	33,358,560	-	33,358,560
	45,140,453	38,696,798	638,482	84,475,733

**e) Interest Rates of Credits****September 30, 2024**

Currency	Weighted Mean Effective Interest rate (%)	Short Term	Long Term	Short Term TL Amount (Excluding Interest)	Long Term TL Amount (Excluding Interest)
USD	9.5	600,000	-	20,472,600	-
Total			-	20,472,600	-

The interest rates related to USD credits are 9,5 %. The maturity of credits is January 2025.

**December 31, 2023**

Currency	Weighted Mean Effective Interest rate (%)	Short Term	Long Term	Short Term TL Amount (Excluding Interest)	Long Term TL Amount (Excluding Interest)
USD	6-9	1,079,342	-	43,168,002	-
Total			-	43,168,002	-

The interest rates related to USD credits are 6% and 9%. The maturity dates are between March 2024 and June 2024.

**f) Other Financial Liabilities**

As of September 30, 2024, the group has no other financial liabilities. (December 31, 2023 - None.)

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**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)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade Receivables	134,537,778	272,337,302
Trade receivables deferred maturity difference (-)	(2,359,695)	(3,810,369)
Provision for doubtful trade receivables (-)	(564,113)	(925,232)
	<b>131,613,970</b>	<b>267,601,701</b>

As of September 30, 2024 the Group has allocated provision for doubtful receivables for the portion of trade receivables amounting to TL 564,113 (2023: TL 925,232). 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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Opening balance	(925,232)	(1,094,155)
Collections/Provisions No Longer Required	131,163	6,032
Monetary Gains /(Losses)	229,956	362,853
<b>Closing balance</b>	<b>(564,113)</b>	<b>(725,270)</b>

**b) Trade receivables (Long term)**

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

The maturity of Group receivables mainly varies between 30-90 days. The effective weighted average interest rate used for rediscount calculated for foreign currency trade receivables is the Group credit cost rates, DİBS (Government Domestic Borrowing interest rate) and LIBOR rates.

**B-Trade Payables**

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

**a) Trade Payables (Short Term)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade payables	3,964,176	5,599,257
Trade payables deferred maturity difference (-)	(251,725)	(99,728)
	<b>3,712,451</b>	<b>5,499,529</b>

**b) Trade Payables (LongTerm)**

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

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Miscellaneous other receivables	21,464	4,103
	21,464	4,103

**b) Other Receivables (Long term)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Deposits and Guarantees Given	2,123,392	2,486,089
	2,123,392	2,486,089

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Income and stamp tax payable	947,276	1,211,826
VAT payable	2,566,482	12,879,243
Other liabilities payable	82,032	41,898
	3,595,790	14,132,967

**b) Other Payables (Long Term)**

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

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

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

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

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

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Advances received	102,028	89,265
Maintenance, License etc. Income*	26,508,504	33,148,502
Other income	61,183	253,172
	26,671,715	33,490,939

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Maintenance, License etc. Income*	87,966,255	53,248,307
	87,966,255	53,248,307

\* 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.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Business advances	48,158	65,321
Personnel advances	703,856	437,238
	<b>752,014</b>	<b>502,559</b>

**b) Other Fixed Assets**

The Group has no other fixed assets. (December 31, 2023 – None.)

**NOTE 11- INVENTORIES**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade goods	1,538,385	2,605,125
Provision for impairment of inventory (-)	(87,106)	(81,483)
	<b>1,451,279</b>	<b>2,523,642</b>

The impairment of inventory is as follows as of September 30, 2024 and September 30, 2023.

	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Opening balance	(81,483)	(134,263)
Period expense	(5,623)	-
<b>Closing balance</b>	<b>(87,106)</b>	<b>(134,263)</b>

As of September 30, 2024, the group has no inventory which was given as pledge against the loans used. (December 31, 2023-None.)

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Advances Given	4,931,914	957,249
Insurance, repair, maintenance, seminar exp.for following months		9,859,614
	<b>8,567,614</b>	<b>10,816,863</b>

**b) Prepaid Expenses (Long-Term)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Insurance, repair, maintenance, seminar exp.for following years	7,901,419	5,126,166
	<b>7,901,419</b>	<b>5,126,166</b>

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**NOTE 13- GOVERNMENT INCENTIVES AND GRANTS**

The Group benefits from insurance premium incentives in accordance with laws no. 5510, 5746, 6111 and 17103, and from income tax incentives in accordance with laws no. 5746 and 4691. In this context, in the period of September 30, 2024, TL 14,768,947 benefited from Social Security Institution (SGK) premium incentives and TL 36,240,001 from income tax incentives. (December 31, 2023: TL 15,853,531 SGK incentive, TL 47,473,936 income tax incentive).

The amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of September 30, 2024.

**NOTE 14- TANGIBLE FIXED ASSETS**

Movements occurred in tangible fixed assets and respective accumulated depreciation concerning the period ended as of September 30, 2024 and September 30, 2023 are as follows:

<b>September 30, 2024</b>	<b>Fixtures</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b>Cost Value</b>			
Opening balance as of January 1, 2024	29,467,214	4,246,266	33,713,480
Assets acquired through Purchase	4,357,593	1,357,684	5,715,277
Outflows	(230,090)	-	(230,090)
Foreign currency conver.and index differences	(296,159)	-	(296,159)
<b>Closing balance as of September 30, 2024</b>	<b>33,298,558</b>	<b>5,603,950</b>	<b>38,902,508</b>
<b>Accumulated Depreciation</b>			
Opening balance as of January 1, 2024	(22,049,995)	(4,069,881)	(26,119,876)
Period Expense	(2,756,927)	(142,791)	(2,899,718)
Outflows	177,653	-	177,653
Foreign currency conver.and index differences	190,117	-	190,117
<b>Closing balance as of September 30, 2024</b>	<b>(24,439,152)</b>	<b>(4,212,672)</b>	<b>(28,651,824)</b>
<b>Net book value as of September 30, 2024</b>	<b>8,859,406</b>	<b>1,391,278</b>	<b>10,250,684</b>

<b>September 30, 2023</b>	<b>Fixtures</b>	<b>Leasehold Improvements</b>	<b>Total</b>
<b>Cost Value</b>			
Opening balance as of January 1, 2023	26,538,761	4,246,272	30,785,033
Assets acquired through Purchase	2,639,917	-	2,639,917
Outflows	(298,378)	-	(298,378)
Foreign currency conversion and index differences	(48,478)	-	(48,478)
<b>Closing balance as of September 30, 2023</b>	<b>28,831,822</b>	<b>4,246,272</b>	<b>33,078,094</b>
<b>Accumulated Depreciation</b>			
Opening balance as of January 1, 2023	(19,112,790)	(3,995,438)	(23,108,228)
Period Expense	(2,521,570)	(55,998)	(2,577,568)
Outflows	267,640	-	267,640
Foreign currency conversion and index differences	(6,176)	-	(6,176)
<b>Closing balance as of September 30, 2023</b>	<b>(21,372,896)</b>	<b>(4,051,436)</b>	<b>(25,424,332)</b>
<b>Net book value as of September 30, 2023</b>	<b>7,458,926</b>	<b>194,836</b>	<b>7,653,762</b>

**Pledges and Mortgages on Assets**

There are no pledges and mortgages on the tangible assets detailed above as of September 30, 2024 and September 30, 2023.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**NOTE 15- RIGHT OF USE ASSETS**

The balance of the right of use assets as of September 30, 2024 and September 30, 2023 the depreciation and amortization expenses for the relevant period are as follows;

	<b>September 30, 2024</b>	<b>September 30, 2023</b>
<b>Cost Value</b>	<b>Right Of Use Assets</b>	
Opening balance as of January 1	53,002,017	44,521,452
Assets acquired through leasing	11,013,008	35,952,978
Transfers/ Adjustments	(3,473,294)	(26,771,293)
<b>Closing balance as of 30 September</b>	<b>60,541,731</b>	<b>53,703,137</b>
<b>Accumulated Depreciation</b>		
Opening balance as of January 1	(12,093,767)	(29,633,537)
Period expense	(10,561,220)	(4,541,468)
Transfers/ Adjustments	2,983,005	24,573,798
<b>Closing balance as of 30 September</b>	<b>(19,671,982)</b>	<b>(9,601,207)</b>
<b>Net book value as of 30 September</b>	<b>40,869,749</b>	<b>44,101,930</b>

**NOTE 16- INTANGIBLE FIXED ASSETS**

Movements occurred in intangible fixed asses and respective accumulated depreciation concerning the period ended as of September 30, 2024 and September 30, 2023 are as follows:

	<b>September 30, 2024</b>			
<b>Cost Value</b>	<b>Development Expenses Capitalized</b>	<b>Development Expenses in Progress</b>	<b>Other Intangible Assets</b>	<b>Total</b>
Opening balance as of January 1, 2024	502,752,849	48,565,758	3,324,763	554,643,370
Assets acquired through purchase	23,822,870	57,025,568		80,848,438
Outputs	(102,775,305)	-	-	(102,775,305)
Transfers/ Adjustments	27,780,607	(27,780,607)	-	-
Foreign currency conversion and index dif.	(15,336,405)	-	-	(15,336,405)
<b>Closing balance as of September 30, 2024</b>	<b>436,244,616</b>	<b>77,810,719</b>	<b>3,324,763</b>	<b>517,380,098</b>
<b>Accumulated Amortization</b>				
Opening balance as of January 1, 2024	(300,722,570)	-	(3,272,435)	(303,995,005)
Period expense	(29,619,583)	-	(27,952)	(29,647,535)
Outputs	102,775,305	-	-	102,775,305
Foreign currency conversion and index dif.	4,600,930	-	-	4,600,930
<b>Closing balance as of September 30, 2024</b>	<b>(222,965,918)</b>	<b>-</b>	<b>(3,300,387)</b>	<b>(226,266,305)</b>
<b>Net book value as of September 30, 2024</b>	<b>213,278,698</b>	<b>77,810,719</b>	<b>24,376</b>	<b>291,113,793</b>

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**September 30, 2023**

<b>Cost Value</b>	<b>Development Expenses Capitalized</b>	<b>Development Expenses in Progress</b>	<b>Other Intangible Assets</b>	<b>Total</b>
Opening balance as of January 1, 2023	422,663,233	47,647,967	3,324,768	473,635,968
Assets acquired through purchase	13,529,650	38,175,855	-	51,705,505
Transfers/ Adjustments	75,809,510	(75,809,510)	-	-
Foreign currency conversion and index dif.	(2,510,484)	-	-	(2,510,484)
<b>Closing balance as of September 30, 2023</b>	<b>509,491,909</b>	<b>10,014,312</b>	<b>3,324,768</b>	<b>522,830,989</b>
<b>Accumulated Amortization</b>				
Opening balance as of January 1, 2023	(261,163,880)	-	(3,193,485)	(264,357,365)
Period expense	(27,419,223)	-	(59,822)	(27,479,045)
Foreign currency conversion and index dif.	(216,118)	-	-	(216,118)
<b>Closing balance as of September 30, 2023</b>	<b>(288,799,221)</b>	<b>-</b>	<b>(3,253,307)</b>	<b>(292,052,528)</b>
<b>Net book value as of September 30, 2023</b>	<b>220,692,688</b>	<b>10,014,312</b>	<b>71,461</b>	<b>230,778,461</b>

**NOTE 17- ASSETS RELATED TO CURRENT PERIOD TAX**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Prepaid bank withholdings	403,917	126,952
	403,917	126,952

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

**NOTE 18- PERIOD PROFIT TAX LIABILITY**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Prepaid Taxes	403,917	126,952
Current Period Tax Provision (-)	-	-
Period End Asset/Liability	403,917	126,952

**NOTE 19- PAYABLES UNDER EMPLOYEE BENEFITS****a) Payables Under Employee Benefits (Short-Term)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Wages payable to personnel	13,866,101	27,113,963
Social security premium payable	4,340,675	6,877,273
	18,206,776	33,991,236

The social security premiums to be paid, TL 4,340,675 and the wages to be paid to the personnel TL, 13,866,101 belong to September 2024 and were paid in October 2024.

(December 31, 2023: Social security premiums to be paid, TL 6,877,273, and wages to be paid to the personnel, TL 27,113,963, were paid in January 2024.)

**b) Liabilities Under Employee Benefits (Long-Term)**

As of September 30, 2024, the Group does not have any long-term Liabilities Under Employee Benefits (December 31, 2023 - None.)

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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

	September 30, 2024	December 31, 2023
Other expense provisions	2,186,136	10,908,565
Other expense accruals	132,676	1,196,772
	2,318,812	12,105,337

**b) Other Liabilities (Long Term)**

As of September 30, 2024, there is no other long-term liability amount. (December 31, 2023- None)

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

The tables regarding the collateral / pledge / mortgage ("CPM") position given by the group as of September 30, 2024 and December 31, 2023 are as follows.

	September 30, 2024		December 31, 2023	
	Currency Amount	TL Equivalent	Currency Amount	TL Equivalent*
<b>A. CPM Given On Behalf of Its Own Legal Entity</b>				
<b>a) Letters of Guarantee</b>				
-TL	3,494,228	3,494,228	3,741,894	3,741,894
-USD	302,727	10,329,348	824,063	36,239,204
<b>b) Pledges</b>				
-TL	--	--	--	--
<b>B. Total Amount of CPM Given on Behalf of Subsidiaries Included in Full Consolidation</b>				
<b>a) Collateral</b>				
-TL	--	--	--	--
<b>b) Pledges</b>				
-TL	--	--	--	--
<b>D. Total Amount of Other CPMs</b>				
i. Total amount of GPMs given in favor of the parent company	--	--	--	--
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	--	--	--	--
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	--	--	--	--
<b>Total</b>	<b>13,823,576</b>		<b>39,981,098</b>	

\* Amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of September 30, 2024.

**b) Collaterals, pledges and mortgages received by the Group**

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



**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**NOTE 22- SHORT/LONG-TERM PROVISIONS**

**a) Short-Term Provisions for Employee Benefits**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Unused Leave Provisions	12,821,015	9,044,818
	12,821,015	9,044,818

**The movements of unused leave provisions are as follows:**

	<b>January 1,2024</b>	<b>January 1,2023</b>
	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Opening Balance January 1	(9,044,818)	(8,542,814)
Provisions Calculated In The Period	(6,795,895)	(5,230,220)
Provisions No Longer Required	632,335	323,677
Monetary Gains/Losses	2,387,363	4,818,443
<b>Period End Provision</b>	<b>(12,821,015)</b>	<b>(8,630,914)</b>

**Seniority Incentive Bonus**

As of September 30, 2024, there is no liability amount related to seniority incentive bonus. (December 31, 2023 - None).

**Other**

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

**b) Long-Term Provisions for Employee Benefits**

**- Provision for Severance Pay**

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

As of September 30, 2024 the severance pay to be paid is subject to a monthly ceiling of TL 41,828 (2023: TL 23,490). Severance payment liability is calculated based on the estimation for the present value of the future potential obligations of the Company arising from the retirements of its employees. IAS 19 "Employee Benefits" (amended) sets forth actuarial valuation methods for the calculation of Company's liabilities within the scope of defined benefit plans. Accordingly, actuarial assumptions used in the calculation of total liabilities are indicated below.

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

Main assumption is an increase in maximum liability for each service year in parallel to inflation rate. Therefore, the discount rate being applied implies the anticipated real interest rate after the adjustment of inflation effects in future. The liabilities in the attached financial statements as of the dates September 30, 2024 are 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 41,828 (2023: TL 35,059), effective as of July 1, 2024, was taken into account in calculating the Company's severance pay provision.

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

**Long-term Provisions Related to Employee Benefits**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Provision for severance pay	6,060,821	3,882,795
	6,060,821	3,882,795

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

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

As of September 30, 2024, the capital of the Group is TL 85,611,078, (December 31, 2023: TL 85,611,078) and the registered capital ceiling is TL 500,000,000.(\*)(December 31, 2023: TL 150,000,000)

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

Name	September 30, 2024		December 31, 2023	
	Share Ratio %	Share Amount	Share Ratio %	Share Amount
Lütfi Yenel	17,62	15,082,168	24,44	20,926,797
Zeynep Yenel Onursal	13,00	11,129,444	10,00	8,561,112
Other	69,38	59,399,466	65,56	56,123,169
<b>Paid-in Capital</b>	<b>100,00</b>	<b>85,611,078</b>	<b>100,00</b>	<b>85,611,078</b>
<b>Capital Adjustment Differences</b>		<b>217,301,551</b>		<b>217,301,551</b>
<b>Total</b>		<b>302,912,629</b>		<b>302,912,629</b>

**b) Share Premiums (Discounts)**

	September 30, 2024	December 31, 2023
Share Premiums (Discounts)	1,613,041	1,613,041
	1,613,041	1,613,041

**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, 2024 September 30, 2024	January 1, 2023 September 30, 2023
Opening Balance	(2,859,538)	(882,192)
Actuarial Gain / (Loss)	(2,292,484)	(1,458,069)
Deferred Tax Asset	573,121	364,517
Current Year Total	(1,719,363)	(1,093,552)
<b>Net Actuarial Gains / Losses</b>	<b>(4,578,901)</b>	<b>(1,975,744)</b>

**d) Foreign currency conversion difference**

	September 30, 2024	December 31, 2023
Foreign currency conversion difference	(100,036,913)	(88,727,348)

**e) Restrained Reserves from Profit**

	September 30, 2024	December 31, 2023
Legal Reserves	20,410,648	20,410,648
Venture Capital Fund	2,024,760	2,024,760
	22,435,408	22,435,408

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**f) Previous Year Profits / Losses**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Previous Year Profits / Losses	189,430,682	118,884,014

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

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Domestic Sales	140,184,646	144,912,564	35,980,857	77,379,309
Export Sales	83,308,092	112,423,499	16,385,849	13,731,723
Sales Returns (-)	(5,045,637)	(9,334,589)	(197,306)	(9,334,589)
Sales Discount (-)	(64,179)	-	(64,179)	-
Net Sales	218,382,922	248,001,474	52,105,221	81,776,443

**b) Cost of Sales (-)**

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Cost of Service Sold(-)	(34,506,457)	(34,326,567)	(9,058,942)	(10,753,026)
	(34,506,457)	(34,326,567)	(9,058,942)	(10,753,026)

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

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
a)General Administrative Exp. (-)	(37,037,939)	(32,168,883)	(10,946,404)	(10,668,029)
b)Marketing Expenses (-)	(76,385,059)	(88,857,250)	(25,152,456)	(23,793,599)
c)Research & Develop.Exp. (-)	(88,863,106)	(75,933,060)	(31,273,037)	(31,581,740)
Total	(202,286,104)	(196,959,193)	(67,371,897)	(66,043,368)

<b>a)General Administrative Exp.</b>	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Personnel Wages	(25,400,991)	(23,828,388)	(7,665,699)	(7,779,099)
Depreciation Costs	(673,559)	(356,340)	(186,083)	(59,255)
Taxes, Duties and Charges	(369,098)	(313,534)	(113,886)	(71,503)
Communication Expenses	(80,461)	(94,534)	(33,233)	(36,931)
Travel Expenses	(1,764,760)	(1,251,848)	(373,326)	(662,932)
Vehicle Expenses	(274,251)	(260,472)	(104,990)	(137,593)
Outsourced Benefits and Services	(5,128,789)	(2,273,048)	(1,665,330)	(820,066)
Miscellaneous Expenses	(3,179,768)	(3,784,298)	(744,537)	(1,098,395)
Bank and Commission Expenses	(166,262)	(6,421)	(59,320)	(2,255)
Total	(37,037,939)	(32,168,883)	(10,946,404)	(10,668,029)

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

<b>b) Marketing Expenses</b>	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Personnel Wages	(48,655,573)	(44,135,674)	(16,747,762)	(13,394,931)
Depreciation Costs	(8,213,262)	(5,265,917)	(2,422,281)	2,252,172
Taxes, Duties and Charges	(786,148)	(557,681)	(270,842)	(142,712)
Communication Expenses	(271,349)	(300,052)	(101,950)	(82,512)
Travel Expenses	(2,286,044)	(3,621,806)	(840,255)	(2,228,084)
Vehicle Expenses	(552,686)	(422,867)	(271,604)	(165,542)
Marketing Expenses	(3,287,149)	(16,207,455)	(801,533)	(1,819,932)
Outsourced Benefits and Services	(2,408,327)	(2,698,264)	(1,052,155)	(670,757)
Miscellaneous Expenses	(6,951,139)	(13,489,771)	(1,342,324)	(7,010,758)
Sales Commissions	(2,973,382)	(2,157,763)	(1,301,750)	(530,543)
<b>Total</b>	<b>(76,385,059)</b>	<b>(88,857,250)</b>	<b>(25,152,456)</b>	<b>(23,793,599)</b>

<b>c) Research &amp; Development Exp.</b>	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Personnel Wages	(41,622,181)	(37,987,945)	(14,023,670)	(15,790,758)
Depreciation Costs	(33,396,537)	(28,199,684)	(8,265,251)	(12,631,421)
Communication Expenses	(117,109)	(110,917)	(52,717)	(36,346)
Travel Expenses	(262,361)	(904,327)	(70,825)	(333,963)
Vehicle Expenses	(146,352)	(71,148)	(64,213)	(26,960)
Outsourced Benefits and Services	(2,798,174)	(5,835,364)	(148,255)	(1,898,882)
Miscellaneous Expenses	(3,249,328)	(2,823,675)	(1,377,042)	(863,410)
<b>Total</b>	<b>(81,592,042)</b>	<b>(75,933,060)</b>	<b>(24,001,973)</b>	<b>(31,581,740)</b>

**NOTE-26 OTHER INCOME/EXPENSES FROM MAIN OPERATIONS**

Details of operating income related to the years to end after September 30, 2024 and September 30, 2023 are as follows:

**a) Other Income From Main Operations**

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Exch.Rate Diff.Inc. From Operation	24,576,336	42,793,115	4,562,052	6,206,312
Collection/Cancel.of Prov.for Receivables In Prosecution	131,163	6,032	-6,649	-59,679
Reversal of Empl.Term. Benefit Prov.	64,866	115,372	-395,753	76,911
Maturity Difference Inc.Accrued	4,092,792	2,237,575	129,896	208,024
Provisions No Longer Required	949,475	1,683,953	167,816	184,214
Other ordinary income / profit	839,444	1,442,294	122,453	234,588
Other	233,881	491,777	112,295	52,918
Income from Incentives	1,739,977	4,189,112	758,941	2,317,153
	<b>32,627,934</b>	<b>52,959,230</b>	<b>5,451,051</b>	<b>9,220,441</b>

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**b) Other Expenses From Main Operations**

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Exch.Rate Dif.Expen. From Operations	(4,631,872)	(4,995,927)	-608,183	-395,952
Maturity Difference Expense Accrued	(2,747,188)	(1,327,190)	677,847	246,647
Provision for Inventory Impairment	-6,309	-	25,4	26,173
Provision for Doubtful Receivables	(6,978,111)	(9,901,462)	(2,646,950)	(3,685,142)
	(14,363,480)	(16,224,579)	(2,551,886)	(3,808,274)

**NOTE 27- FINANCING INCOME/ EXPENSES AND NET MONETARY POSITION GAINS (LOSSES)****a) Financing Income**

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Interest income	6,355,352	930,864	2,855,828	742,224
Exchange rate difference income	11,240,176	31,259,639	3,097,468	6,013,631
	17,595,528	32,190,503	5,953,296	6,755,855

**b) Financing Expenses**

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Bank interest expenses	(3,256,117)	(9,243,109)	-776,198	(2,391,591)
Exchange rate difference expense	(7,927,043)	(29,177,965)	(1,037,958)	(4,198,199)
Interest Exp.of Right-of-Use Ass.	(2,810,595)	(1,148,514)	(1,398,293)	925,601
	(13,993,755)	(39,569,588)	(3,212,449)	(5,664,189)

**c) Net Monetary Position Gains (Losses)**

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>	<b>July 1- September 30,2024</b>	<b>July 1- September 30,2023</b>
Net Monetary Position Gain (Loss)	(57,480,333)	(48,655,352)	(21,910,171)	(24,666,443)
	(57,480,333)	(48,655,352)	(21,910,171)	(24,666,443)

**NOTE 28- 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 Turkish is 25% for 2024. (25% for 2023)

The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions and deducting

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

the exemptions and deductions in the tax laws. If the profit is not distributed, no other tax is paid and all or part of the profit is paid as dividend;

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

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

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

Within the scope of the Temporary Article added to the Technology Development Zones Law No. 4691 with Article 44 of Law No. 5035, income and corporate taxpayers operating in technology development zones will be able to keep their earnings exclusively from software and R&D activities in this zone until September 30, 2024. It is exempt from income and corporate tax.

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

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

**b) Deferred tax**

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

In the deferred tax calculations in the financial statements dated September 30, 2024, 25% is used as the tax rate by taking into consideration of tax differences in the following years.

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

<b>Deferred Tax (Assets)/Liabilities:</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Cash and Equivalents	(5,837)	9
Trade Receivables	696,967	1,166,874
Other Receivables	(2,030)	-
Inventories	155,046	(21,476)
Prepaid Expenses	28,846	(62,676)
Tangible, Intangible Fixed Assets and Depr.Diff.	(6.885.287)	1,429,172
Right of Use Assets	(5,100,588)	(3,719,790)
Credits and Leases	17,733	-
Trade payables	(62,179)	(24,931)
Provision for Severance Pay	1,515,205	970,705
Leave Provisions	3,205,254	2,261,218
Financial Investment	(17,049)	-
Deferred Income	521,698	291,618
Previous Years' Losses	8,471,095	-
R&D Deduction	8,189,056	-
<b>Total</b>	<b>10,727,930</b>	<b>2,290,723</b>

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

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

	January 1- September 30, 2024	January 1- September 30, 2023
Opening balance as of January 1	2,290,723	(8,577,346)
Deferred tax income/expense for the period	7,864,086	(4,885,205)
Reflected to Comprehensive Income	573,121	364,517
Current Period / Previous Period	10,727,930	(13,098,034)

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 presented in the records in previous periods is presented in the records of the current year.

**NOTE 29- 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- September 30,2024	January 1- September 30,2023	July 1- September 30,2024	July 1- September 30,2023
Net period profit / loss	(36,903,700)	(5,171,486)	(24,327,738)	(15,201,974)
Number of Shares	85,611,078	42,805,539	85,611,078	42,805,539
Profit / loss per share	(0,431)	(0,121)	(0,284)	(0,355)

**NOTE 30- RELATED PARTY DISCLOSURES****a) Related Parties End-of-Period Balance Sheet Balances**

None. (December 31, 2023: None)

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

None. (December 31, 2023: None)

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

	January 1- September 30,2024	January 1- September 30,2023
Wages and other short-term benefits (Net)	8,289,912	7,345,531
	8,289,912	7,345,531

**NOTE 31- 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.

**Credit 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.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, 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			
	Related Party	Other Party	Related Party	Other Party		
<b>September 30, 2024</b>						
Maximum credit risk exposed as of the reporting date (*)	-	133,973,665	-	2,144,856	35,054,171	389,612
- 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	-	133,973,665	-	2,144,856	35,054,171	389,612
B. Net book value of assets overdue but not undergone impairment	-	-	-	-	-	-
C. Net book value of assets undergone impairment	-	-	-	-	-	-
- Overdue (Gross Book Value)	-	564,113	-	-	-	-
- Impairment (-)	-	(564,113)	-	-	-	-
- 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			
	Related Party	Other Party	Related Party	Other Party		
<b>December 31, 2023</b>						
Maximum credit risk exposed as of the reporting date (*)	-	271,412,070	-	2,490,192	71,464,527	433,210
- 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	-	271,412,070	-	2,490,192	71,464,527	433,210
B. Net book value of assets overdue but not undergone impairment	-	-	-	-	-	-
C. Net book value of assets undergone impairment	-	-	-	-	-	-
- Overdue (Gross Book Value)	-	925,232	-	-	-	-
- Impairment (-)	-	(925,232)	-	-	-	-
- Part of the net value secured by means of guarantee, etc.	-	-	-	-	-	-
D. Items involving credit risk which are not included in the statement of financial position	-	-	-	-	-	-



**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

**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.

As of the balance sheet dates, the Group's foreign currency assets and liabilities in original and Turkish Lira currency units are presented in the following foreign currency position tables:

**Foreign exchange position table**

<b>September 30, 2024</b>	<b>Total TL Equivalent</b>	<b>US Dollar</b>	<b>Euro</b>	<b>GBP</b>	<b>Other</b>
Cash and Cash Equiv. & Fin.Invest.	74,784,863	1,909,492	239,548	-	1,337,812
Short Term Trade Receivables	100,870,114	2,753,090	-	-	19,034,351
Short-term Other Assets	4,574,910	134,079	-	-	-
Long Term Trade Receivables	1,271,690	37,270	-	-	-
Short and Long Term Financial Liabilities	(20,472,600)	(600,000)	-	-	-
Other Monetary Liabilities	(103,625)	(3,037)	-	-	-
Short-term Trade Payables	(2,030,448)	(42,567)	(7,346)	(6,520)	-
<b>Net Foreign Currency Position</b>	<b>158,894,904</b>	<b>4,188,327</b>	<b>232,202</b>	<b>(6,520)</b>	<b>20,372,163</b>
Monetary Items Net Foreign Exchange Asset(Liability) Position	154,319,994	4,054,248	232,202	(6,520)	20,372,163
Export	59,195,929	1,728,620	-	-	213,686

**Foreign exchange position table \*  
December 31,2023**

	<b>Total TL Equivalent</b>	<b>US Dollar</b>	<b>Euro</b>	<b>GBP</b>	<b>Other</b>
Cash and Cash Equiv. & Fin.Invest.	53,378,366	1,219,885	68,654	-	3,500,952
Short Term Trade Receivables	143,115,523	3,475,213	29,000	-	6,414,346
Long Term Trade Receivables	1,490,604	37,270	-	-	-
Short and Long Term Financial Liabilities	(76,801,017)	(1,920,278)	-	-	-
Short-term Trade Payables	(4,251,860)	(95,561)	(6,843)	(20)	(284,565)
<b>Net Foreign Currency Position</b>	<b>116,931,616</b>	<b>2,716,529</b>	<b>90,811</b>	<b>(20)</b>	<b>9,630,773</b>
Monetary Items Net Foreign Exchange Asset(Liability) Position	116,931,616	2,716,529	90,811	(20)	9,630,773
Export	144,473,983	3,364,462	223,915	-	8,733

(\*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of September 30, 2024.

**Foreign Exchange Sensitiveness Analysis**

The table below demonstrates the group's sensitivity to the 10% increase and decrease in USD and Euro currencies. Whereas the 10% rate is the rate used during the reporting of the exchange risk to senior executives, and the said rate states the potential change the management expects to see in the exchange rate. Sensitivity analysis only covers the foreign currency monetary items at the end of year and shows the influences of 10% exchange rate change of the said items. Positive value states increase in profit/ loss. As can be seen in the following Exchange Rate Sensitivity Analysis Statement, gross profit would be TL 15,889,491 more/less. (December 31, 2023- TL 11,693,159)

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

Foreign Currency Position Table	September 30, 2024			
	Profit/Loss		Equity	
	Increase of Foreign Currency	Decrease of Foreign Currency	Increase of Foreign Currency	Decrease of Foreign Currency
<b>In case US Dollar changes 10% against TL:</b>				
1- US Dollar net asset/liability	14,290,991	(14,290,991)	14,290,991	(14,290,991)
2- The part secured against US Dollar risk (-)	-	-	-	-
<b>3- US Dollar Net Effect(1+2)</b>	14,290,991	(14,290,991)	14,290,991	(14,290,991)
<b>In case EURO changes 10% against TL:</b>				
4- EURO net asset/liability	886,348	(886,348)	886,348	(886,348)
5- The part secured against EURO risk (-)	-	-	-	-
<b>6- Euro Net Effect(4+5)</b>	886,348	(886,348)	886,348	(886,348)
<b>In case Oth. Currencies change 10% against TL:</b>				
7-Other exchange net asset / liability	712,152	(712,152)	712,152	(712,152)
8- The part secured against other curr. risk (-)	-	-	-	-
9- Other Curr. Net Effect (7+8)	712,152	(712,152)	712,152	(712,152)
TOTAL(3+6+9)	15,889,491	(15,889,491)	15,889,491	(15,889,491)
<b>Foreign Currency Position Table *</b>	<b>December 31, 2023</b>			
	Profit/Loss		Equity	
	Increase of Foreign Currency	Decrease of Foreign Currency	Increase of Foreign Currency	Decrease of Foreign Currency
<b>In case US Dollar changes 10% against TL:</b>				
1- US Dollar net asset/liability	10,864,685	(10,864,685)	10,864,685	(10,864,685)
2- The part secured against US Dollar risk (-)				
<b>3- US Dollar Net Effect(1+2)</b>	10,864,685	(10,864,685)	10,864,685	(10,864,685)
<b>In case EURO changes 10% against TL:</b>				
4- EURO net asset/liability	401,883	(401,883)	401,883	(401,883)
5- The part secured against EURO risk (-)				
<b>6- Euro Net Effect(4+5)</b>	401,883	(401,883)	401,883	(401,883)
<b>In case Oth. Currencies change 10% against TL:</b>				
7-Other exchange net asset / liability	426,591	(426,591)	426,591	(426,591)
8- The part secured against other curr. risk (-)				
9- Other Curr. Net Effect (7+8)	426,591	(426,591)	426,591	(426,591)
TOTAL(3+6+9)	11,693,159	(11,693,159)	11,693,159	(11,693,159)

(\*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of September 30, 2024.

**Interest Rate Risk Management and Interest Rate Sensitivity**

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

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

**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.

**KRON TEKNOLOJİ A.Ş. AND SUBSIDIARY'S****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR SEPTEMBER 30, 2024**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of September 30, 2024, unless otherwise stated)

	<b>September 30,2024</b>	<b>December 31, 2023</b>
Total Debts	222,506,755	249,871,661
Cash and Cash Equivalents	35,443,783	71,897,737
Net Debt	187,062,972	177,973,924
Equities	374,872,246	424,804,874
Equity / Net Debt Rate	2.00	2.39

**NOTE 32- POST-BALANCE SHEET EVENTS****September 30, 2024**

- Financial statements are approved on November 11, 2024 by the Board of Directors.

**December 31, 2023**

- Severance pay ceiling amount has become TL 41,828 as of January 1, 2024.

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

**NOTE 33- OTHER MATTERS****a) Financial Statement Disclosures:**

- As of September 30, 2024 total insurance amount of asset values is USD 550,480. (December 31, 2023: USD 431,680)

**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 34- COMPLEMENTARY OTHER INFORMATION****EBITDA RECONCILIATION**

EBITDA is not a performance measure defined under TFRS. The EBITDA reconciliation for the periods ending on September 30, 2024, and September 30, 2023, is as follows:

	<b>January 1- September 30,2024</b>	<b>January 1- September 30,2023</b>
Main Operating Income (Loss)	7,125,879	53,450,365
Depreciation and amortization of tangible and intangible fixed assets and right-of-use assets	43,108,473	34,598,081
EBITDA	50,234,352	88,048,446