

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED FINANCIAL STATEMENTS AND NOTES
AS OF JANUARY 1, 2026-MARCH 31, 2026
(Convenience Translation into English)**

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

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**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of March 31, 2026, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer	Interim Reviewed Current Period March 31, 2026	Independently Audited Previous Period December 31, 2025
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	124,400,695	133,759,478
Trade Receivables	7	224,366,623	279,056,181
-Trade Receivables from Unrelated Parties		224,366,623	279,056,181
Other Receivables		3,928,812	653,819
-Other Receivables from Unrelated Parties		3,928,812	653,819
Receivables Arising from Contracts with Customers	9	27,409,069	-
-Contractual Assets from Sales of Goods and Services		27,409,069	-
Inventories	10	4,791,966	4,370,324
Prepaid Expenses	11	24,980,985	15,839,841
- Prepaid Expenses to Unrelated Parties		24,980,985	15,839,841
Current Tax Assets		213,212	3,669,524
Other Current Assets		2,058,906	666,017
-Other Current Assets from Unrelated Parties		2,058,906	666,017
SUB TOTAL		412,150,268	438,015,184
TOTAL CURRENT ASSETS		412,150,268	438,015,184
NON-CURRENT ASSETS			
Financial Investments	5	6,480,996	6,694,327
Financial Assets Fair Value Reflected To Profit/Loss		6,480,996	6,694,327
-Financial Assets Held With The Aim Of Purchase and Sale		6,480,996	6,694,327
Other Receivables	8	2,787,769	2,987,587
-Other Receivables From Unrelated Parties		2,787,769	2,987,587
Tangible Fixed Assets	13	11,919,078	12,707,731
-Furniture and fixtures		10,471,535	11,141,189
-Special Cost		1,447,543	1,566,542
Right-Of-Use Assets	14	38,040,770	35,111,860
Intangible Fixed Assets	15	835,699,404	782,302,521
- Capitalized Development Costs		630,193,503	543,594,892
- Other Intangible Fixed Assets		205,505,901	238,707,629
Prepaid Expenses	11	2,788,837	3,602,180
- Prepaid Expenses to Unrelated Parties		2,788,837	3,602,180
Deferred Tax Asset	25	4,921,494	19,945,346
Total Non-Current Assets		902,638,348	863,351,552
TOTAL ASSETS		1,314,788,616	1,301,366,736

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of March 31, 2026, unless otherwise stated.)

		Interim Reviewed	Independently Audited
Statement of Financial Position (Balance Sheet)	Note Refer	Current Period March 31, 2026	Previous Period December 31, 2025
Liabilities			
Short-Term Liabilities			
Short-Term Borrowings	6	54,129,092	49,888,564
- Short-Term Borrowings From Unrelated Parties		54,129,092	49,888,564
- Bank credits		53,884,217	49,134,155
- Other Short Term Liabilities		244,875	754,409
Short-Term Portion of Long-term Borrowings	6	18,313,786	13,611,311
Short-Term Portion of Long Term Borrowings From Unrelated Parties		18,313,786	13,611,311
- Debts from Leasing Transactions		18,313,786	13,611,311
Trade Payables	7	15,131,724	12,990,648
- Trade Payables to Unrelated Parties		15,131,724	12,990,648
Payables in Scope of Employee Benefits	16	43,692,624	58,547,560
Other Payables	8	7,412,307	20,084,677
- Other Payables to Unrelated Parties		7,412,307	20,084,677
Liabilities Arising from Contracts with Customers	9	212,875,402	161,487,736
- Contractual Liabilities From Sales Of Goods and Services		212,875,402	161,487,736
Short-Term Provisions	18	22,265,579	21,820,543
- Short-Term Provisions for Employee Benefits		22,265,579	21,820,543
Other Short-Term Liabilities		2,429,447	18,308,182
- Other Short-Term Liabilities to Unrelated Parties		2,429,447	18,308,182
SUB-TOTAL		376,249,961	356,739,221
TOTAL SHORT-TERM LIABILITIES			
		376,249,961	356,739,221
Long-Term Liabilities			
Long Term Borrowings	6	21,922,217	22,575,196
Long Term Borrowings From Unrelated Parties		21,922,217	22,575,196
- Loans From Lease Transactions		21,922,217	22,575,196
Other Payables	8	1,376,279	1,461,597
Other Payables to Unrelated Parties		1,376,279	1,461,597
Liabilities Arising from Contracts with Customers	9	86,013,340	97,250,072
Contractual Liabilities From Sales of Goods and Services		86,013,340	97,250,072
Long-Term Provisions	18	4,437,234	8,994,740
Long-Term Provisions For Employee Benefits		4,437,234	8,994,740
TOTAL LONG-TERM LIABILITIES		113,749,070	130,281,605
TOTAL LIABILITIES		489,999,031	487,020,826

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of March 31, 2026, unless otherwise stated.)

Statement of Financial Position (Balance Sheet)	Note Refer	Interim Reviewed Current Period March 31, 2026	Independently Audited Previous Period December 31, 2025
EQUITY			
Equity Attributable To Owners of Parent Company		824,789,585	814,345,910
Paid In Capital	19	171,222,156	171,222,156
Capital Adjustment Differences	19	398,129,566	398,129,566
Share Premium (Discount)	19	3,130,535	3,130,535
Accumulated other comprehensive income/(expense) not to be reclassified in Profit/Loss		(8,254,162)	(8,403,506)
<i>Revaluation measurement gains/losses</i>		<i>(8,254,162)</i>	<i>(8,403,506)</i>
<i>- Actuarial Gain/Loss Fund from defined benefit plan</i>	19	<i>(8,254,162)</i>	<i>(8,403,506)</i>
Accumulated other comprehensive income/(expense) to be reclassified in Profit/Loss		(144,858,596)	(151,928,534)
<i>Foreign currency conversion differences</i>	19	<i>(144,858,596)</i>	<i>(151,928,534)</i>
Restrained Reserves From Profit		57,251,115	49,155,366
<i>Legal Reserves</i>	19	<i>48,303,585</i>	<i>40,207,836</i>
<i>Venture Capital Fund</i>	19	<i>8,947,530</i>	<i>8,947,530</i>
Previous Years' Profits/(Losses)	19	344,944,578	191,394,427
Net Profit (Loss) For The Period	26	3,224,393	161,645,900
TOTAL EQUITY		824,789,585	814,345,910
TOTAL LIABILITIES		1,314,788,616	1,301,366,736

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1,
2026 – MARCH 31, 2026**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of March 31, 2026, unless otherwise stated.)

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT	Note Refer	Interim Reviewed Current Period January 1- March 31, 2026	Interim Reviewed Previous Period January 1- March 31, 2025
Revenue	20	137,278,270	121,928,620
Cost of Sales (-)	20	(12,079,912)	(9,044,420)
GROSS PROFIT (LOSS) FROM TRADE OPERATIONS		125,198,358	112,884,200
GROSS PROFIT/LOSS		125,198,358	112,884,200
General Administrative Expenses	21	(12,448,099)	(15,629,423)
Marketing Expenses	21	(41,271,073)	(46,004,109)
Research and Development Expenses	21	(38,155,995)	(28,847,296)
Other Operating Income	22	16,983,107	26,485,915
Other Operating Expenses	22	(3,939,638)	(4,866,844)
OPERATING LOSS/PROFIT		46,366,660	44,022,443
Income From Investment Operations	23	3,283,180	1,826,004
OPERATING PROFIT/LOSS BEFORE FINANCIAL INCOME (EXPENSE)		49,649,840	45,848,447
Financial Income	24	3,449,248	5,582,889
Financial Expense (-)	24	(5,104,260)	(7,937,733)
Net Monetary Position Gains (Losses)	24	(29,797,136)	(19,383,816)
PRE-TAX PROFIT/LOSS MARGIN FROM CONTINUING OPERATIONS		18,197,692	24,109,787
Continuing Operations Tax Expense/Income		(14,973,299)	(3,624,196)
Deferred Tax Expense/Income	25	(14,973,299)	(3,624,196)
CURRENT PROFIT / LOSS FROM CONTINUING OPERATIONS PERIOD PROFIT/LOSS		3,224,393	20,485,591
Distribution of Period Loss/Profit		3,224,393	20,485,591
Shares of Main Partnership		3,224,393	20,485,591
-Earnings per Share from Continuing Operations	26	0.019	0.239

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD JANUARY 1,
2026 – MARCH 31, 2026**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of March 31, 2026, unless otherwise stated.)

		Interim Reviewed	Interim Reviewed
	Note Refer	Current Period January 1- March 31, 2026	Previous Period January 1- March 31, 2025
OTHER COMPREHENSIVE INCOME STATEMENT			
PERIOD PROFIT (LOSS)		3,224,393	20,485,591
OTHER COMPREHENSIVE INCOME SECTION			
Not to be Reclassified in Profit or Loss		149,344	351,392
Remeasurement Profit of Defined Benefit Plans, Before Tax	18-19	199,897	468,523
Tax Related To Income (Loss) that will not be Reclassified in Profit or Loss		(50,553)	(117,131)
<i>-Deferred Tax Income/ Expense</i>	25	<i>(50,553)</i>	<i>(117,131)</i>
To be Reclassified in Profit or Loss		7,069,938	(6,699,540)
Other Comprehensive Income Related to Foreign Currency Conversion Differences From Foreign Operations, Net of Tax		7,069,938	(6,699,540)
<i>-Gains (Losses) from Foreign Currency Conversion Differences From Foreign Operations , Net of Tax</i>	19	<i>7,069,938</i>	<i>(6,699,540)</i>
OTHER COMPREHENSIVE INCOME (LOSS)		7,219,282	(6,348,148)
TOTAL COMPREHENSIVE INCOME (LOSS)		10,443,675	14,137,443

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF JANUARY 1- 2026-MARCH 31, 2026**

(Amounts are expressed in Turkish Lira (TL) based on purchasing power of TL as of March 31, 2026, unless otherwise stated.)

		Equity attributable to owners of parent company								
					Other Accumulated comprehensive income/(expense) that will not to be reclassified in Profit/Loss	Other Accumulated comprehensive income/(expense) that will be reclassified in Profit/Loss				
					Revaluation and Measurement Gains/Losses			Accumulated Losses		
	Statement of Changes in Equity	Paid-in Capital	Capital Adjustment Differences	Share Issue Premium / Discounts	Actuarial Gains/Losses Due to Remeasurement of Defined Benefit Plan	Foreign currency conversion differences	Restricted Reserves on Retained Earnings	Previous Period Profit / Loss	Net Profit Or Loss	Equity
Previous Period	Balances as of 1 January 2025	85,611,078	378,054,239	2,469,067	(6,483,822)	(151,277,922)	49,155,733	252,940,760	(61,544,907)	548,924,226
	Transfers				-	-	-	(61,544,907)	61,544,907	-
	Total comprehensive income (Expense)				351,392	(6,699,540)			20,485,591	14,137,443
	Period Profit (Loss)								20,485,591	20,485,591
	Other Comprehensive Income (Expense)				351,392	(6,699,540)				(6,348,148)
	Balances as of March 31, 2025	85,611,078	378,054,239	2,469,067	(6,132,430)	(157,977,462)	49,155,733	191,395,853	20,485,591	20,485,591
Current Period	Balances as of 1 January 2026	171,222,156	398,129,566	3,130,535	(8,403,506)	(151,928,534)	49,155,366	191,394,427	161,645,900	814,345,910
	Transfers						8,095,749	153,550,151	(161,645,900)	-
	Total comprehensive income (Expense)				149,344	7,069,938			3,224,393	10,443,675
	Period Profit (Loss)								3,224,393	3,224,393
	Other Comprehensive Income (Expense)				149,344	7,069,938				7,219,282
	Balances as of March 31, 2026	171,222,156	398,129,566	3,130,535	(8,254,162)	(144,858,596)	57,251,115	344,944,578	3,224,393	3,224,393

Enclosed notes are integral parts of these statements

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

		Interim Reviewed	
TFRS- CASH FLOW STATEMENT (Indirect Method)	Note Refer	Current Period January 1, - March 31, 2026	Previous Period January 1, - March 31, 2025
CASH FLOWS OBTAINED FROM OPERATIONS		75,024,041	(11,486,225)
Period Profit / Loss		3,224,393	20,485,591
<i>Period Profit / (Loss) from Continuing Operations</i>		<i>3,224,393</i>	<i>20,485,591</i>
Adjustments Related to Net Period Profit/ (Loss) Reconciliation		37,297,886	(18,120,606)
<i>Adjustments Related to Depreciation/Amort, Exp</i>		<i>25,766,034</i>	<i>17,640,337</i>
<i>Adjustments Related To Impairment (Cancellation)</i>		<i>(101,681)</i>	<i>167,537</i>
<i>Adjust,Rel,To Impairment (Cancel.) of Receivables</i>		<i>(101,681)</i>	<i>335,298</i>
<i>Adjust,Rel,To Impairment (Cancel.) of Inventory</i>		<i>-</i>	<i>(167,761)</i>
Adjustments Related to Provisions		(15,006,140)	5,562,719
<i>Adjust,Rel, to Prov,(Cancel,) for Employee Benefits</i>		<i>2,436,295</i>	<i>5,600,995</i>
<i>Adjust,Rel, to General Provisions (Cancellations)</i>		<i>(17,442,435)</i>	<i>(38,276)</i>
Adjustments Rel, To Interest (Income) and Exp,		1,716,012	(3,086,788)
<i>Adjustments Related To Interest Income</i>		<i>(1,194,150)</i>	<i>(3,163,485)</i>
<i>Adjustments Related To Interest Expenses</i>		<i>2,910,162</i>	<i>76,697</i>
Adjust,Rel,to Unrealized Foreign Curr,Conversion Diff,		6,241,014	(12,531,778)
Adjustments Related to Tax Expense / Income		14,973,299	3,624,196
Other Adjustments Related to Nonmonetary Items		265,683	824,668
Adjustments for Monetary Position Gains (Losses) (+/-)		3,443,665	(30,321,497)
Changes in Working Capital		39,023,386	(12,665,960)
Adjust,in (Increase)/Decr,in Trade Receivables <i>(Increase)/Decrease in Trade Rec,from Unrelated Parties</i>		58,807,907	(64,537,918)
Adjust, Related to (Incr,)/Decr, in Other Rec, related to Operations <i>Adjustments Related to (Increase)/Decrease in Other Receivables related to Operations from Unrelated Parties</i>		(90,077)	2,932,540
Adjustments Due To Incr, (Decr,) In Other Assets Arising From Customer Contracts <i>Increase (Decrease) Due To Contractual Assets from Sales of Goods and Services</i>		(90,077)	2,932,540
Adjustments Related to (Incr,)/Decr, in Inventories		(421,642)	(2,924,836)
Adjustments Related to (Incr,)/Decr, in Prepaid Exp,		(8,479,621)	(9,189,009)
Adjustments Related to Incr,/(Decr,) in Trade Debts <i>Adjust, Related to Incr,/(Decr,) in Trade Debts to Unrelated Part,</i>		2,023,870	1,351,762
Adjust, Related to Incr,/(Decr,) in Liabilities Under Empl, Benefits		(14,854,936)	(34,478,833)
Adjust. Related to Incr, (Decr,) In Other Liab, About Customer Contracts <i>Inc, (Dec,) in Contr, Liab, Arising from Sale of Goods-Serv,</i>		40,150,934	72,568,634
Adjust, Related to Incr,/(Decr,) in Other Debts related to Operations <i>Incr, (Decr,) In Other Liab, Rel, to Operations Between Unrelated Parties</i>		(12,757,688)	655,179
Adjustments Related to Other Increase/(Decrease)in Operational Capital		2,053,708	(1,197,844)
<i>Decr,/(Incr,) in Other Assets Related to Operations</i>		<i>2,063,423</i>	<i>(1,176,604)</i>
<i>Decr,/(Incr,) in Other Liabilities Related to Operations</i>		<i>(9,715)</i>	<i>(21,240)</i>
Cash Flows From Operations		79,545,665	(10,300,975)
Interest Paid		(902,616)	(1,045,906)
Payments for Provisions About Employee Benefits		(3,619,008)	(139,344)

Enclosed notes are integral parts of these statements

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

TFRS- CASH FLOW STATEMENT (Indirect Method)	Note Refer	Interim Reviewed	
		Current Period January 1, - March 31, 2026	Previous Period January 1, - March 31, 2025
CASH FLOWS DUE TO INVESTING ACTIVITIES		(74,837,756)	(71,014,633)
Cash Outflows Related To Acquisition of Other Companies or Funds Shares or Debt Instruments	5	213,331	96,917
Cash Outflows due to Purch,of Tang,-Intan,assets		(76,245,237)	(74,777,087)
Cash Outflows due to Purchase of Tangible Fixed Assets	13	(726,336)	(1,250,972)
Cash Outflows due to Purchase of Intan,Fixed Assets	15	(75,518,901)	(73,526,115)
Interest Received	24	1,194,150	3,665,537
CASH FLOWS DUE TO FINANCING ACTIVITIES		2,622,495	9,457,445
Cash Inflows Related to Borrowings	6	50,093,600	42,458,356
Cash Inflows From Credits	6	50,093,600	42,458,356
Cash Outflows Related to Debt Payments	6	(43,565,000)	(27,709,362)
Cash Outflows Due to Credit Repayment	6	(43,565,000)	(27,709,362)
Cash Outflows Rel. to Paym. Related To Rent Contract	6	(1,981,940)	(3,208,874)
Interest Paid	24	(1,924,165)	(2,082,675)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		2,808,780	(73,043,413)
Effect of Foreign Cur, Conversion Differ, On Cash and Cash Equivalents		2,088,111	1,718,916
NET INCREASE/DECREASE AT CASH AND CASH EQUIVALENTS (+/-)		4,896,891	(71,324,497)
BEGINNING CASH AND CASH EQUIVALENTS	4	133,759,478	117,565,222
Inflation Effect on Cash and Cash Equiv, (+/-)		(14,255,674)	15,945,347
ENDING CASH AND CASH EQUIVALENTS	4	124,400,695	62,186,072

Enclosed notes are integral parts of these statements.

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

NOTE 1 - ORGANIZATION AND SUBJECT OF ACTIVITY

1.1 Field of Activity;

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

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

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

As of March 31, 2026, the Group — comprising Kron Teknoloji A.Ş. and its wholly-owned subsidiary (together they will be referred to as a Group), Kron Technologies US — had 166 employees.(December 31, 2025: 164)

1.2 Capital Structure:

The group's ownership structure as of March 31, 2026 and December 31, 2025 is as follows:

Name	March 31, 2026		December 31, 2025	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	30,164,336	17,62	30,164,336
Zeynep Yenel Onursal	13,00	22,258,888	13,00	22,258,888
Fatma Alev Araslı	7,38	12,640,373	7,38	12,640,373
Other	62,00	106,158,559	62,00	106,158,559
Paid-in Capital	100,00	171,222,156	100,00	171,222,156
Capital Adjustment Differences		398,129,566		398,129,566
Total		569,351,722		569,351,722

Within the company's registered capital ceiling of TL 500,000,000, the issued capital of TL 85,611,078 was increased by 100% (TL 85,611,078) to be paid in cash, increasing the total capital to TL 171,222,156. Regarding the capital increase, the prospectus was approved by the Capital Markets Board at its meeting dated May 30, 2025, with resolution number 33/938, and the approved prospectus was notified to the company on June 4, 2025.

1.3 Approval of Financial Statements;

The financial statements of the group prepared for the period January 1, March 31, 2026 were approved by the board of directors on May 11, 2026. The General Assembly and relevant regularity institutions have the authority to amend the financial statements after its circulation.

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

NOTE 2- BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of Presentation of Consolidated 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, Tax Laws and Uniform Account Plan and principles issued by Ministry of Finance of Turkey.

The Group's consolidated financial statements have been prepared in accordance with the provisions of the Communiqué No. 14.1, Series II, on "Principles Regarding Financial Reporting in the Capital Market" published by the Capital Markets Board (SPK) in the Official Gazette dated June 13, 2013, and numbered 28676, and in line with international standards published by the Public Oversight Accounting and Auditing Standards Authority ("KGGK"), based on the Turkish Financial Reporting Standards ("TFRS") and their annexes and interpretations. TFRS is updated through communiqués to ensure parallelism with changes in the International Financial Reporting Standards ("IFRS").

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

The Group's consolidated summary financial statements for the three-month interim accounting period ended 31 March 2026 have been prepared in accordance with TMS 34 "Interim Financial Reporting".

2.2. Preparation Of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with the formats specified in the "Announcement on IFRS Taxonomy" published by the Public Oversight Board on July 3, 2024, and the Financial Statement Examples and Usage Guide published by the Capital Markets Board.

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

2.3 The Bases of Consolidation

The affiliates of the Group are as follows:

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

Kron Teknoloji decided to establish a wholly-owned subsidiary in the United States of America with the center in New York, with 100% capital ownership and the situation is revealed by special situation statement on June 8, 2016. 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.

As of 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 Ironsphere Inc. established in USA, in which Kron Teknoloji A.Ş. maintains 100% ownership. The entire amount of the share capital to be committed by the Company has been offset against receivables arising from investment payments sent by the Company to Kron Technologies US. Following this increase, the capital of Kron Technologies US has become US\$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.

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(i) Subsidiaries;

- Subsidiaries represent the entities in which the parent company 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 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 currency is high inflation economy money unit, the companies report according to purchasing power at 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 standard beginning from the same date. For this reason, to provide consistency in application process in the country as stated in TAS 29, all the companies will start to implement the standard TAS 29 at the same time with the explanation that will be made by Public Oversight Accounting and Auditing Standards Authority.

Public Oversight Accounting and Auditing Standards Authority has made an explanation in the scope of TMS 29 and its application is in November 23,2023. The financial statements of companies applying Turkish Financial Reporting Standards as of December 31,2023 and afterwards should be adjusted and presented in the scope of inflation accounting 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 March 31, 2026 and December 31, 2025.

The financial statements are adjusted according to changes in purchasing power of functional currency and as a result the financial statements are presented according to TAS 29 standard in terms of unit available at 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 currency is related to applicable monetary unit, the financial statements should be presented in valid measurement unit at 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 Turkey should apply the standard TAS 29 'Adjustment Of Financial Statements of Independently Audited Companies According To Inflation' as of December 31, 2024 and the periods ending after that date.

The adjustments made pursuant to TAS 29 were made using the adjustment coefficient derived from the Consumer Price Index ("CPI") in Turkey, published by the Turkish Statistical Institute ("TÜİK"). As of March 31, 2026, the indices and adjustment coefficients used in the adjustment of the financial statements are as follows:

Date	Adjustment Coefficient
2026-MARCH	1,00000
2025-DECEMBER	1,10042
2025-MARCH	1,30868

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The indexation process is as follows according to TAS 29:

- As of the balance sheet date, all units other than the units with current purchasing power are indexed according to price index coefficients. The amounts related to prior periods are indexed accordingly.
- The monetary asset and liability items are not indexed since they are presented with current purchasing power. The monetary units are cash and receivable and payable amounts to be received and paid in cash.
- The tangibles, affiliates and similar assets are indexed over their purchased amounts not to be over their market value. The depreciation is adjusted similarly. The amounts in the equity item, are adjusted with general price indexes in the periods of their contribution to the Company or establishment in the Company.
- Other than the non monetary items in the balance sheet that have effect on the income statement, are indexed with coefficients calculated over the periods that have income and expenses that have reflected firstly in the financial statements.
- 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 at 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 at 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 Group are prepared comparatively with the previous period. Comparative information are reclassified and significant differences are explained, 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 included in cash flow statements are cash, demand deposits, and other highly liquid short-term investments with maturities of 3 months or less from the date of purchase, which can be immediately converted to cash and do not carry significant risk of value change.

2.9.2. Financial Assets

Classification and Measuring

The Group accounts for its financial assets under the category of financial assets accounted for at amortized cost. Classification is based on the business model and expected cash flows, determined by the intended use of the financial assets. Management classifies its financial assets at the time of acquisition.

Assets are classified as assets accounted for at amortized cost. If their maturity is less than 12 months from the balance sheet date, they are classified as current assets; if it is more than 12 months, they are classified as fixed assets. Assets accounted for at amortized cost include the items "trade receivables" and "cash and cash equivalents" in the statement of financial position.

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Financial assets recognized at amortized cost

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

Impairment

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

2.9.3. Derivative Financial Instruments

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

There are no derivative financial instruments as of the balance sheet date.

2.9.4. Receivables from Financial Sector Activities

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

2.9.5. Trade Receivables

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

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

2.9.6. Other Receivables

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

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

2.9.7. Inventories

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

Inventories are valued at the lower of cost or net realizable value. Cost is determined using a weighted average method. 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 advances given for purchase orders do not constitute 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.

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2.9.10. Assets Related To the Current Period

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

2.9.11. Other Current/Non-Current Assets

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

2.9.12. Non-current Assets Classified For Sales Purpose

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

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

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

2.9.13. Investments Assessed By Equity Method

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

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

2.9.14. Investment Property

Pursuant to the Investment Property Standard TAS 40, any real properties (lands, buildings part of a building) acquired (by their landlord or tenant according to the financial leasing agreements for purposes of obtaining a rental income or capital gains income or both of them) are shown in this item. If the real property is subject to the financial leasing, the details specified in three Standards on Leasing Operations TAS 16 are added.

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

The Group does not have any investment property.

2.9.15. Tangible Assets:

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

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

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

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

	Useful Life
Furniture and Fixtures	3-15 years
Special Costs	3-15 years

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

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

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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. These assets are amortized using the straight-line depreciation method based on their expected useful lives. 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 expenses are recorded in the profit and loss statement during the period in which they are incurred. Intangible assets created internally as a result of development activities (or the development phase of an Intra-Group project) are recognized only if all of the following conditions are met:

- It is technically possible to complete the intangible asset to be ready for use or ready for sale,
- There is an 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 issuance of liability method 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.

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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 "liability" 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

The group records revenue in its consolidated financial statements when it fulfills, or as it fulfills, its obligation by transferring a promised good or service to its customer. An asset is transferred when (or when) control of the asset passes to (or is transferred to) the customer.

The Group records its revenue in its financial statements in accordance with the following fundamental principles:

- Identification of contracts with customers
- Defining performance obligations in the contract
- Determination of contract price
- The transaction price is allocated to the performance obligations in the contract.
- Record revenue as contractual obligations are met

Presentation of service

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

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

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

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

2.9.21. Impairment of assets

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

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

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2.9.22. Earnings per Share

Net earnings per share are calculated H net profit attributable to ordinary shareholders (numerator) by the weighted average number of ordinary shares outstanding (denominator) of the relevant period.

In Turkey, companies can increase their capital by distributing "bonus shares" to shareholders from past year's profits. These "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations has been determined by taking into account the retrospective effects of these share distributions.

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 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

Employee Termination Benefit

In case of severance pay, pension or dismissal, they are paid in accordance with the legislation in force in Turkey 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:

-Severance pay obligations are determined by actuarial calculations based on a number of assumptions, including discount rates, future salary increases, and employee turnover rates. Because these plans are long-term, these assumptions involve significant uncertainties.

-Provisions for doubtful receivables reflect the amounts that Management believes will cover future losses on receivables existing as of the balance sheet date but which are at risk of not being collected under current economic conditions. When assessing whether receivables have been impaired, the past performance of debtors, their market creditworthiness, their performance from the balance sheet date to the date of approval of the financial statements, and renegotiated conditions are taken into account. Provisions for doubtful receivables as of the relevant balance sheet date are presented in Note 7.

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When setting aside provisions for litigation, the probability of losing the relevant litigation and the consequences that would be incurred if lost are assessed in line with the opinions of the Group's legal counsel, and Group Management makes its best estimates using the available data and sets aside the necessary provisions.

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 eliminated the distinction between operating leases and finance leases and requires that lease liabilities be recognized on the balance sheet under one model for the Companies in the situation of lessee. For the Companies as lessors, the accounting of leasing operations has not changed significantly and the differentiation of operation lease and financial lease still endures. TFRS 16 substitutes TAS 17 and the comments about TAS 17 and it's valid for the accounting periods of January 1-2019 and the periods beginning after this period.

The Transition to TFRS 16;

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

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

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

As a lessee, the Group has previously classified leases where the risks and rewards of ownership of the leased asset belong to the Group as financial leases. Other leases are classified as operational leases. As of 1 January 2019, the Group's transition date to TFRS 16, the Group has measured lease liabilities at the present value of lease payments not due at that date. Lease payments are discounted using the implied interest rate in the lease where readily determinable, or using the Group's alternative borrowing interest rate where readily determinable. The Group measures right-of-use assets equal to lease liabilities, adjusted for prior or accrued lease payments.

For leases, the Group assesses at the commencement of the contract whether the contract constitutes a lease or involves a lease transaction. A contract constitutes a lease or involves a lease transaction if it transfers the right to control the use of the defined asset for a specified period in exchange for consideration. When assessing whether a contract transfers the right to control the use of a defined asset for a specified period, the Group considers the following conditions:

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

The Group recognizes 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 for using the cost method and it includes the following:

- a) The initial measurement amount of rent liability,

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b) The amount that is calculated after the deduction of incentives of the actual start of rent and the rent payments made before.

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

d) Estimated costs to be borne by the Group in connection with the dismantling and removal of the underlying asset, the restoration of the site where it was placed, or the restoration of the underlying asset to bring it into the condition required by the terms and conditions of the lease.

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 'Impairment of Assets' 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 reasonably certain to exercise 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-evaluations 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 Turkey Financial Reporting Standards

As of December 31,2025 the accounting policies adopted during the preparation of consolidated financial statements are applied consistently with the previous year's accounting policies except for new and changed Turkish Accounting Standards (TAS)/IFRS and TAS/IFRS Comments valid as of January 1,2024. The effects of these standards and comments on the Company's financial situation and performance are explained in the related paragraphs.

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a) New standard, amendments and interpretations effective as of January 1, 2025

- Amendments to TAS 21 Lack of Exchangeability

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

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

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

- Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The group will assess the impact of these changes once the standards in question have been finalized.

- TFRS 17 – New Insurance Contracts Standard

The standard in question does not apply to the Group.

- TFRS 9 and TFRS 7 Amendments – Classification and Measurement of Financial Instruments

This amendment has not had a significant impact on the Group's financial position and performance.

- Annual Improvements to TFRS – Volume 11
- TFRS 1 First Application of Turkish Financial Reporting Standards
- TFRS 7 Financial Instruments: Disclosures – Gains or losses related to derecognition
- TFRS 9 Financial Instruments – Derecognition of lease liability by lessee and transaction price
- TFRS 10 Consolidated Financial Statements – Determination of the "Actual Agent"
- TAS 7 Cash Flow Statement – Cost method

The changes will take effect in annual reporting periods beginning on or after 1 January 2026, and early application is possible for all changes.

The Group does not expect a significant impact on the financial statements.

- TFRS 9 and TFRS 7 Amendments – Contracts Based on Naturally Reliant Electricity

The Group does not expect a significant impact on its financial statements.

- TFRS 18 – New Presentation and Disclosure Standard in Financial Statements

In May 2025, the KGK (Public Oversight Accounting and Auditing Standards Authority) published IFRS 18, which replaces IAS 1. IFRS 18 introduces new provisions regarding the presentation of the income statement, including the presentation of specific totals and subtotals. TFRS 18 requires entities to present all income and expenses included in the income statement within one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations. The standard also requires the disclosure of performance measures determined by management and introduces new provisions for the aggregation or disaggregation of financial information in accordance with the functions defined for the primary financial statements and notes. The publication of IFRS 18 has also resulted in certain changes to other financial reporting standards such as TAS 7, TAS 8, and TAS 34. TFRS 18 and its related amendments will enter into force for reporting periods beginning on or after 1 January 2027. However, early application is permitted. TFRS 18 will be applied retrospectively.

The impact of this standard on the Group's financial position and performance is being assessed.

- TFRS 19 – New Non-Publicly Accountable Subsidiaries: Disclosures Standard: The Group does not expect a significant impact on the financial statements.

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c) Amendments Effective from the Time of Publication

- TAS 12 Amendments – International Tax Reform – Second Pillar Model Rules

These amendments do not have a significant impact on the Group's financial position and performance.

d) Amendments Published by the International Accounting Standards Board (IASB) but Not Yet Published by the Public Oversight Accounting and Auditing Standards Authority (KGK)

The following amendments to TAS 21 have been published by the IASB but have not yet been adapted/published by the KGK. Therefore, they do not form part of TFRS. The Group will make the necessary changes to its consolidated financial statements and notes after these amendments enter into force in TFRS.

- TAS 21 Amendments – Translation to High-Inflation Presentation Currency

The aforementioned amendments, published by the IASB effective November 2025, mandate the use of the closing exchange rate when translating from a non-high-inflation functional currency to a high-inflation presentation currency. Accordingly, an entity whose functional currency is the currency of a non-high-inflation economy but whose presentation currency is the currency of a high-inflation economy shall use the closing exchange rate at the end of the current period for all relevant amounts (i.e., assets, liabilities, equity items, income and expenses), including comparative amounts, when translating its operating results and financial position. However, an entity whose functional currency and presentation currency are the currency of a high-inflation economy expresses comparative amounts of an overseas entity whose functional currency is the currency of a non-high-inflation economy in its current unit of measurement by applying the general price index in accordance with TAS 29.

These changes also introduce certain additional disclosure obligations.

NOTE 3-SEGMENT REPORTING

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

January 1- March 31, 2026	USA	Türkiye	Elimination	Consolidated
Revenues	5,640,431	131,637,839	-	137,278,270
Cost of Sales	-	(12,079,912)	-	(12,079,912)
Gross operating profit	5,640,431	119,557,927	-	125,198,358
Marketing Expenses (-)	(11,126,051)	(30,145,022)	-	(41,271,073)
General Administrative Expenses (-)	-	(12,448,099)	-	(12,448,099)
Research and Development Expenses (-)	-	(38,155,995)	-	(38,155,995)
Other Operating Income	-	16,983,107	-	16,983,107
Other Operating Expenses (-)	-	(3,939,638)	-	(3,939,638)
Operating Loss/Profit	(5,485,620)	51,852,280	-	46,366,660
Income from Investment Activities	-	3,283,180	-	3,283,180
Operating Profit/Loss Before Financial Income (Expense)	(5,485,620)	55,135,460	-	49,649,840
Financial Income	24,731	3,424,517	-	3,449,248
Financial Expense (-)	(332,606)	(4,771,654)	-	(5,104,260)
Net Monetary Position Gains (Losses)	-	(29,797,136)	-	(29,797,136)
Pre-Tax Profit/Loss Margin From Continuing Operations	(5,793,495)	23,991,187	-	18,197,692
Current Tax Expense/Income (-)	-	(14,973,299)	-	(14,973,299)
Period Profit/Loss	(5,793,495)	9,017,888	-	3,224,393

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March 31, 2026	USA	Türkiye	Elimination	Consolidated
Tangible and Intangible Assets and Right of Use Assets Entries	-	86,890,313	-	86,890,313
Depreciaton Expenses	(3,468,830)	(22,297,204)	-	(25,766,034)
Assets	(42,862,771)	1,528,081,720	(170,430,333)	1,314,788,616
Liabilities	217,731,995	428,859,671	(156,592,635)	489,999,031

January 1-

March 31, 2025	USA	Türkiye	Elimination	Consolidated
Revenues	4,492,265	117,436,355	-	121,928,620
Cost of Sales	-	(9,044,420)	-	(9,044,420)
Gross operating profit	4,492,265	108,391,935	-	112,884,200
Marketing Expenses (-)	(24,732,887)	(21,271,222)	-	(46,004,109)
General Administrative Expenses (-)	-	(15,629,423)	-	(15,629,423)
Research and Development Expenses (-)	-	(28,847,296)	-	(28,847,296)
Other Operating Income	-	26,674,088	(188,173)	26,485,915
Other Operating Expenses (-)	-	(4,866,844)	-	(4,866,844)
Operating Loss/Profit	(20,240,622)	64,451,238	(188,173)	44,022,443
Income from Investment Activities	-	1,826,004	-	1,826,004
Operating Profit/Loss Before Financial Income (Expense)	(20,240,622)	66,277,242	(188,173)	45,848,447
Financial Income	123	5,582,766	-	5,582,889
Financial Expense (-)	(653,314)	(7,468,758)	184,339	(7,937,733)
Net Monetary Position Gains (Losses)	-	(19,383,816)	-	(19,383,816)
Pre-Tax Profit/Loss Margin From Continuing Operations	(20,893,813)	45,007,434	(3,834)	24,109,787
Current Tax Expense/Income (-)	-	(3,624,196)	-	(3,624,196)
Period Profit/Loss	(20,893,813)	41,383,238	(3,834)	20,485,591

31 Mart 2025	USA	Türkiye	Elimination	Consolidated
Tangible and Intangible Assets and Right of Use Assets Entries	-	75,947,413	-	75,947,413
Depreciaton Expenses	(3,907,787)	(13,732,550)	-	(17,640,337)
Assets	(14,896,092)	1,255,243,428	(142,200,851)	1,098,146,485
Liabilities	209,213,832	454,207,911	(128,336,928)	535,084,815

NOTE 4- CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025
Cash	500,757	536,195
Cash at the bank	58,169,825	69,054,669
<i>Demand deposits</i>	44,518,390	62,093,556
<i>Term deposits with a maturity of less than three months</i>	13,651,435	6,961,113
<i>(*) Liquid funds</i>	65,730,113	64,168,614
	124,400,695	133,759,478

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

As of March 31, 2026 and December 31, 2025, the Group has no blocked deposits.

NOTE 5 – FINANCIAL INVESTMENTS

a) Short Term Financial Investments

As of the balance sheet date, the Group has no short-term financial investments. (December 31, 2025: None.)

b) Long Term Financial Investments

	March 31, 2026	December 31, 2025
Financial assets at fair value through profit or loss		
- Financial Assets Held for Purchase or Sale Purposes	6,480,996	6,694,327
	6,480,996	6,694,327

NOTE 6- FINANCIAL LIABILITIES

a) Short Term Borrowings

	March 31, 2026	December 31, 2025
Bank Credits	53,275,320	47,148,266
Loan Interests	608,897	1,985,889
Other Financial Debts **	244,875	754,409
	54,129,092	49,888,564

b) Short-term Portions of Long-term Borrowings

	March 31, 2026	December 31, 2025
Lease Liabilities *	18,313,786	13,611,311
	18,313,786	13,611,311

c) Long Term Borrowings

	March 31, 2026	December 31, 2025
Lease Liabilities *	21,922,217	22,575,196
	21,922,217	22,575,196

* The Group has recorded TL 18,313,786 in the short term portion of long term liabilities, and TL 21,922,217 in the long term liabilities in the scope of TFRS 16. (December 31,2025; The Group has recorded TL 13,611,311 in the short term portion of long term liabilities, and TL 22,575,196 in the long term liabilities in the scope of TFRS 16.)

** These are credit card debts.

d) Liabilities Of Credits Including Interest and Maturity Of Credits

	March 31 ,2026			
	Bank Credits	Leases	Other Debt	Total
Payable within 1 year	53,884,217	18,313,786	244,875	72,442,878
Payable within 2-3 years	-	21,922,217	-	21,922,217
	53,884,217	40,236,003	244,875	94,365,095

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December 31, 2025				
	Bank Credits	Leases	Other Debt	Total
Payable within 1 year	49,134,155	13,611,311	754,409	63,499,875
Payable within 2-3 years	-	22,575,196	-	22,575,196
	49,134,155	36,186,507	754,409	86,075,071

e) Interest Rates of Credits

March 31, 2026

Type of Currency	Weighted Mean Effective Interest Rate (%)	Short Term	Long Term	Short Term TL Amount (Excluding Interest)	Long Term TL Amount (Excluding Interest)
TL					
US Dollar	6,50	500,000	-	22,198,050	-
US Dollar	7,75	700,000	-	31,077,270	-
Total		1,200,000	-	53,275,320	-

The interest rates related to US Dollar credits are 6,50 and 7,75 %. The maturity dates are between April 2026 and March 2027.

December 31, 2025

Type of Currency	Weighted Mean Effective Interest Rate (%)	Short Term	Long Term	Short Term TL Amount (Excluding Interest)	Long Term TL Amount (Excluding Interest)
TL				-	-
US Dollar	8	500,000	-	23,574,133	-
US Dollar	8	500,000	-	23,574,133	-
Total		1,000,000	-	47,148,266	-

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

f) Other Financial Liabilities

As of March 31, 2026, the group has no other financial liabilities. (December 31, 2025: None.)

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)

	March 31,2026	December 31, 2025
Trade receivables	225,282,065	280,175,442
Provision For Expected Credit Losses (-)	(915,442)	(1,119,261)
	224,366,623	279,056,181

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As of March 31, 2026, the Group has allocated provision for doubtful receivables for the portion of trade receivables amounting to TL 915,442 (2025: TL 1,119,261). According to the expected credit loss model within the scope of TFRS 9, the Group allocates provision for doubtful receivables for the receivables it filed for commercial receivables and overdue receivables and other undue due receivables. The Group management believes that there is no need for a provision more than the provision for doubtful receivables in the financial statements.

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

	January 1- March 31, 2026	January 1- March 31, 2025
Opening balance	(1,119,261)	(1,043,567)
Period expense	-	(335,298)
Collections / Provisions No Longer Required	101,680	-
Monetary gains/(losses)	102,139	103,323
Closing balance	(915,442)	(1,275,542)

b) Trade receivables (Long term)

As of the balance sheet date, the Group has no long-term trade receivables. (December 31, 2025: None.)

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

B-Trade Payables

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

a) Trade Payables (Short Term)

	March 31, 2026	December 31, 2025
Trade payables	15,131,724	12,990,648
	15,131,724	12,990,648

b) Trade Payables (LongTerm)

As of the date of balance sheet, the Group has no long-term trade payables. (December 31, 2025-None.)

NOTE 8-OTHER RECEIVABLES AND PAYABLES

A- Other Receivables

a) Other Receivables (Short term)

	March 31, 2026	December 31, 2025
Miscellaneous other receivables	36,221	39,857
Tax Receivables	3,892,591	613,962
	3,928,812	653,819

b) Other Receivables (Long term)

	March 31, 2026	December 31, 2025
Deposits and Guarantees Given	2,787,769	2,987,587
	2,787,769	2,987,587

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B- Other Payables

a) Other Payables (Short Term)

	March 31, 2026	December 31, 2025
Income and stamp tax payable	1,079,119	3,359,021
VAT payable	6,175,082	16,577,625
Other liabilities payable	158,106	148,031
	7,412,307	20,084,677

b) Other Payables (Long Term)

	March 31, 2026	December 31, 2025
Deposits and Guarantees Received	1,376,279	1,461,597
	1,376,279	1,461,597

NOTE 9- RECEIVABLES AND OBLIGATIONS ARISING FROM CONTRACTS WITH CUSTOMERS

a) Receivables Arising from Contracts with Customers (Short Term)

	March 31, 2026	December 31, 2025
Maintenance, license etc. income*	27,409,069	-
	27,409,069	-

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

The Group does not have any receivables from long term customer contracts. (December 31, 2025:None)

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

	March 31, 2026	December 31, 2025
Advances received	86,033	53,663
Maintenance, license etc. income*	207,850,128	156,494,817
Other income	4,939,241	4,939,256
	212,875,402	161,487,736

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

	March 31, 2026	December 31, 2025
Maintenance, license etc. income*	82,413,784	92,432,606
Other income	3,599,556	4,817,466
	86,013,340	97,250,072

* Contractual assets represent the consideration the Group is entitled to for goods or services transferred to a customer under ongoing customer contracts.

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

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NOTE 10- INVENTORIES

	March 31, 2026	December 31, 2025
Trade goods	4,791,966	4,370,324
	4,791,966	4,370,324

The group has no inventory pledged as collateral for loans utilized as of March 31, 2026. (December 31, 2025: None.)

NOTE 11- PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid Expenses (Short-Term)

	March 31, 2026	December 31, 2025
Advances given	2,961,715	1,541,019
Insurance, repair, maintenance and seminar expenses for the incoming months	22,019,270	14,298,822
	24,980,985	15,839,841

b) Prepaid Expenses (Long-Term)

	March 31, 2026	December 31, 2025
Insurance, repair, maintenance and seminar expenses for the incoming years	2,788,837	3,602,180
	2,788,837	3,602,180

NOTE 12- 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 March 31, 2026, TL 9,242,511 benefited from SSI premium incentives and TL 22,796,278 income tax incentives, (December 31, 2025: TL 31,511,288 SSI incentive, TL 111,047,189 * income tax incentive).

* The amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of March 31, 2026

NOTE 13- TANGIBLE FIXED ASSETS

Movements occurred in tangible fixed assets and respective accumulated depreciation concerning the period ended as of March 31, 2026 and December 31, 2025 are as follows:

March 31, 2026	Fixtures	Special Cost	Total
Cost Value			
Opening balance as of January 1- 2026	55,317,174	8,627,352	63,944,526
Assets acquired through Purchase	726,336	-	726,336
Foreign currency conversion and index differences	(138,765)	-	(138,765)
Closing balance as of March 31, 2026	55,904,745	8,627,352	64,532,097
Accumulated Depreciation			
Opening balance as of January 1- 2026	(44,175,985)	(7,060,810)	(51,236,795)
Period Expense	(1,376,590)	(118,999)	(1,495,589)
Foreign currency conversion and index differences	119,365	-	119,365
Closing balance as of March 31, 2026	(45,433,210)	(7,179,809)	(52,613,019)
Net book value as of March 31, 2026	10,471,535	1,447,543	11,919,078

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March 31, 2025	Fixtures	Special Cost	Total
Cost Value			
Opening balance as of January 1- 2025	52,219,075	8,577,897	60,796,972
Assets acquired through Purchase	1,250,972	-	1,250,972
Foreign currency conversion and index differences	(70,268)	-	(70,268)
Closing balance as of March 31, 2025	53,399,779	8,577,897	61,977,676
Accumulated Depreciation			
Opening balance as of January 1- 2025	(38,740,149)	(6,575,739)	(45,315,888)
Period Expense	(1,484,966)	(127,447)	(1,612,413)
Foreign currency conversion and index differences	54,322	-	54,322
Closing balance as of March 31, 2025	(40,170,793)	(6,703,186)	(46,873,979)
Net book value as of March 31, 2025	13,228,986	1,874,711	15,103,697

Pledges and Mortgages on Assets

There are no pledges and mortgages on the tangible assets of the Group detailed above as of March 31, 2026 and December 31, 2025.

NOTE 14- RIGHT OF USE ASSETS

The balance of the right of use assets as of March 31, 2026 and December 31, 2025 and the depreciation and amortization expenses for the relevant period are as follows;

	March 31, 2026	March 31, 2025
Cost Value		
Opening balance as of January 1	87,534,053	88,311,244
Assets acquired through leasing	10,645,076	1,170,326
Transfers/ Adjustments	(12,179,472)	(1,083,431)
Closing balance as of 31 March	85,999,657	88,398,139
Accumulated Amortization		
Opening balance as of January 1	(52,422,193)	(32,802,030)
Period expense	(6,139,080)	(5,195,673)
Transfers/ Adjustments	10,602,386	258,757
Closing balance as of 31 March	(47,958,887)	(37,738,946)
Net book value as of 31 March	38,040,770	50,659,193

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(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

NOTE 15- INTANGIBLE FIXED ASSETS

Movements occurred in intangible fixed assets and respective accumulated depreciation concerning the period ended as of March 31, 2026 and March 31, 2025 are as follows:

March 31, 2026				
Cost Value	Development Expenses Capitalized	Development Expenses In Progress	Other Intangible Assets	Total
Opening balance as of January 1, 2026	942,198,209	238,707,587	5,089,186	1,185,994,982
Assets acquired through purchase	261,584	75,257,317	-	75,518,901
Transfers/ Adjustments	108,459,045	(108,459,003)	(42)	-
Foreign currency conversion and index differences	(7,185,938)	-	-	(7,185,938)
Closing balance as of March 31, 2026	1,043,732,900	205,505,901	5,089,144	1,254,327,945
Accumulated Amortization				
Opening balance as of January 1, 2026	(398,603,317)	-	(5,089,144)	(403,692,461)
Period expense	(18,131,365)	-	-	(18,131,365)
Foreign currency conversion and index differences	3,195,285	-	-	3,195,285
Closing balance as of March 31, 2026	(413,539,397)	-	(5,089,144)	(418,628,541)
Net book value as of March 31, 2026	630,193,503	205,505,901	-	835,699,404

March 31, 2025				
Cost Value	Development Expenses Capitalized	Development Expenses In Progress	Other Intangible Assets	Total
Opening balance as of January 1, 2025	664,146,265	216,259,223	5,089,186	885,494,674
Assets acquired through purchase	-	73,526,115	-	73,526,115
Transfers/ Adjustments	101,658,133	(101,658,133)	-	-
Foreign currency conversion and index differences	(3,639,190)	-	-	(3,639,190)
Closing balance as of March 31, 2025	762,165,208	188,127,205	5,089,186	955,381,599
Accumulated Amortization				
Opening balance as of January 1, 2025	(348,930,278)	-	(5,059,865)	(353,990,143)
Period expense	(10,824,255)	-	(7,996)	(10,832,251)
Foreign currency conversion and index differences	1,338,834	-	-	1,338,834
Closing balance as of March 31, 2025	(358,415,699)	-	(5,067,861)	(363,483,560)
Net book value as of March 31, 2025	403,749,509	188,127,205	21,325	591,898,039

In 2026, intangible assets increased due to the capitalization of related expenses as a result of allocating more R&D resources to newly developed product projects, while current R&D expenses decreased compared to the previous year.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

NOTE 16- LIABILITIES UNDER EMPLOYEE BENEFITS

a) Liabilities In Scope Of Employee Benefits (Short-Term)

	March 31, 2026	December 31, 2025
Wages payable to personnel	25,521,232	50,117,944
Social security premium payable	18,171,392	8,429,616
	43,692,624	58,547,560

The social security premiums of TL 18,171,392 and wages to be paid to the personnel of TL 25,521,232, both related to March 2026, were paid in April 2026.

(December 31, 2025: Social security premiums to be paid, TL 8,429,616, and wages to be paid to the personnel of TL 50,117,944, were paid in January 2026,)

b) Liabilities In Scope Of Employee Benefits (Long-Term)

As of March 31, 2026, the Group does not have any debts within the scope of benefits for long-term employees, (December 31, 2025: None,)

NOTE 17- COMMITMENTS

a) Collaterals, pledges and mortgages given by the Group

The tables regarding the collateral / pledge / mortgage ("TRI") position given by the group as of March 31, 2026 and December 31, 2025 are as follows.

	March 31, 2026		December 31, 2025	
	Currency	TL Equivalent*	Currency	TL Equivalent*
A, CPM Given On Behalf of Its Own Legal Entity				
a) Guarantee Letters				
-TL	8,037,173	8,037,173	8,844,266	8,844,266
-USD	144,302	6,406,446	144,302	6,803,589
Total		14,443,619		15,647,855

* Amounts are determined on the basis of the purchasing power of the Turkish Lira (TL) as of March 31, 2026.

b) Collaterals, pledges and mortgages received by the Group

There are no letters of guarantee, pledges and mortgages received by the Group, (December 31, 2025- None)

NOTE 18- SHORT/LONG-TERM PROVISIONS

a) Short-Term Provisions for Employee Benefits

	March 31, 2026	December 31, 2025
Leave Provisions	22,265,579	21,820,543
	22,265,579	21,820,543

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

The movements of unused leave fees are as follows:

	January 1- March 31, 2026	January 1- March 31, 2025
Opening Balance January 1	(21,820,543)	(18,623,107)
Provisions Calculated In The Period	(4,135,878)	(4,515,430)
Provisions No Longer Required	1,699,585	364,149
Monetary Gains/Losses	1,991,257	1,800,630
Ending Provision	(22,265,579)	(20,973,758)

Seniority Incentive Bonus

As of March 31, 2026, there is no liability amount related to seniority incentive bonus. (December 31, 2025: None).

Other

The Group does not have any provision for social aid payments and tax risks. (December 31, 2025 - 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 March 31, 2026, the severance pay to be paid is subject to a monthly ceiling of TL 64,949 (2025: TL 53,920). Severance pay obligations are not legally subject to any funding. Severance payment liability is calculated based on the estimation for the present value of the future potential obligations of the Company arising from the retirements of its employees, TAS 19 "Employee Benefits" (amended) sets forth actuarial valuation methods for the calculation of Company's liabilities within the scope of defined benefit plans. Accordingly, actuarial assumptions used in the calculation of total liabilities are indicated below.

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

Main assumption is an increase in maximum liability for each service year in parallel to inflation rate, Therefore, the discount rate being applied implies the anticipated real interest rate after the adjustment of inflation effects in future, The liabilities in the attached financial statements as of the dates March 31, 2026 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 64,949 effective as of January 1,2026, 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,

	March 31, 2026	December 31, 2025
Provision for severance pay	4,437,234	8,994,740
	4,437,234	8,994,740

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

Severance Pay Movements	January 1- March 31, 2026	January 1- March 31, 2025
Provision as of January 1	(8,994,740)	(5,762,604)
Interest Cost	(83,381)	(531,673)
Current Service Costs	-	(1,449,711)
Payments In The Period /Provisions No Longer Required	3,619,008	139,344
Actuarial earnings and loss	199,897	468,523
Monetary Gains/Losses	821,982	515,819
Term End Provision	(4,437,234)	(6,620,302)

NOTE 19- CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid In Capital and Capital Adjustment Differences

As of March 31, 2026, the capital of the Group is TL 171,222,156, (December 31, 2025: TL 171,222,156) and the registered capital ceiling is TL 500,000,000 , (December 31, 2025: TL 500,000,000)

The partnership structure of the Group is as follows:

Name	March 31, 2026		December 31, 2025	
	Share (%)	Amount (TL)	Share (%)	Amount (TL)
Lütfi Yenel	17,62	30,164,336	17,62	30,164,336
Zeynep Yenel Onursal	13,00	22,258,888	13,00	22,258,888
Fatma Alev Araslı	7,38	12,640,373	7,38	12,640,373
Other	62,00	106,158,559	62,00	106,158,559
Paid-in Capital	100,00	171,222,156	100,00	171,222,156
Capital Adjustment Differences		398,129,566		398,129,566
Total		569,351,722		569,351,722

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

Additional Information on Capital, Reserves and Other Equity Items

The comparison of the relevant equity items in the Group's consolidated financial statements as of March 31, 2026, adjusted for inflation, with the inflation-adjusted amounts in the financial statements prepared in accordance with Turkish Commercial Code No, 6762 and applicable regulations is as follows:

March 31, 2026	Inflation-adjusted amounts included in fin,statements prepared in acc, with Turkish Comm,Code No, 6762 and other regulations	Inflation-adjusted amounts included in the financial statements prepared in accordance with TAS/IFRS	Equity inflation adjustment differences
Capital Adjustment Differences	299,586,390	398,129,566	(98,543,176)
Share Premium	2,046,365	3,130,535	(1,084,170)
Restrained Reserves From Profit	46,544,224	57,251,115	(10,706,891)

b) Share Premiums (Discounts)

	March 31, 2026	December 31, 2025
Share Premiums (Discounts)	3,130,535	3,130,535

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

c) Actuarial Gain/Loss Fund From Defined Benefit Plan

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- March 31, 2026	January 1- March 31, 2025
Opening Balance	(8,403,506)	(6,483,822)
Actuarial Gain / (Loss)	199,897	468,523
Deferred Tax Asset	(50,553)	(117,131)
Current Year Transactions Net	149,344	351,392
Net Actuarial Gains / Losses	(8,254,162)	(6,132,430)

d) Foreign currency conversion difference

	March 31, 2026	December 31, 2025
Foreign currency conversion difference	(144,858,596)	(151,928,534)

e) Restrained Reserves from Profit

	March 31, 2026	December 31, 2025
Legal Reserves	48,303,585	40,207,836
Venture Capital Fund	8,947,530	8,947,530
	57,251,115	49,155,366

f) Previous Year Profits / Losses

	March 31, 2026	December 31, 2025
Previous Year Profits / Losses	344,944,578	191,394,427

NOTE 20- REVENUE AND COST OF SALES

a) Revenue	January 1- March 31, 2026	January 1- March 31, 2025
Domestic Sales	82,360,571	78,587,346
Overseas Sales	56,344,583	43,341,274
Sales Returns and Discounts (-)	(1,426,884)	-
Net Sales	137,278,270	121,928,620

b) Cost of Sales (-)

	January 1- March 31, 2026	January 1- March 31, 2025
Cost of services sold (-)	(12,079,912)	(9,044,420)
	(12,079,912)	(9,044,420)

**KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AS OF MARCH 31, 2026**

(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

NOTE 21- GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES and RESEARCH AND DEVELOPMENT EXPENSES

	January 1- March 31, 2026	January 1- March 31, 2025
a)General Administrative Expenses (-)	(12,448,099)	(15,629,423)
b)Marketing Expenses (-)	(41,271,073)	(46,004,109)
c)Research and Development Expenses	(38,155,995)	(28,847,296)
Total	(91,875,167)	(90,480,828)

a)General Administrative Expenses (-)	January 1- March 31, 2026	January 1- March 31, 2025
Personnel Wages	(8,576,409)	(8,530,106)
Depreciation Costs	(253,407)	(225,102)
Taxes, Duties and Charges	(24,040)	(47,501)
Communication Expenses	(81,406)	(55,487)
Travel Expenses	(210,536)	(313,099)
Vehicle Expenses	(124,150)	(398,213)
Outsourced Benefits and Services	(1,234,546)	(2,715,273)
Bank and Commission Expenses	(4,661)	(3,244)
Miscellaneous Expenses	(1,938,944)	(3,341,398)
Total	(12,448,099)	(15,629,423)

b) Details of Marketing Expenses	January 1- March 31, 2026	January 1- March 31, 2025
Personnel Wages	(27,913,651)	(27,932,304)
Depreciation Costs	(3,592,570)	(3,978,447)
Taxes, Duties and Charges	(123,613)	(189,013)
Communication Expenses	(115,573)	(208,100)
Travel Expenses	(540,637)	(2,551,751)
Vehicle Expenses	(1,461,709)	(1,369,306)
Marketing Expenses	(2,035,093)	(3,639,830)
Outsourced Benefits and Services	(1,814,853)	(2,058,499)
Exhibition, Fair and Seminar Expenses	(1,264,481)	(2,019,047)
Sales Commissions	(551,448)	(1,007,513)
Miscellaneous Expenses	(1,857,445)	(1,050,299)
Total	(41,271,073)	(46,004,109)

c) Research And Development Expenses	January 1- March 31, 2026	January 1- March 31, 2025
Personnel Wages	(13,099,156)	(10,995,117)
Depreciation Costs	(21,569,014)	(13,165,139)
Communication Expenses	(47,233)	(73,232)
Travel Expenses	(14,042)	(90,118)
Vehicle Expenses	(555,587)	(1,458,571)
Outsourced Benefits and Services	(2,438,224)	(2,157,070)
Miscellaneous Expenses	(432,739)	(908,049)
Total	(38,155,995)	(28,847,296)

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(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

NOTE 22- OTHER OPERATING INCOME / EXPENSES

Details of operating income related to the years to end after March 31, 2026 and December 31, 2025 are as follows:

a) Other Operating Income	January 1- March 31, 2026	January 1- March 31, 2025
Exchange Rate Difference Income from Operations	9,513,887	20,383,089
Income Of Cancel. Of Provision Of Employee Termination Benefit	4,043,325	2,078
Income Of Cancel. Of Provision Of Inventory Impairment	-	163,804
Maturity Difference Income Accrued	-	3,583,558
Other Provisions No Longer Required	1,842,742	364,149
Other Ordinary Income and Profits	1,583,153	1,989,237
	16,983,107	26,485,915

b) Other Operating Expenses

	January 1- March 31, 2026	January 1- March 31, 2025
Exchange Rate Difference Expense from Operations	(1,105,587)	(1,097,332)
Maturity Difference Expense Accrued	-	(502,052)
Provisions for Doubtful Receivables	-	(335,298)
Expense Related To Deduction of Tax	(1,022,761)	(1,941,203)
Other Ordinary Expenses and Losses	(1,811,290)	(990,959)
	(3,939,638)	(4,866,844)

NOTE 23- INCOME AND EXPENSES FROM INVESTMENT OPERATIONS

a) Revenues from Investment Activities

	January 1- March 31, 2026	January 1- March 31, 2025
Securities Sales Income	3,283,180	1,826,004
	3,283,180	1,826,004

b) Expenses from Investment Activities (-)

As of March 31, 2026, there is no expense due to investment activities. (December 31, 2025 : None)

NOTE 24- FINANCIAL INCOME/ EXPENSES AND NET MONETARY POSITION GAINS (LOSSES)

a) Financial Income

	January 1- March 31, 2026	January 1- March 31, 2025
Interest income	1,194,150	3,665,537
Exchange rate difference income	2,255,098	1,917,352
	3,449,248	5,582,889

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(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

b) Financial Expenses

	January 1- March 31, 2026	January 1- March 31, 2025
Bank interest expenses	(1,924,165)	(2,082,675)
Exchange rate difference expense	(2,277,479)	(4,809,152)
Interest Expense of Right-Of-Use Assets	(902,616)	(1,045,906)
	(5,104,260)	(7,937,733)

c) Net Monetary Position Gains (Losses)

The net monetary position gains for the year ending March 31, 2026 and March 31, 2025, are as follows:

Non-Monetary Items	January 1- March 31, 2026	January 1- March 31, 2025
Statement of Financial Position Items	(26,160,692)	(15,251,603)
Inventories	496,381	208,111
Prepaid expenses	1,050,883	1,122,917
Financial investments, subsidiaries	13,837,698	13,863,923
Tangible assets	1,136,810	1,387,202
Intangible assets	66,565,803	42,493,447
Deferred tax assets/liabilities	1,820,134	463,096
Right-of-use assets	1,535,140	2,326,174
Other liabilities	(13,130,585)	(14,641,495)
Paid-in capital	(51,956,798)	(42,392,667)
Other equity	(47,516,158)	(20,082,311)
Statement of Profit or Loss Items	(3,636,444)	(4,132,213)
Revenue	(5,611,721)	(5,071,765)
Cost of sales	321,598	210,368
Research and development expenses	839,005	698,733
Marketing expenses	657,343	525,629
General administrative expenses	328,063	438,878
Other income/expenses from operating activities	(138,844)	(924,652)
Income/expenses from investing activities	(15,099)	(2,010)
Financing income/expenses	(16,789)	(7,394)
Net monetary position gains/(losses)	(29,797,136)	(19,383,816)

NOTE 25- TAX PROVISIONS AND LIABILITIES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)

a) Period Income Tax Liability

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

The corporate tax rate in Turkey is 25% for 2026, (25% for 2025)

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

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(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

- 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, 15% Income Tax Withholding is calculated. If the period profit is added to the capital, it is not considered as profit distribution and withholding tax is not applied.

Corporations calculate provisional tax based on their quarterly financial profits and declare and pay it by the 17th day of the second month 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 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 Türkiye, there is no practice of reaching an agreement with the tax authority regarding the taxes to be paid, Corporate tax returns are submitted to the relevant tax office by the evening of the last day of the fourth month following the month in which the accounting period closes, However, the authorities authorized for tax inspection may examine the accounting records within 5 years and if incorrect transactions are detected, the tax amounts to be paid may change.

b) Deferred tax

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 prepared for Capital Markets Board and the statutory balance sheet items. 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 March 31, 2026, 25% is used as the tax rate.

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

Deferred Tax (Assets)/Liabilities:	March 31, 2026	December 31, 2025
Cash and Equivalents	(2,824)	67,375
Trade Receivables	210,595	356,680
Other Receivables	(5,377)	9,905
Inventories	(192,462)	(75,232)
Prepaid Expenses	(338,203)	(83,062)
Tangible and Intangible Fixed Assets and Depreciaton	(64,760,040)	(53,778,749)
Right of Use Assets	(751,493)	(1,144,896)
Loans and Leases	9,773	17,069
Trade Payables	498	(3,807)
Severance Pay Provision	1,109,309	2,248,685
Leave Provisions	5,566,395	5,455,136
Financial Investments	(1,951)	(128,735)
Deferred Income	10,129,486	7,897,696
Liability and Expense Provisions	281,205	3,156,219
Previous Year Losses	2,204,113	1,534,724
R&D and Cash Capital Increase Deduction	51,462,470	54,416,338
Total	4,921,494	19,945,346

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

	January 1- March 31, 2026	January 1- March 31, 2025
Opening balance as of January 1	19,945,346	5,065,059
Deferred tax income/expense for the period	(14,973,299)	(3,624,196)
Reflected to Comprehensive Income and Equity	(50,553)	(117,131)
Current Period / Previous Period	4,921,494	1,323,732

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(Unless otherwise mentioned, the amounts are expressed on the purchasing power of the Turkish Lira (TL) as of March 31, 2026,)

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

NOTE 26- 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- March 31, 2026	January 1- March 31, 2025
Net period profit / loss	3,224,393	20,485,591
Number of Shares	171,222,156	85,611,078
Earnings/loss per share	0.019	0.239

NOTE 27- RELATED PARTY DISCLOSURES

a) Related Parties End of Period Balance Sheet Balances

March 31, 2026

None, (December 31, 2025: None)

-As explained in footnote 2.3 "Principles Regarding Consolidation," the company has a wholly owned subsidiary (%100 partnership), Kron Technologies US, in the United States. Kron Technologies US is financed by Kron AŞ to continue its operations in the United States.

As of March 31, 2026, Kron AŞ's receivables from Kron Technologies US amount to USD 3,527,171 equivalent to TRY 156,592,635. As explained in footnote 3 "Reporting by Segments," this receivable amount has been eliminated from the consolidated balance sheet. As a result of the elimination, there are no remaining debt or receivable amounts from Kron Technologies US on the balance sheet.

December 31, 2025

None.

-As explained in footnote 2.3 "Principles Regarding Consolidation," the company has a wholly owned subsidiary (%100 partnership), Kron Technologies US, in the United States. Kron Technologies US is financed by Kron AŞ to continue its operations in the United States. As of December 31, 2025, Kron AŞ's receivables from Kron Technologies US amount to USD 3,527,171 equivalent to TRY 151,124,109. As explained in footnote 3 "Reporting by Segments," this receivable amount has been eliminated from the consolidated balance sheet. As a result of the elimination, there are no remaining debt or receivable amounts from Kron Technologies US on the balance sheet.

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

None. (March 31, 2025: None)

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

	January 1- March 31, 2026	January 1- March 31, 2025
Salaries and Other Short-Term Benefits (Net) (Excluding Paid Compensation)	5,776,402	4,088,900
	5,776,402	4,088,900

NOTE 28- NATURE AND EXTENT 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.

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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.

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		Other Receivables	Deposits at Banks	Cash and Cash Equivalents
	Trade Receivables				
March 31, 2026	Related Party	Other Party	Other Party		
Maximum credit risk exposed as of the reporting date (*)	-	224,366,623	6,716,581	58,169,825	66,230,870
- 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	-	224,366,623	6,716,581	58,169,825	66,230,870
B. Net book value of assets overdue but not undergone impairment	-	-	-	-	-
C.Net book value of assets undergone impairment	-	-	-	-	-
- Overdue (Gross Book Value)	-	915,442	-	-	-
- Impairment (-)	-	(915,442)	-	-	-
- Part of the net value secured by means of guarantee, etc,	-	-	-	-	-

Credit risks exposed due to type of financial instruments

	Receivables		Other Receivables	Deposits at Banks	Cash and Cash Equivalents
	Trade Receivables				
December 31, 2025	Related Party	Other Party	Other Party		
Maximum credit risk exposed as of the reporting date (*)	-	279,056,181	3,641,406	69,054,669	64,704,809
- 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	-	279,056,181	3,641,406	69,054,669	64,704,809
B. Net book value of assets overdue but not undergone impairment	-	-	-	-	-
C.Net book value of assets undergone impairment	-	-	-	-	-
- Overdue (Gross Book Value)	-	1,119,261	-	-	-
- Impairment (-)	-	(1,119,261)	-	-	-
- Part of the net value secured by means of guarantee, etc,	-	-	-	-	-

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Liquidity Risk

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

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

Liquidity Risk Table

March 31, 2026					
Expected (or by contract) Due Dates	Book Value	Sum of Cash Outflow by Contract (I+II+III+IV)	<3 months (I)	3-12 months	1-5 years
Non-derivative Financial Liabilities					
Bank loans and interest	54,129,092	55,759,890	31,827,151	23,932,739	-
Lease Payables	40,236,003	40,236,003	5,251,081	13,062,705	21,922,217
Trade payables	15,131,724	15,131,724	15,131,724	-	-
Other payables	8,788,586	8,788,586	8,788,586	-	-
Total liabilities	118,285,405	119,916,203	60,998,542	36,995,444	21,922,217

December 31, 2025					
Expected (or by contract) Due Dates	Book Value	Sum of Cash Outflow by Contract (I+II+III+IV)	<3 months (I)	3-12 months	1-5 years
Non-derivative Financial Liabilities					
Bank loans and interest	49,888,564	50,254,854	50,254,854	-	-
Lease Payables	36,186,507	36,186,507	3,209,193	10,402,118	22,575,196
Trade payables	12,990,648	12,990,648	12,990,648	-	-
Other payables	21,546,274	21,546,274	21,546,274	-	-
Total liabilities	120,611,993	120,978,283	88,000,969	10,402,118	22,575,196

Exchange rate risk

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

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

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

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Foreign exchange position table

March 31, 2026

	Total TL Equivalent	US Dollar	Avro	Other
Cash and cash equivalents & financial investments	76,392,685	1,462,907	64,967	14,993,622
Short-term trade receivables	86,294,587	1,596,400	108,749	18,210,205
Other short-term assets	1,069,517	-	21,000	-
Short-term and long-term financial liabilities	(77,017,999)	(1,734,792)	-	-
Short-term trade payables	(5,316,550)	(100,713)	(7,346)	(830,932)
Net Foreign Currency Position	81,422,240	1,223,802	187,370	32,372,895
Monetary Items Net Foreign Exchange Asset(Liability) Position	81,422,240	1,223,802	187,370	32,372,895

Foreign exchange position table *

December 31, 2025

	Total TL Equivalent	US Dollar	Avro	Other
Cash and Cash Equiv, & Financial Investments	104,514,512	1,503,049	368,655	22,506,018
Short Term Trade Receivables	185,034,911	3,547,983	65,678	23,985,158
Long-term Other Assets	2,919,264	37,270	21,000	-
Short and Long Term Financial Liabilities	(75,881,644)	(1,609,426)	-	-
Other Monetary Liabilities	(1,461,597)	(31,000)	-	-
Short-term Trade Payables	(9,734,531)	(173,134)	(19,976)	(789,790)
Net Foreign Currency Position	205,390,915	3,274,742	435,357	45,701,386
Monetary Items Net Foreign Exchange Asset(Liability) Position	202,471,651	3,237,472	414,357	45,701,386

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of March 31, 2026,

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.

Foreign Currency Position Table	March 31, 2026			
	Profit/Loss		Equity	
	Increase of Foreign Currency	Decrease of Foreign Currency	Increase of Foreign Currency	Decrease of Foreign Currency
In case US Dollar changes 10% against TL:				
1- US Dollar net asset/liability	5,433,204	(5,433,204)	5,433,204	(5,433,204)
2- The part secured against US Dollar risk (-)	-	-	-	-
3- US Dollar Net Effect(1+2)	5,433,204	(5,433,204)	5,433,204	(5,433,204)
In case EURO changes 10% against TL:				
4- EURO net asset/liability	954,264	(954,264)	954,264	(954,264)
5- The part secured against EURO risk (-)	-	-	-	-
6- Euro Net Effect(4+5)	954,264	(954,264)	954,264	(954,264)
In case Other Currencies change 10% against TL:				
7-Other exchange net asset / liability	1,754,756	(1,754,756)	1,754,756	(1,754,756)
9- Other exchange net effect (7+8)	1,754,756	(1,754,756)	1,754,756	(1,754,756)
TOTAL (3+6+9)	8,142,224	(8,142,224)	8,142,224	(8,142,224)

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Foreign Currency Position Table *	December 31, 2025			
	Profit/Loss		Equity	
	Increase of Foreign Currency	Decrease of Foreign Currency	Increase of Foreign Currency	Decrease of Foreign Currency
In case US Dollar changes 10% against TL:				
1- US Dollar net asset/liability	15,439,840	(15,439,840)	15,439,840	(15,439,840)
2- The part secured against US Dollar risk (-)				
3- US Dollar Net Effect(1+2)	15,439,840	(15,439,840)	15,439,840	(15,439,840)
In case EURO changes 10% against TL:				
4- EURO net asset/liability	2,409,075	(2,409,075)	2,409,075	(2,409,075)
5- The part secured against EURO risk (-)				
6- Euro Net Effect(4+5)	2,409,075	(2,409,075)	2,409,075	(2,409,075)
In case Other Currencies change 10% against TL:				
7-Other exchange net asset / liability	2,690,177	(2,690,177)	2,690,177	(2,690,177)
9- Other exchange net effect (7+8)	2,690,177	(2,690,177)	2,690,177	(2,690,177)
TOTAL (3+6+9)	20,539,092	(20,539,092)	20,539,092	(20,539,092)

(*) Amounts are determined on the basis of the purchasing power of Turkish Lira (TL) as of March 31, 2026.

As seen in the Exchange Rate Sensitivity Analysis Table above, the gross profit resulting from the exchange rate gain would have been TL 8,142,224 lower/higher (December 31, 2025: TL 20,539,092).

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.

	March 31, 2026	December 31, 2025
Total Debts	489,999,031	487,020,826
Cash and Cash Equivalents	124,400,695	133,759,478
Net Debt	365,598,336	353,261,348
Equities	824,789,585	814,345,910
Equity / Net Debt Rate	2.26	2.31

NOTE 29- POST-BALANCE SHEET EVENTS

March 31, 2026

- Financial statements were approved by the board of directors on May 11, 2026.

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December 31, 2025

- Financial statements were approved by the board of directors on March 9, 2026.
- Severance pay ceiling amount has become TL 64,949 as of January 1, 2026

NOTE 30- OTHER MATTERS

a) Financial Statement Disclosures:

- As of March 31, 2026, total insurance amount of asset values is USD 775,000. (December 31, 2025: USD 775,000)

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 31- OTHER COMPLEMENTARY INFORMATION

EBITDA Reconciliation

EBITDA is not a performance measure defined under IFRS, The reconciliation of EBITDA for the fiscal periods ended March 31, 2026, and March 31, 2025, is as follows:

	January 1- March 31, 2026	January 1- March 31, 2025
Operating Profit (Loss)	46,366,660	44,022,443
Depreciation and amortization of tangible and intangible fixed assets and right-of-use assets	25,766,034	17,640,337
EBITDA	72,132,694	61,662,780