



2024

Annual Report



Table of Contents

CHAIRMAN'S MESSAGE

01 | **KRON AT A GLANCE**

- 07 About Kron
- 08 Corporate Information
- 09 Vision and Mission
- 10 Shareholder Structure
- 11 Kron's Milestones
- 13 Products
- 20 Global Footprint
- 21 Global Industry Recognition and Success

02 | **MANAGEMENT**

- 23 Board of Directors
- 25 Committees Senior
- 27 Management

03 | **KRON IN 2024**

- 29 Co-CEO's Message
- 31 2024 Overview
- 32 Key Financial Indicators
- 33 Capital Increase and Growth Investments
- 33 Expanding Partner Ecosystem
- 35 Awards, Achievements and Events
- 37 R&D Activities

04 | **STRATEGY AND OUTLOOK**

- 40 Sectoral Outlook and Trends
- 42 Strategic Priorities



05 | PEOPLE AND CULTURE

- 46 Kron Corporate Culture and Employee Experience
- 47 Our Vales
- 48 Beyond Numbers: Success Growing With The Team
- 49 Kron Talent Management

06 | CORPORATE GOVERNANCE AND SUSTAINABILITY

- 51 Investor Relations Department
- 52 Exercise of Shareholder's Rights to Information
- 52 General Assembly
- 52 Voting and Minority Rights
- 53 Dividend Distribution Policy and Dividend Distribution Time
- 53 Transfer of Shares
- 53 Company Information Policy
- 53 Annual Report
- 53 Information For Stakeholders
- 54 Ethical Rules and Social Responsibility
- 54 Structure and Formation of The Board of Directors
- 54 Working Principles of The Board of Directors
- 55 Independence Declarations of Our Independent Board Members
- 56 Other Issues
- 57 Strategic Objectives of The Company
- 58 Financial Rights Provided to The Board of Directors and Senior Management
- 58 Corporate Governance Compliance Statement
- 59 Voluntary Principles with Which Full Compliance Has Not Been Achieved Are as Follows
- 59 Sustainability
- 60 Sustainability Compliance Report
- 66 Corporate Governance Compliance Report
- 73 Corporate Governance Information Form

07 | 2024 AUDITED FINANCIAL STATEMENTS

- 83 Consolidated Financial Statements for The Period 1 January – 31 December 2024 and Independent Auditor's Report

CHAIRMAN'S MESSAGE



LÜTFİ YENEL

Chairman

Dear Valued Stakeholders,

The year 2024 will be remembered as a period of profound global transformation, leaving a lasting impact on the business landscape. Within this shifting environment, two critical factors have directly influenced our company: the rapid advancements in artificial intelligence (AI) technologies and evolving global geopolitical dynamics.

AI is not only reshaping the way we work but also driving a fundamental transformation in the cybersecurity landscape. As cyber threats become increasingly sophisticated, AI-powered attacks have introduced a new dimension to cybersecurity challenges. At the same time, AI presents tremendous opportunities to enhance cybersecurity solutions. Today, threat actors leverage machine learning and automated attack systems to execute more targeted, scalable, and intelligent cyberattacks. This evolving threat environment demands that security solutions advance at the same rapid pace. At Kron Technologies, we are integrating AI into our products to develop the cybersecurity solutions of the future. Through investments in AI-driven automation and threat analysis within our software development processes, we are focused on building more powerful, intelligent, and proactive security solutions. This transformation represents one of our company's most significant growth areas in the coming years.

Geopolitical developments are reshaping global economic balances, prompting companies to reassess their international strategies. However, we do not view these challenges as risks; rather, we see them as significant opportunities for transformation. In 2024, we took important steps toward positioning Kron Technologies as a global cybersecurity leader. The key markets we have identified—Turkey, North America, the Middle East, and the Asia-Pacific region—will remain at the heart of our growth strategy in 2025 and beyond. To ensure that our North American subsidiary, Kron Technologies US, becomes a key driver of our future growth, we have strengthened our local team while enhancing our engineering support from Turkey. In the Middle East and Africa, we have completed our regional structuring and optimized our sales and marketing efforts to align with local market dynamics. Meanwhile, in the Asia-Pacific region, we are expanding our operations by welcoming new team members to build on our past successes. These strategic steps will propel our company forward, ensuring a stronger and more resilient future on our global growth journey.

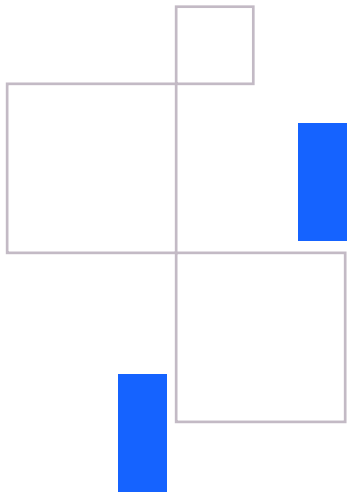
In 2024, we implemented a leadership transformation, appointing two highly capable executives as Co-CEOs—leaders with a dynamic and innovative vision. We firmly believe that this leadership transition will accelerate Kron Technologies' growth, strengthen our global competitive position, and unlock the full potential of our talented workforce. Today, as a company with 18 years of strong heritage, a robust technological foundation, and an innovation-driven mindset, we look to the future with great excitement and confidence. We are well-positioned to seize new opportunities in cybersecurity, both in terms of technology and market expansion.

I extend my sincere gratitude to our investors, customers across Turkey and around the world, our employees who contribute with creativity and dedication to our growth, and all our partners who walk with us on this journey. Together, we will continue working to propel Kron Technologies to even greater achievements in the future.

With my warmest regards,

Lütfi Yenel
Chairman





01

KRON AT A GLANCE



ABOUT KRON

Kron Technologies stands out as a leading technology company in the cybersecurity sector, offering a broad suite of access and data security products. Reputable research institutions like Gartner and KuppingerCole have recognized Kron as one of the world's leading access and data security companies. Serving more than 300+ customers across 32 countries, the company has been listed on the Borsa Istanbul (BIST: KRON) since 2011 and operates globally through offices, distributors, and partners across 6 continents.

Kron Technologies, established in 2007 to provide software solutions to telecommunications operators, expanded its focus in 2012 to include operational efficiency and cybersecurity solutions for service providers, financial institutions, and large enterprises. Addressing infrastructure, operational, and security challenges in digital transformation—a top priority for all organizations—has been a core value of Kron's innovative approach.

Kron's competitive edge lies in its talented engineering team, which works within a non-hierarchical structure to foster a collaborative, creative environment. The company is driven by the values of speed, reliability and quality, while maintaining an emphasis on human needs and flexible work environments.

The growing demand for advanced technologies, driven by heightened security needs, regulatory changes, and cyber-attacks, motivates Kron Technologies to innovate continuously. The company is committed to developing next-generation technologies at its 3 R&D centers in Turkey while expanding its global footprint.

To broaden its reach, the company is increasing investment in partner channels as part of its strategic priorities. With support from its main offices in Turkey and the United States, Kron Technologies continues to expand globally, remaining committed to core values such as customer proximity, a deep understanding of customer needs, and timely service delivery.



Corporate Information

CORPORATE NAME

Kron Teknoloji Anonim Şirketi

HEADQUARTER

İ.T.Ü. Ayazağa Kampüsü, Teknokent ARI3 Binası, No:B401,
Maslak, Sarıyer, İstanbul, Türkiye

T:+90 212 286 51 22

F:+90 212 286 53 43

OFFICES

Ankara

Bilkent Cyberpark, C-blok, K:3 No:321, Bilkent - Ankara

İzmir

Akdeniz Mah. 1353 Sk. Armesa İş Merkezi, No:2, Kat:1 Konak-İzmir

Kron Technologies US Ironsphere Inc.

3 2nd Street Suite 201, Jersey City, NJ,07302, USA

Trade Registry Number

547587

Listing Date

27 May 2011

Web Address

www.krontech.com

Ticker

KRONT

E-Mail Address

investor@krontech.com

Market

BIST Main

Listing Venue

Borsa İstanbul

VISION & MISSION

VISION

Empowering businesses worldwide with advanced cybersecurity and data management solutions for a secure digital future.

MISSION

As a global technology firm, our mission is to empower our clients by delivering solutions that safeguard their digital assets and enable efficient data management.

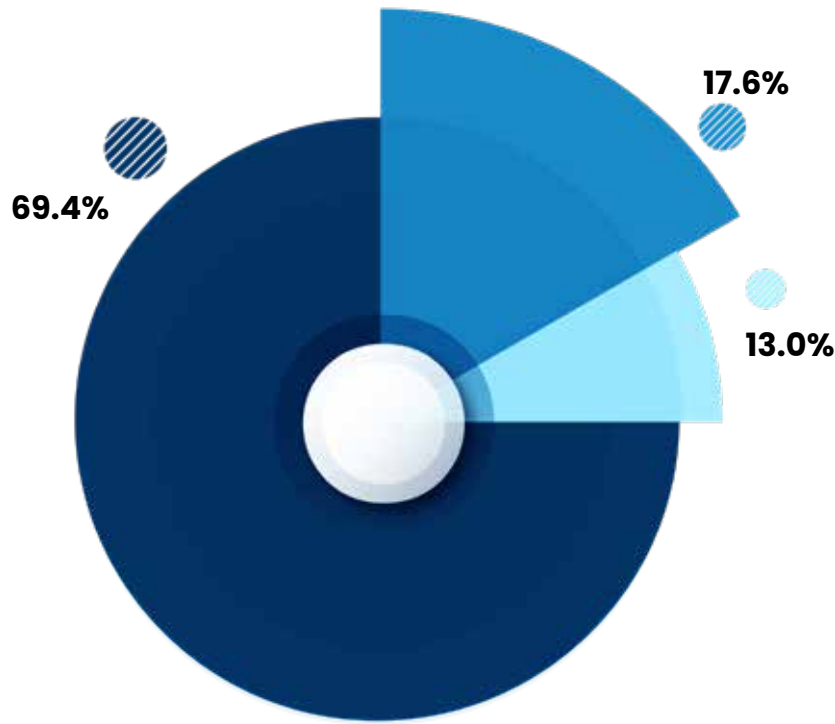


SHAREHOLDER STRUCTURE

Kron's paid-in capital is 85,611,078 TL and consists of 85,611,078 shares with a nominal value of 1 TL.

As of December 31, 2024, the company's shareholder and capital structure is as follows:

SHAREHOLDER	SHARE GROUP	NUMBER OF SHARES
ZEYNEP YENEL ONURSAL	A/B	11,129,444
LÜTFİ YENEL	B	15,082,168
FREE FLOAT	B	59,399,466
TOTAL		85,611,078

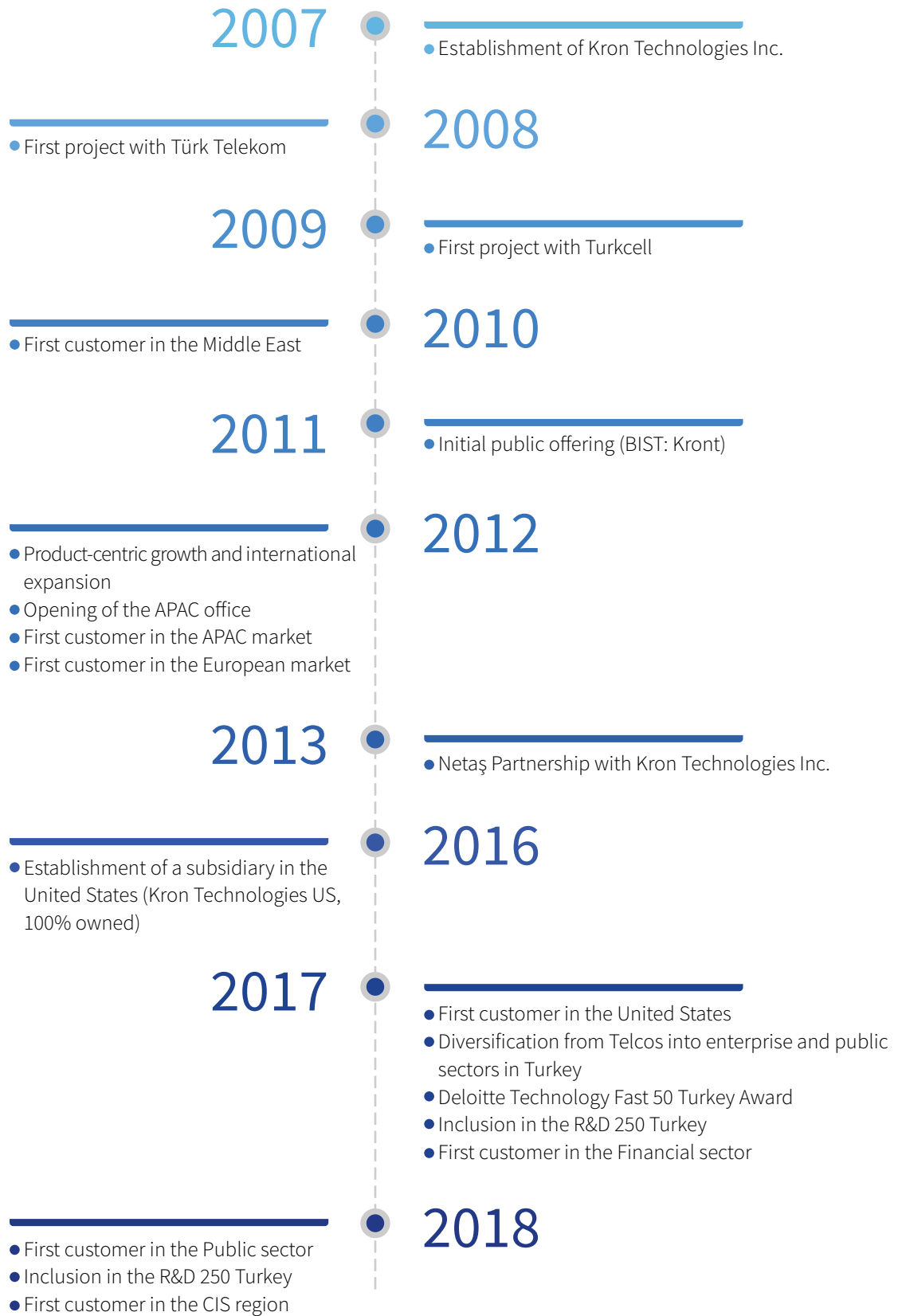


SUBSIDIARIES

COMPANY NAME	HEADQUARTER	EQUITY STAKE PERCENTAGE
KRON TECHNOLOGIES US	NEW JERSEY - USA	100%

Kron Technologies's fully owned subsidiary in the United States, Ironsphere Inc., was renamed to 'Kron Technologies US' with the aim of enhancing the company's brand visibility in global markets and ensuring brand integrity.

KRON'S MILESTONES



2019

- Inclusion of PAM product in the Gartner Magic Quadrant report (First Turkish company to enter Magic Quadrant in the Cybersecurity field)
- Recognition of KronPAM product as a leader in international reports (Forrester, Kuppingercole)
- Ranked 1st in the IT 500 list – Turkey based technologies vendor - Data
- Security Software Category Inclusion in the R&D 250 Turkey

- Ranked 1st in the IT 500 list – Turkey based technologies vendor - Data Security Software
- Category
- Establishment of the Izmir R&D Center
- Deloitte Technology Fast 50 Turkey Award

2020

2021

- Acquisition of Netaş shares by Zeynep Yenel Onursal
- First customer in the African market
- Recognition of Kron PAM product as a leader in international reports (Forrester, Kuppingercole)
- Inclusion in the R&D 250 Turkey

- Inclusion of PAM product in the Gartner Magic Quadrant report
- Recognition of KronPAM product as a leader in international reports (Forrester, Kuppingercole)
- Ranked 1st in the IT 500 list – Turkey based technologies vendor - Data Security Software
- Category
- Inclusion in the R&D 250 Turkey

2022


2023

- Completion of Partner Portal and Channel Program
- Kron DAM&DDM featured in Gartner Report
- Launching SaaS model
- Completion of North America restructuring
- Establishment of local team in Middle East
- Inclusion in R&D 250 Turkey list
- Ranked 1st in IT 500 list - Turkey based vendor - Data Security Software category
- HIB Export Accelerators silver award

- Customers 30+ countries in globally
- Recognition of Kron PAM product as a leader in international reports (Forrester, Kuppingercole)
- “Exporter of the Year” Award

2024

OUR PRODUCTS




IDENTITY & ACCESS MANAGEMENT

- Privileged Access Management (Kron PAM)
- Endpoint Privilege Manager
- Multi-Factor Authentication
- TACACS+ / RADIUS Access Manager



DATA SECURITY & DATA MANAGEMENT

- Database Activity Monitoring
- Dynamic Data Masking
- Telemetry Pipeline



INFRASTRUCTURE MANAGEMENT & OPERATIONS

- Deep Packet Inspection
- IPDR Logging
- Quality Assurance
- Kron AAA & Subscriber Management



Identity & Access Management

Kron PAM, Kron's Identity and Access Management platform, provides secure access to your critical data by providing high-level security

- Privileged Access Management (Kron PAM)
- Endpoint Privilege Manager
- Multi-Factor Authentication
- TACACS+ / RADIUS Access Manager

Privileged Access Management (Kron PAM)

Description

Kron PAM is an advanced Privileged Access Management (PAM) solution designed to protect enterprises from both internal and external cybersecurity threats by ensuring secure and controlled access to critical IT infrastructure. By enforcing a zero-trust security model, Kron PAM helps organizations manage, monitor, and audit privileged accounts, preventing unauthorized access and mitigating the risk of data breaches.

The platform features a modular and scalable architecture, allowing seamless integration into diverse IT environments while supporting quick deployment. With adaptive security measures, it enhances session management, threat detection, and user behavior analytics to enable real-time monitoring and response.

Kron PAM incorporates cutting-edge technologies such as AI-driven anomaly detection, role-based access control (RBAC), just-in-time (JIT) access provisioning, and multi-factor authentication (MFA). This ensures a robust security framework that not only protects sensitive data but also streamlines compliance with various regulatory standards. The platform is designed for enterprises of all sizes, offering cloud, on-premise, and hybrid deployment options to meet the specific security needs of organizations.

Additionally, Kron PAM provides comprehensive auditing and reporting capabilities, giving security teams deep visibility into privileged activities and ensuring adherence to cybersecurity policies. Its intelligent automation features also reduce administrative burden, enabling security teams to focus on strategic initiatives rather than routine access management tasks.

Use Cases

Kron PAM serves as a critical security solution for organizations operating in highly regulated industries, including finance, energy, healthcare, telecommunications, government, and critical infrastructure sectors. It provides end-to-end privileged access governance, ensuring compliance with global security standards such as ISO 27001, ISO 31000:2009, KVKK, PCI DSS, SOX, HIPAA, and GDPR.

Key use cases include:

Financial Institutions & Banking: Prevents unauthorized access to financial databases, secures transactions, and ensures compliance with strict banking regulations (e.g., PCI DSS, SOX).

Energy & Critical Infrastructure: Safeguards operational technology (OT) and industrial control systems (ICS) by preventing cyber threats targeting power grids, oil refineries, and water treatment facilities.

Telecommunications: Protects network infrastructures, subscriber data, and privileged accounts from potential cyber threats, ensuring compliance with GDPR and other data privacy laws.

Government & Public Sector: Strengthens cybersecurity postures by securing access to sensitive government databases, enforcing zero-trust policies, and preventing insider threats.

Cloud & Hybrid Environments: Enables secure access management across multi-cloud environments, ensuring privileged access is tightly controlled across AWS, Azure, and Google Cloud platforms.

Beyond industry-specific applications, Kron PAM enhances cybersecurity strategies for enterprise IT environments, DevOps teams, and remote workforces, ensuring that organizations maintain continuous security and compliance while minimizing insider and external threats.

Kron PAM Product Family - Modules

 <p>PASSWORD VAULT</p>	 <p>SECRETS MANAGEMENT</p>	 <p>PRIVILEGED SESSION MANAGER</p>	 <p>SECURE REMOTE ACCESS</p>
<p>Ensures centralized, secure storage and lifecycle management of all privileged account credentials, preventing unauthorized access to systems and applications.</p>	<p>Automates the secure storage, rotation, and access management of secrets such as API keys, passwords, and certificates, reducing the risk of credential exposure.</p>	<p>Offers sophisticated session management capabilities, granting complete control over privileged sessions.</p>	<p>Provides secure, monitored, and controlled remote access for third-party vendors and employees, ensuring compliance while reducing security risks.</p>
 <p>DATABASE ACCESS MANAGEMENT</p>	 <p>USER BEHAVIOR ANALYTICS</p>	 <p>CIEM</p>	 <p>PRIVILEGED TASK AUTOMATION</p>
<p>Provides the session recording, policy enforcement, and dynamic data masking for database administrators accessing critical data.</p>	<p>User Behavior Analytics, powered by artificial intelligence and advanced algorithms, enables the detection of malicious activities from insider threats.</p>	<p>Identifies cloud assets, monitors entitlements, and reports potential security incidents, enabling organizations to enforce the principle of least privilege across cloud environments.</p>	<p>Scalable and flexible architecture automates routine tasks and eliminates service interruptions.</p>

Identity & Access Management

Endpoint Privilege Manager (EPM)

Description

Kron Endpoint Privilege Manager (EPM) enforces the least privilege principle, ensuring users and applications have only the necessary access to minimize security risks. It prevents privilege escalation attacks, insider threats, and unauthorized system changes while maintaining operational efficiency. With real-time monitoring and automated policy enforcement, EPM helps organizations strengthen security.

Use Cases

EPM helps prevent privilege escalation attacks by restricting unnecessary admin rights, reducing malware and ransomware risks. It secures endpoint devices by controlling local admin privileges and preventing unauthorized software installations. Organizations can enforce least privilege policies to ensure users have only the access they need while maintaining productivity.



Multi-Factor Authentication

Description

Kron's Multi-Factor Authentication (MFA) adds a critical security layer against cyber threats like identity theft and unauthorized access. By requiring multiple authentication factors, it reduces the risk of account takeovers and data breaches. Powered by AI-driven adaptive authentication, Kron MFA analyzes user behavior to dynamically adjust security measures. It strengthens authentication for high-risk logins while ensuring seamless access for trusted users, enhancing security without disrupting productivity.

Use Cases

Multi-Factor Authentication secures access to your critical data with additional security layers such as one-time passwords, geographic location verification, and administrator approval, alongside users' passwords.

TACACS+ / RADIUS Access Manager

Description

TACACS+/RADIUS Access Management, supporting up to 250,000 devices on a single instance, enables organizations to securely manage users with AAA (Authentication, Authorization, and Accounting) and records all sessions indisputably.

Use Cases

TACACS+ / RADIUS Access Manager, allowing organizations to manage thousands of devices with high performance, provides full visibility by controlling all authorized users.



Data Security & Data Management

Masks sensitive data and ensures seamless logging of network traffic without any loss. Kron solutions minimize the risk of data breaches and leaks.

- Database Activity Monitoring
- Dynamic Data Masking
- Telemetry Pipeline



Database Activity Monitoring

Description

Database Activity Monitoring is a security product used by organizations to secure their databases and ensure that sensitive data is monitored. Database activity monitoring aims to detect unauthorized access and potential threats by recording every transaction on the database

Use Cases

Database Activity Monitoring increases database security by detecting unauthorized access attempts. It provides the monitoring and reporting required to meet regulatory compliance requirements. Identifies potential threats and provides the ability to respond quickly. Monitoring and protecting sensitive data reduces the risk of data breaches and protects the company's reputation.

Dynamic Data Masking

Description

Dynamic Data Masking, which allows database administrators to record and mask sessions while accessing sensitive data, enhances your security and ensures compliance with regulations.

Use Cases

Dynamic Data Masking supports many databases and big data platforms, including Oracle, MSSQL, MySQL, PostgreSQL, Hive and IBM DB2. By automatically discovering sensitive data and masking it at the table and column level, it prevents the exposure of real data.



Telemetry Pipeline

Description

Kron Telemetry Pipeline enables the collection, processing and enrichment of logs, metrics, and traces generated by different sources in a format suitable for various destinations.

Use Cases

It helps control the cost of log storage by reducing unnecessary logs. With its enrichment feature, it makes logs more valuable and functional. By standardizing logs of different formats from different sources, it facilitates data governance. By decoupling log sources and destinations, it prevents vendor lock-in.

Telco Solutions

Kron provides successful digital transformation with solutions that support the IT infrastructure of organizations with innovative technologies.

- Deep Packet Inspection
- IDPR Logging
- Quality Assurance
- Kron AAA & Subscriber Management

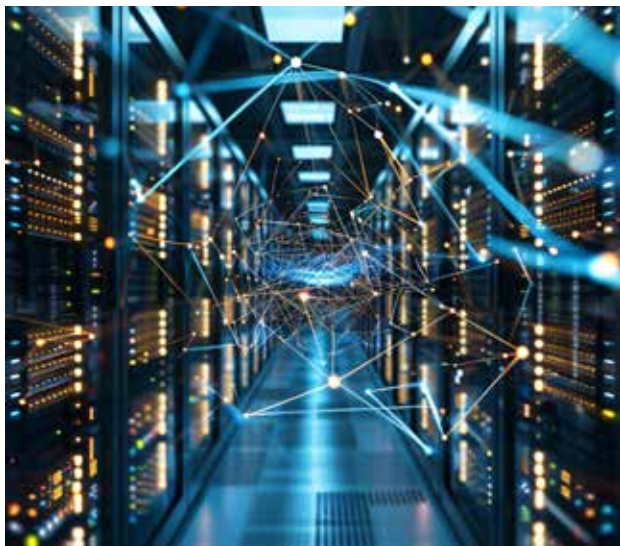
Deep Packet Inspection

Description

Kron DPI is a Deep Packet Inspection product designed to meet the regulatory requirements of both fixed and mobile service providers, helping to enable value-added internet services. It supports terabit-scale deployments for traffic analysis and active enforcement of subscriber traffic.

Use Cases

Internet Service Providers must comply with regulatory obligations to ensure secure internet and reduce other illegal activities. Kron DPI enhances the capabilities of Internet Service Providers by analyzing user traffic and providing features such as bandwidth management and access control at the application and website level. The product also generates metadata for network and user analytics, aiding in network planning and marketing analysis.



IPDR Logging

Description

Kron IPDR Logging is a logging solution designed to manage large volumes of network traffic logs, processing millions of records per second without any loss, and storing them efficiently through data compression.

Use Cases

Kron IPDR Logging provides logging and data enrichment capabilities that adhere to the logging regulations of telecom service providers and large enterprises. Moreover, it seamlessly integrates with common network equipment manufacturers through its ready-to-use adapters.

Quality Assurance

Description

Kron QA (Quality Assurance) is a quality monitoring product that measures the quality of the network and services using active probes deployed in a distributed manner.

Use Cases

Network and Service Quality Measurement proactively monitors the network traffic in real-time through a distributed probe architecture, enabling immediate detection of issues through its early detection mechanism. It allows data access quality to be monitored from a single interface and platform, eliminating the need to gather information from different platforms.



Kron AAA & Subscriber Management

Description

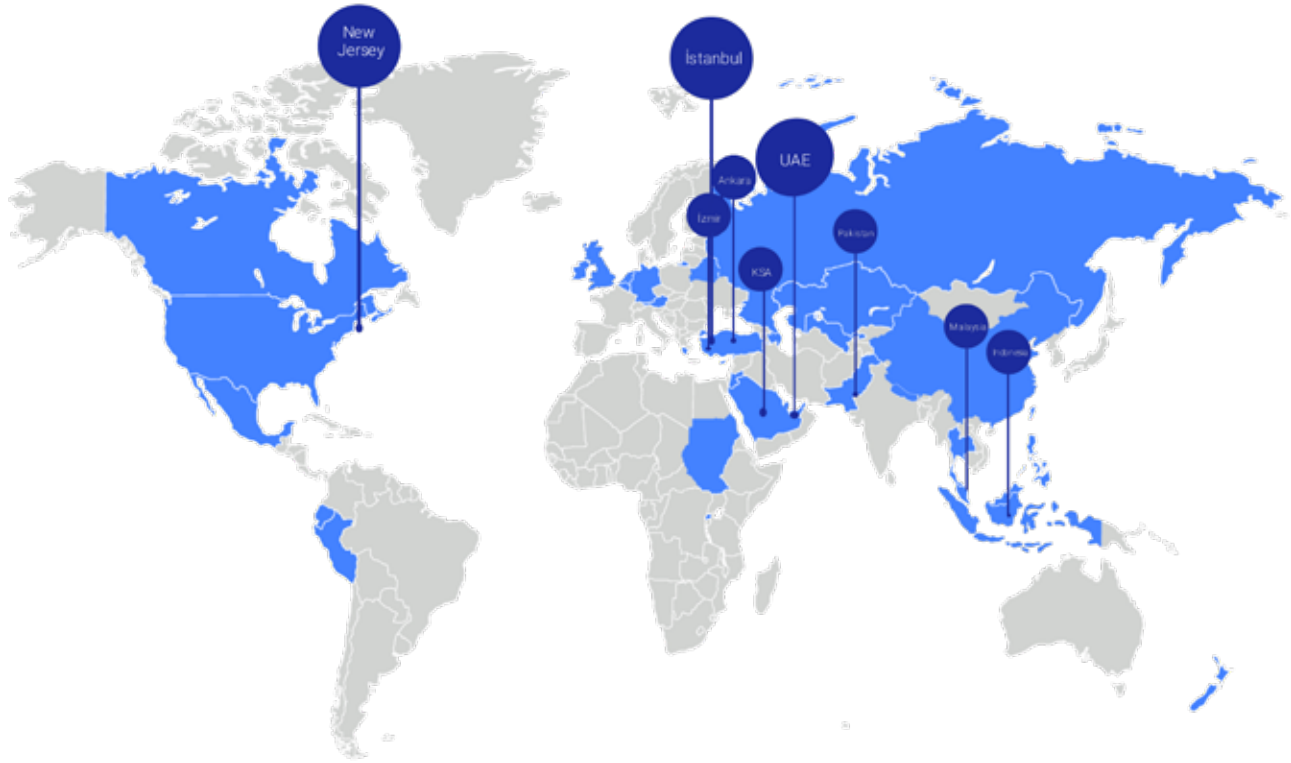
KRON AAA is a network access management software that provides subscriber authentication, authorization, and accounting functions for accessing network resources. This software is offered to telecommunication operators along with subscriber management functions.

Use Cases

Due to its vendor agnostic design, it is compatible with network devices from multiple vendors simultaneously. It can scale vertically and horizontally according to increasing traffic volume.



GLOBAL FOOTPRINT



● Offices / Sales Teams ● Customers

6
Continents

32
Countries

18 years
Experience

300+
Customers

160+
Employees

3
R&D Centers

GLOBAL INDUSTRY RECOGNITION AND SUCCESS

Kron Technologies, a leading software company specializing in cybersecurity, distinguishes itself in the global arena with its high-quality and innovative solutions. The company has garnered numerous achievements and awards, underscoring its technological excellence and customer-centric ethos.

KuppingerCole

Kron Technologies was highlighted in two distinct categories in KuppingerCole’s Leadership Compass reports in 2024. Kron PAM was featured in the Leadership Compass report on Privileged Access Management (PAM) and recognized as a global leader in securing privileged accounts. These recognitions further establish Kron’s position as a leader in both privileged access management and data security solutions.



Omdia Universe

Kron Technologies was recognized as a leading Privileged Access Management (PAM) provider in the “Omdia Universe: Selecting a Privileged Access Management Solution” report published in 2021-22. The company stood out in key areas such as customer experience, solution capabilities, and market impact, further reinforcing its reputation as a trusted global cybersecurity provider.



Gartner Magic Quadrant

Kron Technologies has been recognized multiple times by Gartner, solidifying its position in the cybersecurity domain. Kron PAM was selected into Gartner’s Magic Quadrant for Privileged Access Management (PAM) in 2020 and 2021, making Kron the only Turkish company to be included in the Magic Quadrants for cybersecurity. In 2024, Kron’s DAM&DDM product was featured in Gartner’s Market Guide for Data Masking and Synthetic Data, marking the second Kron product to be acknowledged by Gartner outside of PAM. This recognition significantly enhances Kron’s visibility in the data security market.



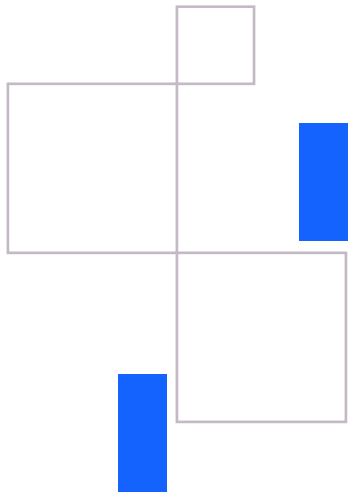
PAM

4.7 ★★★★★

Highest Rated on
Gartner
Peer Insights.

Privileged Access Management

- ✓ Protect your data and critical infrastructure with Kron PAM by managing privileged users and sessions. Password Management
- ✓ Session Management with Zero-trust Principles
- ✓ Regulation and Audit Compliance



02

MANAGEMENT

BOARD OF DIRECTORS

The Chairman and members of the Board of Directors are vested with the powers set forth in the relevant articles of the Turkish Commercial Code and Articles 10 and 11 of the Company's Articles of Association. Our Board of Directors consists of 6 members, and their term of office is 3 years. The members of the Audit Committee are vested with the powers set forth in Article 25 of the Communiqué (II-17.1) of the Capital Markets Board and Communiqué Series: X No: 22, and the provisions of the relevant legislation of the Capital Markets Board.



LÜTFİ YENEL
Chairman

Lütfi Yenel, one of the founding partners of Kron, serves as the Chairman of the Board of Kron. Previously, Yenel was Alcatel-Lucent Turkey's Chairman and CEO and Alcatel-Lucent International's Vice President responsible for Turkey and the Independent States countries and Middle East regions. He joined Alcatel in 1995, and left Alcatel before Kron was founded.

Prior to Alcatel, he served as Chairman and CEO of Vestel and a member of the Board of Directors of Sansui / Japan. Previously, Lütfi Yenel was Sabanci Holding's and Turkey Industrialists and Businessmen's Association's (TUSIAD) Executive Board member, International Investors Association (YASED) 's Board member, Turkey Quality Association (KALDER) Vice President and member of the International Chamber of Commerce (ICC) Electronic Commerce and Telecom Committee. Lütfi Yenel holds a master's degree in Electronic Engineering and Business Administration.

Ayşe Yenel earned a Bachelor of Science Degree in Industrial Engineering from Lehigh University. She started her career at JP Morgan Chase in the United States back in 1999. After holding various positions in Credit Analytics and Strategy Management she left JP Morgan as Vice President of Credit Cards Business to move to Turkey.

In 2004 Ayşe joined HSBC Turkey to form the Retail Credit Analytics team. She worked under the Risk Function in a number of roles for 10 years including Chief Risk Officer for the Retail Bank. She moved to Retail Banking as Chief Operating Officer in 2014. Ayşe was appointed as Assistant General Manager of HSBC Turkey responsible from Wealth and Personal Banking in 2017. Additionally, Ayşe served as Vice Chairperson of HSBC Portföy Yönetimi A.Ş.

Ayşe joined Kron Technologies in 2023 and currently serves as Co-CEO and Vice Chairperson of the Board.



AYŞE YENEL
Vice - Chairperson



ZEYNEP YENEL ONURSAL
Board Member

Zeynep Yenel Onursal graduated from the University of Pennsylvania, Wharton School with a Bachelors in Science Degree in Finance. Zeynep started her career in 2007 at Goldman Sachs in New York. Between 2010 and 2016, she held various leadership positions in the Leveraged Finance, M&A and Financial Sponsors Groups at Goldman Sachs in London.

In 2016, Zeynep assumed Country Head responsibility for Goldman Sachs in Turkey as Managing Director. She held this role until 2023.

In addition to her career in finance, Zeynep serves on the board of the American Turkish Society (ATS) to help enhance business and cultural ties between the US and Turkey.

Zeynep joined Kron Technologies in 2023 and currently serves as Co-CEO and Board Member.

Emre Baran is an entrepreneur and software executive with over 20 years of experience in software products. He is the co-founder and CEO of Cerbos, a company that provides authorization services for software applications.

In the mid-2000s, Emre Baran co-founded and served as the CTO of Yonja.com, Turkey's largest social network at the time. After earning his MBA, he joined Google as a Senior Product Manager, where he developed and launched multiple products that generated \$1 billion in revenue for Google's advertising portfolio.

Following his tenure at Google, Baran co-founded Qubit alongside three former colleagues. During his 10-year tenure as CTO and board director, he led product development and technologies across various stages of the company's growth.

He also serves as an Expert-in-Residence at Seedcamp, one of Europe's leading seed-stage investors. Baran holds bachelor's degrees in Economics and Computer Science from the University of Pennsylvania and an MBA from INSEAD.



EMRE BARAN

Board Member



ZEYNEP TOKMAN CESUR

Independent Board Member

Zeynep Tokman Cesur is a graduate of the Department of Sociology and International Relations at Middle East Technical University (ODTÜ). She completed her MBA at Purdue University.

Her career began in 2000 at Hewlett Packard, where she undertook various roles in the marketing and human resources departments. Cesur has also held high-level marketing positions at companies such as Sabancı Holding, Microsoft, Adobe, PayCore, and Dassault Systems.

She has also engaged in voluntary work for YenidenBiz, a social responsibility platform aimed at increasing women's participation in the workforce.

Yavuz Suat Bengür graduated from Middle East Technical University, Department of Electrical Engineering, Communication-Microwave group in 1981, and started to work as an R&D engineer at ASELSAN in the same year. Mr. Bengür completed his master's degree in Electrical and Electronics Engineering at Middle East Technical University in 1985.

He took multiple roles at ASELSAN between 1992-2017 respectively as Communications Electronic Warfare System Engineering Manager, Defense Programs Business Development Manager, Naval Combat Systems Program Director, Naval Systems Program Director, founding President of Transportation, Security, Traffic/Automation and Energy (UGES) Sector Presidency, and Deputy General Manager.

During the period of October 2017-July 2018, Mr. Bengür assumed duties as ASELSAN's Board of Directors Consultant and Deputy Chairman of the Board of Directors of the "ASELSAN Middle East-AME" company in Jordan. He retired from ASELSAN in July 2018. Then he served on the Board of Directors of the Turkish Electronics Industrialists Association (TESID) in the 2016-2018 period. Mr. Bengür still works as the General Secretary of TESID. He is married and has two children.



YAVUZ SUAT BENGÜR

Independent Board Member

COMMITTEES

Structure and Independence of Committees Established by the Board of Directors

In accordance with the applicable regulations of the Capital Markets Board (CMB), an audit committee, a corporate governance committee, and a committee for early detection of risk have been established in our company to ensure that the Board of Directors fulfills its duties and responsibilities properly. It was decided that the duties of a separate Nomination Committee and Remuneration Committee, as stipulated in the Corporate Governance Principles, will be carried out by the Corporate Governance Committee.

Audit Committee

NAME	ROLE	INDEPENDENCE
Yavuz Suat Bengür	Committee Chairman	Independent
Zeynep Tokman Cesur	Member	Independent

The Audit Committee takes all necessary measures to ensure that all internal and independent external audits are conducted sufficiently and transparently, and fulfills the duties assigned by the Capital Markets Legislation. The working principles of the committee have been determined in accordance with the CMB Corporate Governance Principles and disclosed on the company's website. The committee consists of two independent board members. In 2024, it met 8 times and fulfilled its duties as specified in the regulations defining its tasks and working principles. It informed and reported to the board 8 times throughout the year.

Corporate Governance Committee

NAME	ROLE	INDEPENDENCE
Yavuz Suat Bengür	Committee Chairman	Independent
Lütfi Yenel	Member	Not Independent
Onur Çelik	Member	Not Independent

The Corporate Governance Committee is responsible for monitoring compliance with the Corporate Governance Principles, investigating how well these principles are implemented within the company, identifying reasons for non-implementation, and determining any issues and conflicts of interest arising from partial implementation. The committee also fulfills the duties of the Nomination and Remuneration Committees. Its duties and working principles have been determined by the Board of Directors, documented, and disclosed to the public. In 2024, the committee fulfilled its stated duties. It consists of 2 non-executive board members and the head of the investor relations unit, with Yavuz Suat Bengür serving as the chairman, who holds independent status. The committee met 4 times and provided 4 notifications to the board.



Committee for Early Detection and Management of Risks

NAME	ROLE	INDEPENDENCE
Zeynep Tokman Cesur	Committee Chairman	Independent
Lütfi Yenel	Member	Not Independent

The Committee for Early Detection of Risks advises the Board of Directors on matters that could impact the company's operations. These matters include identifying, defining, prioritizing, monitoring, and reviewing risks and opportunities in strategic, financial, or operational areas; calculating their impact and probability; managing these risks and opportunities in line with the company's risk profile and appetite; and reporting and considering them in decision-making mechanisms.

The committee was established by the board and fulfilled its duties in 2024, reviewing the company's risk management system and presenting its report to the board. Eight meetings were held. The committee chairman is an independent board member and consists of two non-executive members.

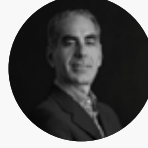
SENIOR MANAGEMENT



AYŞE YENEL
Co-CEO



ZEYNEP YENEL ONURSAL
Co-CEO



FUAT ALTIÖĞLU
CFO



SERDAL YILDIZ
CTO



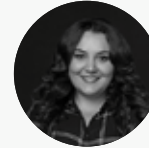
MEHMET ILGAZ
CPO



KEVIN MARVIN
General Manager, North America



ERHAN YILMAZ
Product Director



CANEL GÜRGEN ARCAÇ
HR Director



LEVENT ARS
Sales Director, Apac & MEA



SERHAT ÜMİT ÇELİK
Sales Director, Enterprise



BORA DÖNMEZ
Sales Director, Public Sector & Financial Institutions



MANOJ PANCHAL
Regional Director, MEA



MEHMET A. TANSAL
Sales Director, Turkcell & AZ



BERKAY MEKEÇ
Sales Director, Turk Telekom & Turksat



OLGA MATVEEVA
Assoc. Sales Director, CIS



ONUR SEMİH SEVİM
Sales Director, Europe & Latam



AHMET CEMAL AKGÜN
Marketing & Channel Management Director



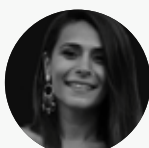
ALİ ORKUN DUMURCAKLI
Cybersecurity Solutions Director



HAKAN OTAL
Operations & Delivery Director (Telco)



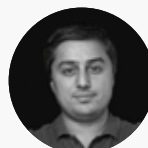
ERTÜRK VAROL
Operations & Delivery Director (Cybersecurity)



PINAR GÜNGÖR BİLGİN
Customer Success Director



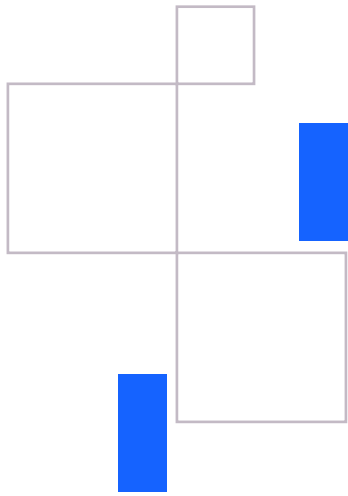
BARAN BARUT
Telco Solutions Director



AKIN KÜÇÜK
Software Solutions Director - Identity & Access Management



SİNAN KESKİN
Software Solutions Director - Custom Projects



03

KRON IN 2024

Co-CEO'S MESSAGE



ZEYNEP YENEL ONURSAL

Co-CEO

AYŞE YENEL

Co-CEO

Dear Esteemed Stakeholders,

It is with great excitement and a deep sense of responsibility that we write to you as Co-CEOs of Kron Technologies. Since stepping into this role, we have been energized by the immense potential ahead and the strong foundation built by our exceptional team.

We would like to begin by expressing our sincere gratitude to our shareholders for your trust, to our employees for your dedication and expertise, and to our customers and partners for your continued support. It is your commitment that has shaped Kron into Turkey's leading technology company with a global presence spanning 32 countries and a growing reputation for cybersecurity excellence.

We stand at a defining moment, not only for our company but for the cybersecurity industry at large. The digital landscape is evolving at an unprecedented pace, with organizations facing increasingly sophisticated security threats, a rapid shift to cloud-driven infrastructures, and a heightened urgency to secure identities and data. Against this backdrop, Kron Technologies is uniquely positioned to help enterprises navigate these challenges with confidence.

In 2024, our focus has been laying the foundations for accelerated expansion in 2025 and beyond. We have set in motion a number of strategic initiatives designed to transform our business and position us for long-term sustainable growth.

Our top priority is to expand our platform to address the critical challenges our customers face today. With a focus on securing identity and data, we are investing heavily in R&D to enhance both the depth and breadth of our product suite. Our commitment to innovation is powered by our highly skilled engineering team, which grew from 92 to 113 in 2024, further strengthening our ability to drive technological excellence in 2025 and beyond.

Another critical component of our strategy is growth through a strong partner ecosystem. In 2024, we have made significant investments in this area, introducing our new Channel Partner Program, launching our Partner Portal, and strategically selecting and onboarding critical partners in all key geographies. These efforts are already delivering results, with 57% of our cybersecurity sales now coming through partners, up from just 20% in 2023. This ecosystem is not only accelerating customer acquisition, with 58 new customers added in 2024, but also enabling us to scale more efficiently and sustainably.

Expanding our global footprint is equally critical. We have deepened our presence in North America and Middle East, with dedicated local teams and a reinforced partner network in these strategic markets. As we enter 2025, our team is fully mobilized and we expect to see meaningful revenue contributions from these markets in the coming years.

On the financial front, our primary focus is accelerating the shift toward a more recurring revenue-based model, providing greater flexibility for our customers while ensuring a more predictable and resilient revenue base for us. 2024 marked a turning point in this transition, with subscription revenues surging 245% year-over-year and driving Annual Recurring Revenue (ARR) growth of 95%. While this transition has had a near-term impact on revenues in 2024, we are building a rapidly growing base of predictable and recurring revenue, positioning Kron for sustainable long-term value creation.

As our company grows, so must our internal structure and culture. In 2024, our workforce expanded from 133 to 160 employees and we have made it a priority to foster a collaborative, inspiring and performance oriented organization. Strengthening leadership, enhancing cross-functional collaboration, and investing in employee experience remain central to our strategy – not just to scale in size, but to grow in effectiveness and impact.

Strong industry tailwinds and the transformational shifts we are driving today will power our next phase of growth. 2024 was a year of foundation-building, and we enter 2025 with a clear vision, a strengthened team, and unwavering commitment to innovation and execution.

With the continued trust of our shareholders, the expertise of our talented team, and the support of our customers and partners, Kron Technologies is ready for its next chapter of accelerated growth.

Thank you for being part of this journey. The best is yet to come.

Ayşe Yenel & Zeynep Yenel Onursal

March 11, 2025



2024 OVERVIEW



"Annual Recurring Revenue (ARR) increased by **95%**, reaching **\$5.15M.**"



Subscription sales **increased by 245%** YoY.



58 new customers, resulting in a **24% YoY increase.**



Sales in the home market grew by **28%** in USD terms.



Share of recurring revenues in total sales increased from **42% to 55%**.



Due to the restructuring of operations in **North America (NA) and the Middle East & Africa (MEA)**, **international sales declined in 2024.**



At the end of 2023, our team of 133 people grew to **160 people** as of 2024.



Due to the transition to a **subscription-based licensing model**, a decline in **total revenue and profitability** was observed in the **short term.**



With the strong foundations we laid in **2024**, we have reached a **solid position for growth in 2025.**

KEY FINANCIAL INDICATORS

FINANCIAL RESULTS (TL)	31.12.2024	31.12.2023
Total Revenue	313,648,731	445,249,670
Gross Profit	267,178,072	389,249,035
Operating Expenses	-283,647,839	-284,710,871
Other Income from Operating Activities	48,230,572	66,177,153
Other Expenses from Operating Activities	-21,985,236	-25,723,717
Operating Profit / Loss	9,775,569	144,991,600
Financial Income	20,711,794	39,597,806
Financial Expense	-17,882,926	-48,985,888
Net Monetary Positions Gains/ Loss	-58,610,589	-83,277,773
Profit / Loss Before Taxes	-43,323,048	56,099,887
Deferred Tax Income / Expense	594,582	10,849,087
Profit / Loss from Continuing Operations	-42,728,466	66,948,974
Earnings per Share	-0,499	1,564
EBITDA	77,822,087	198,376,352

PROFITABILITY RATIO	31.12.2024	31.12.2023
Gross Margin	85%	87%
Operating Profit Margin	3%	33%
EBITDA Margin	25%	45%
Net Profit Margin	-14%	15%

KEY FIGURES - BALANCE SHEET (TL)	31.12.2024	31.12.2023
Total Current Assets	278,700,491	386,654,083
Cash, Cash Equivalents and Financial Investments	86,234,894	89,317,654
Trade Receivables	181,479,012	284,381,464
Net Fixed Assets	10,747,974	8,069,757
Intangible Assets (Net)	369,004,922	266,365,084
Total Assets	713,314,910	716,981,623
Short-Term Debt	48,366,745	48,649,469
Equity	381,098,799	451,441,946

LIQUIDITY RATIOS	31.12.2024	31.12.2023
Current Ratio	1,18	2,28
Liquidity Ratio	1,18	2,27

FINANCIAL STRUCTURE RATIOS	31.12.2024	31.12.2023
Equity / Total Liabilities	53%	63%
Short-Term Liabilities / Total Liabilities	33%	24%
Long-Term Liabilities / Total Liabilities	14%	13%

*All figures include IAS 29 impact.

CAPITAL INCREASE AND GROWTH INVESTMENTS

On December 11, 2024, Kron submitted an application to the Capital Markets Board for approval of a draft prospectus regarding a capital increase from 85,611,078 TL to 171,222,156 TL through a 100% rights issue, fully paid in cash, within the registered capital ceiling of 500,000,000 TL.

This marks Kron's second capital increase since its initial public offering twelve years ago. The first, executed in 2023, was used to prioritize R&D investments, strengthen the global competitiveness of Kron's products, and lay the foundation for expansion into new target markets such as the Middle East. Now, to capitalize on opportunities in North America, East Asia, and the Middle East, while sustaining its global momentum, Kron has decided to accelerate its investments further.

The proposed capital increase will support not only R&D and global sales and marketing initiatives but also working capital needs driven by ongoing expansion, ensuring the company's continued success in international markets.

Use of Proceeds	% of Total Funds Raised
1. R&D and Product Development Investments	30%
2. Investments to Strengthen Our Global Distribution Channels	40%
3. Increasing Working Capital Requirement	30%

EXPANDING OUR PARTNER ECOSYSTEM

Accelerating Growth with Stronger Partnerships

Our partners remain at the core of our success, and in 2024, we have significantly expanded our ecosystem by doubling the number of partners with whom we track projects compared to previous years. With a growing network across MEA, APAC, the USA, and Turkey, we have taken faster and more strategic actions to drive new projects by collaborating closely with our key partners and engaging directly with end-users.

A major milestone in our partner strategy has been the completion of our Partner Portal and Channel Program, which will provide significant benefits to our partner ecosystem. With these initiatives, Kron is taking a value-driven approach to managing and strengthening its partner network, ensuring seamless collaboration and enhanced efficiency. Our partners can now:





- Track their projects end-to-end in a streamlined manner,
- Access online certification programs to upskill their teams,
- Monitor and participate in marketing activities with greater ease,
- Effortlessly obtain product documentation and presentations to support their sales efforts.

Through targeted marketing activities aimed at end-users, we have strengthened our brand awareness in the market, enabling our channel partners to generate more business opportunities. By leveraging joint events and initiatives, we have enhanced the synergy between our partners and customers, accelerating project execution and value creation. Our commitment to fostering a robust and dynamic partner network remains unwavering. We continue to invest in innovative solutions, training, and resources, ensuring that our ecosystem thrives and delivers sustainable growth.

Key Pillars Of Our Partner-Centric Approach:

1.Strategic Growth: We have doubled our partner network; expanding our geographic reach, and strengthening our ability to execute high-impact projects rapidly.

2.Enhanced Collaboration: By organizing partner-driven events and initiatives across key markets, we are deepening engagements with end-users, leading to faster business development.

3.Market Awareness & Business Impact: Our marketing campaigns targeting end-users are increasing brand recognition, driving greater success for our partners

4.Empowered Partners: The launch of the Kron Partner Portal and Channel Program ensures that our partners can easily access resources, training, and support they need to thrive.

5.Continuous Improvement: By integrating partner feedback into our strategy, we refine our approach and enhance the efficiency of our ecosystem.



Our unwavering commitment to our partners fuels our success, and we look forward to achieving even greater milestones together in the coming years.

AWARDS & ACHIEVEMENTS

TÜBİSAD Lifetime Service Award

The “Lifetime Service Award” ceremony, presented by TÜBİSAD (Turkish Informatics Industry Association) and TBD (Turkish Informatics Association) since 1996, took place in Ankara. Kron Technology’s Chairman of the Board, Lütfi Yenel, was honored with this prestigious award for his outstanding contributions to the IT sector. The award was presented by Mr. Ömer Fatih Sayan, Deputy Minister of Transport and Infrastructure of the Republic of Turkey.

Turkishtime R&D Report

In the “R&D 250” research conducted by Turkishtime Magazine, Kron was recognized among the top companies in the IT sector with the highest investments in R&D.

Bilişim 500 Research

Kron Technology was ranked first in the “Data Security Software Manufacturer” category at the Bilişim 500 Awards, marking its fourth consecutive victory in this category. Additionally, Kron was listed among Turkey’s top 15 companies in terms of software export revenue within the Bilişim 500 Plus categories.



HIB “Accelerators of Export” Award

Kron was honored with the Silver Award in the “Data Analytics and Artificial Intelligence” category at the “Accelerators of Export” awards for its Telemetry Pipeline product. The award was received on behalf of Kron Technology by Chairman Lütfi Yenel, Co-CEO Ayşe Yenel, and CPO Mehmet Ilgaz.

TÜBİTAK Support Program

Kron’s Telemetry Pipeline product, which has become an essential solution for modernization and container technologies to meet the growing data needs of large enterprises, has been accepted into TÜBİTAK’s support program.

GLOBAL EXPANDING PRESENCE

Black Hat MEA – Saudi Arabia

Kron participated as a “Bronze Sponsor” at Black Hat MEA 2024, the region’s largest and most prestigious cybersecurity event. During the event, our Director of Cybersecurity Solutions, Ali Orkun Dumurcaklı, delivered a presentation titled “Navigating the Future of Cybersecurity with Kron PAM.”

CYSEC Global – UAE

Kron Technology, as a Gold Sponsor at the CYSEC Global UAE event, was awarded the “Best PAM Solution” following a presentation by Co-CEO Ayşe Yenel.

GITEX – UAE

Kron Technology engaged with distributors, business partners, and customers at GITEX, the world’s largest technology exhibition held annually at the Dubai World Trade Centre. During the event, Kron PAM, Kron DAM & DDM, and Telemetry Pipeline solutions were showcased to attendees.

GISEC Global – UAE

Kron Technology once again took its place at GISEC Global 2024, the and the region’s largest information security exhibition and platform, bringing together industry, government, and thought leaders. Kron provided insights into its products and future plans to regional distributors, business partners, and potential customers.

IDC Security Summit – Türkiye

Kron participated in the IDC Security Summit Türkiye, held in Istanbul on October 9, 2024, as a Cyber Resilience Partner. Kron Head of Executive Committee, Ayşe Yenel, delivered a compelling presentation titled “Data and Identity Security in the Evolving Landscape of Modern Infrastructures,” which garnered significant interest from attendees.

Gartner Security & Risk Management Summit- UAE

Kron showcased its comprehensive Privileged Access Management and Data Security solutions at the Gartner 2024 Middle East Security & Risk Management Summit.

Channel Partners Expo & MSSP Summit – USA

Kron had the opportunity to present its innovative solutions in Identity & Access Management and Data Security to leading business partners in the U.S. at the MSP Summit and Channel Partners Conference & Expo, held in Las Vegas from March 11-14, 2024.



R&D ACTIVITIES

Kron's founding philosophy is built on a strong R&D focus aimed at delivering innovative and competitive solutions. In this context:

- Kron concentrates on its core areas of expertise, developing scalable products with intellectual property rights owned by the company and addressing persistent market demands.
- Since its inception, Kron has successfully completed seven TÜBİTAK projects and is currently continuing two TÜBİTAK projects under the SAYEM and TEYDEB 1501 programs.



Intellectual and Industrial Property Rights of Kron:

- 12 Trademark Registration Certificates (9 from the Turkish Patent Office, 2 from the US USPTO, and 1 from WIPO)
- 2 Patents (1 examined, 1 unexamined)
- v2 Technological Product Certificates (TÜR)
- 7 Domestic Goods Certificates
- In 2024, as a result of R&D activities related to the Kron PAM product, a new patent application was submitted.
- Kron's R&D activities are carried out by a team of 113 personnel across three R&D centers in Turkey:

Izmir: 21 employees (On-Site R&D Center)

Ankara: 24 employees (Located in Bilkent Technopark)

Istanbul: 68 employees (Located in İ.T.Ü. Technopark)

- As of the end of 2023, Kron was accepted into the state-supported E-Turquality Program, designed to enhance the global competitiveness of Turkish companies. Under this program, our strategic business plan was approved for 2024.



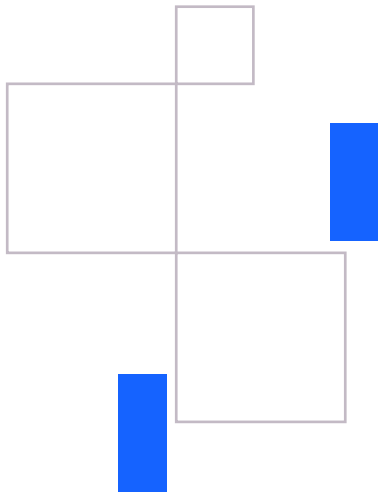
NEW PRODUCTS AND TECHNOLOGICAL DEVELOPMENTS

- Development efforts have been made for a log search solution that complements our Telemetry Pipeline product, and the first Proof of Concept (PoC) study has been conducted.
- The **DPI product** has been enhanced with an inline version to support new use cases, achieving a capacity of up to **200Gbps on a single node**.
- A new **user interface transition** has been completed to enhance the user experience of the Kron **PAM product**.
- The **Kron PAM Password Vault module** now includes the ability to **manually set passwords for managed** accounts and remotely assign them to target systems.
- A password blacklist feature has been added to the **Kron PAM Password Vault module**, alerting users when restricted passwords are selected for new accounts. Additionally, a password recovery

feature has been introduced for deleted accounts and passwords.

- The **Kron PAM Password Vault** module now supports **AWS, Azure, and GCP API secret and key management**.
- In the **Kron PAM EPM module**, applications can now be **run with temporary administrator privileges**, with privilege escalation requiring administrator approval.
- **Automated reporting features** have been developed in the **Kron PAM product** to streamline compliance with **GDPR, KVKK, HIPAA**, and similar regulations.
- **Database activity monitoring features and capabilities** have been expanded in the **Kron DAM&DDM product**.
- The **Sensitive Data Discovery module** in **Kron DAM&DDM** has been enhanced with data discovery and **classification features** in compliance with regulations.
- Efforts continue to **adapt all products to cloud technologies** and modernize them with a microservices architecture.
- In 2024, research has been conducted on **generative AI tools to support R&D activities**, and as of 2025, artificial intelligence—particularly coding assistants—is planned to be integrated into R&D processes.





04

STRATEGY & OUTLOOK

SECTORAL OUTLOOK AND TRENDS

Cybersecurity landscape is evolving rapidly, with **Identity and Data Security** emerging as the primary battlegrounds against modern cyber threats.

Organizations are facing a surge in **Identity-Driven Attacks**, rapid expansion of **Machine Identities**, and the growing challenge of securing **Sensitive Data** across hybrid cloud environments.



AT THE CORE OF CYBERSECURITY: **IDENTITY & DATA**

KEY CHALLENGES IN IDENTITY & ACCESS SECURITY

Remote Work and Mobility
Increase in Machine Identities
Hybrid & Multi-Cloud Infrastructure
Increase in the Complexity of Identity-Based Attacks

Kron

KEY CHALLENGES IN DATA SECURITY

Massive Growth of Data
Regulations and Compliance Issues
Complexity of Database Diversity
Poor Monitoring of Internal Threats

*Verizon Data Breach Investigators Report, 2023

**Gartner Innovation Insight Secret Management Tools, 2024

***IDC Global DataSphere Forecast, 2024

Looking ahead, four key trends are redefining the future of identity & data security.

1. Proliferation of Machine Identities

The proliferation of machine identities—such as software applications, IoT devices, and bots—has surged dramatically. Recent analyses indicate that machine identities now outnumber human identities by a factor of 45 to 100 times. This exponential growth necessitates robust governance to prevent unauthorized access and privilege misuse. Organizations are increasingly implementing automated identity lifecycle management and zero-trust policies to ensure these machine identities are properly authenticated, monitored, and protected.

2. Expanding Cloud Adoption

As businesses accelerate their digital transformation, cloud adoption continues to reshape enterprise security needs. Notably, 80% of enterprises have experienced an increase in cloud-based attacks, with approximately 33% attributed to cloud-based data breaches. This automated underscores the necessity for robust identity governance. Organizations are responding by deploying cloud-native security solutions, automated risk assessments, and tighter access controls to ensure data protection across multi-cloud environments.

3. Data-Centric Security

With the explosion of digital data, organizations are shifting towards data-centric security models that prioritize protecting sensitive information regardless of where it resides. Traditional perimeter-based security models are becoming obsolete as companies adopt data encryption, tokenization, and automated classification tools to mitigate breaches. As data volumes continue to grow exponentially, particularly in security fields with a 30% annual increase in logs, the integration of robust telemetry pipelines becomes essential to monitor and analyze data flows in real time. These pipelines enable organizations to collect, process, and store security-related telemetry data efficiently. Additionally, implementing data-in-motion masking within these telemetry pipelines is a critical requirement to safeguard sensitive information as it travels across networks, further enhancing security in dynamic environments.



4. Zero Trust to Adaptive Security

While Zero Trust has become a mainstream security strategy, organizations are now focusing on continuous authorization and adaptive access models to keep pace with evolving threats. Security teams are leveraging real-time risk assessment, AI-driven authentication, and dynamic privilege adjustments to ensure that access decisions are based on live behavioral data rather than static credentials. In 2024, 35% of organizations prioritized risk-based authentication to enhance security (Gartner), reflecting the growing emphasis on adaptive access controls. This approach significantly reduces the risk of insider threats and lateral movement attacks. Additionally, organizations that extensively integrate AI-driven authentication and real time risk assessment have reported \$1.9m in breach cost savings (IBM, 2024),



OUR STRATEGIC PRIORITIES

Kron's commitment to its long term strategic priorities remains unchanged, reflecting our stable strategic direction over multiple years



Deepening relationships with our existing customers

We are dedicated to delivering **exceptional value and support** to our **300+ customers**, solidifying their trust and positioning Kron as their **long-term security partner**. By continuously enhancing our solutions, we help customers meet evolving cybersecurity needs more effectively. Kron's **strengthened product portfolio** deployed on a **single platform** is gaining recognition from our customers, who are increasingly adopting **multiple solutions across our platform**, resulting in **larger deal sizes and deeper engagement**.



Expanding our global presence and adding new customers

We continue to strengthen our position as a **global cybersecurity leader** by expanding into new markets and growing our customer base. In 2024, we acquired **58 new customers across 10 countries, up from 47 in 2023**. With a vast Total Addressable Market (TAM), we see significant growth potential both in Turkey and in our export markets. In 2025, we are committed to growing our global market share, with a strong focus on **increasing international sales**, particularly in the **US and Middle East**.



Investing in our partner ecosystem

The cornerstone of our growth strategy lies in the **expansion of our sales channels**. We are actively building a robust network of partners, including **distributors, value-added resellers (VARs), managed service providers (MSP/ MSSP) and system integrators**.

2024 was a pivotal year for the expansion of our channel partner ecosystem, with momentum accelerating throughout the year and positioning us for strong growth as we enter 2025. We successfully launched our **new Channel Program** and **Partner Portal**, enhancing collaboration and engagement with our partners. Over the year, we significantly expanded our ecosystem, **with 57% of our cybersecurity sales generated through partners, a substantial increase from 20% in 2023**. By the end of 2024, the number of partners we actively tracked projects with had **doubled compared to the beginning of the year**, further strengthening our ability to drive new opportunities. This growing network will play a key role in scaling our channel sales and driving new projects more effectively throughout 2025 and beyond.



Optimizing our sales cycle and customer satisfaction through our Service-as-a-Software (SaaS) solution

We remain focused on expanding the availability of our products through the **Service-as-a-Software (SaaS)** model. By increasing SaaS-driven sales, we aim to improve **accessibility, streamline user experience, and elevate customer satisfaction** for our **Kron PAM and Telemetry Pipeline** products in the cloud. The continued adoption of the SaaS model is expected to be a **key driver of our growth and scalability** in 2025 and beyond.



Continuing our focus on product innovation

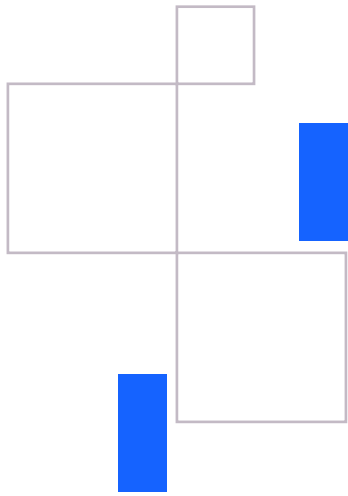
We continuously strive to advance our product portfolio with cutting-edge innovations that **address evolving cybersecurity challenges**. Our focus will continue to be on **identity and data security**, ensuring we not only enhance our existing solutions but also develop new capabilities to fully meet our customers' needs. **By investing in R&D, leveraging emerging technologies such as gen-AI, and refining our platform**, we strive to deliver comprehensive, efficient, and scalable security solutions. Our **R&D team consisting of 113 highly skilled engineers** enable us to drive innovation, stay ahead of industry trends, and reinforce our position as a **trusted vendor**.



Unified platform for the two pillars of cybersecurity: identity and data

We are strengthening our platform to deliver a **comprehensive, integrated cybersecurity suite** that addresses the two core pillars of security: identity and data. By providing specialized solutions in both areas, we empower organizations to **secure access, manage identities efficiently, and protect critical data with confidence**.

Our continued investment in **Telemetry Pipeline, Database Activity Monitoring, and Dynamic Data Masking** has significantly enhanced our ability to **monitor, analyze, and safeguard sensitive data in real-time**. These advancements ensure our platform remains **robust, scalable, and adaptive to the evolving threat landscape**, enabling customers to **detect anomalies faster, enforce security policies more effectively, and proactively mitigate emerging threats**.



05

PEOPLE AND CULTURE

KRON CORPORATE CULTURE AND EMPLOYEE EXPERIENCE

In today's rapidly evolving business landscape, human resources management focuses on enhancing employee competencies and preparing the workforce for the future. The emergence of new business models driven by digitalization and automation necessitates that companies adopt strategic approaches to help employees adapt to these transformations. In this context, organizations implement policies that develop employee talents, align with evolving skill requirements, and encourage innovative HR practices to ensure sustainable success. At Kron Technologies, our workplace culture is continuously evolving across various areas to enhance the employee experience to the highest level.

The core dynamics of our corporate culture are continuous development, transparent communication, collective decision-making, and collaboration. We believe that the positive ecosystem created by a team working towards a common goal and supporting each other nurtures this culture.

KRON TECHNOLOGIES HUMAN RESOURCES POLICY

At Kron , we consider our human resources as our most valuable asset.

We believe that being a strong technologies company depends on bringing together innovative thinkers who are constantly evolving and have a global perspective.

Accordingly, the foundation of our HR policy consists of:

- Creating a fair, transparent, and inclusive work environment,
- Continuously improving and enhancing the employee experience,
- Building a culture that encourages innovation and creativity,
- Adopting an approach that supports career development and invests in learning and growth,
- Viewing diversity and cultural richness as strengths,
- Acquiring talent through data-driven, objective recruitment processes,
- Identifying young talent early and integrating them into Kron's future.

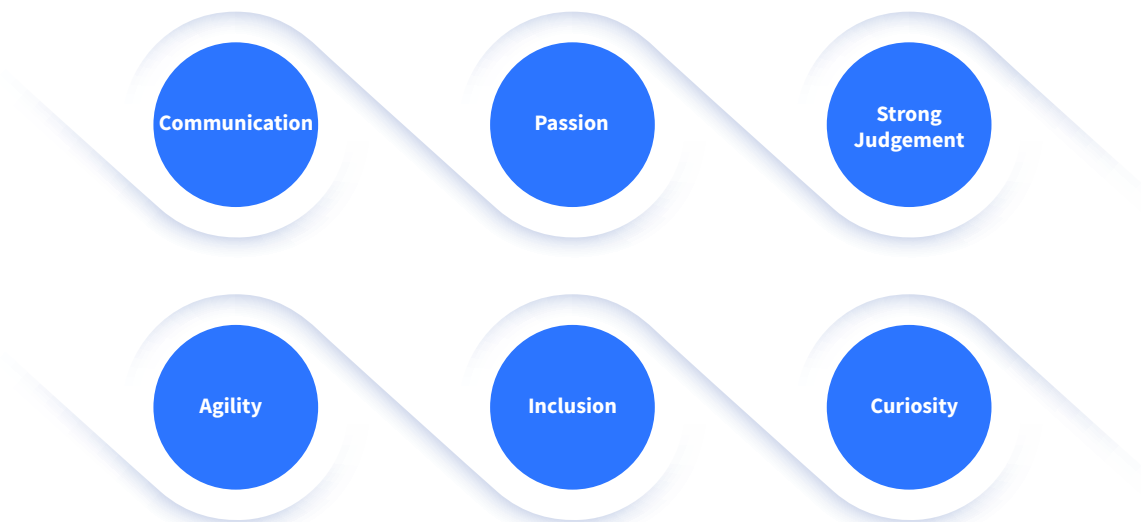


Kron's Human Resources policy is not just a set of procedures but a dynamic roadmap reflecting the company's spirit and vision for the future.

Our goal is to be an employer brand preferred by talent worldwide, where individuals who seek growth and impact aspire to be a part of our organization.

OUR VALUES

The most critical component of Kron's workplace culture is the shared values we uphold and embody. These values shape our employee experience and differentiate us, manifesting in our daily work practices. They also play an active role in our hiring process, ensuring that every candidate is evaluated based on these principles.

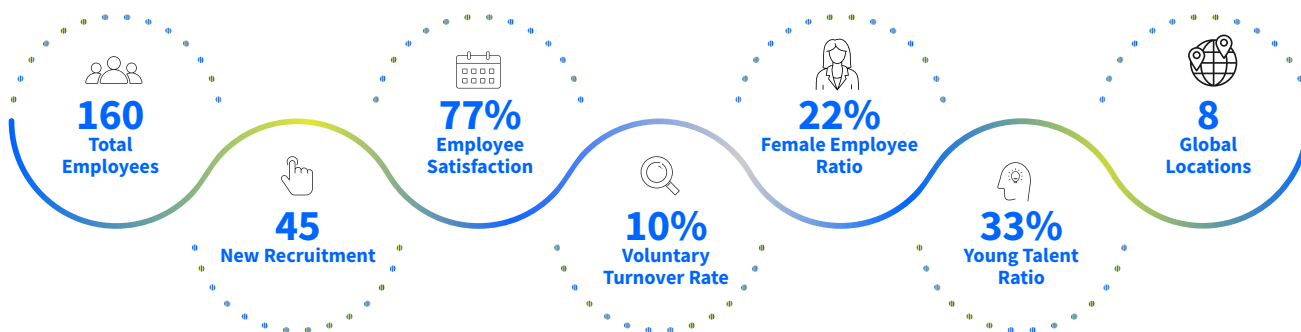
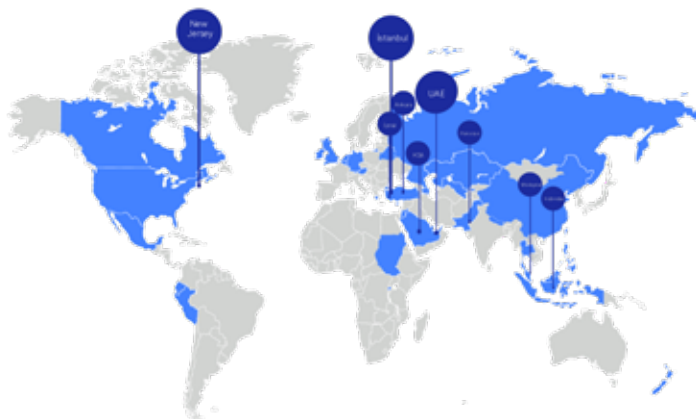


At Kron:

- We foster an environment where everyone can freely express their ideas, and diverse perspectives are respected.
- We promote a culture where feedback is not just top-down but where everyone can provide constructive input to each other.
- Passion represents our determination and perseverance in achieving every goal. Our employees push their limits in every project, transforming their passion into success, shaping not only individual but also collective achievements.
- Our employees systematically assess challenges and adopt a rational approach to finding the best solutions, ensuring both short-term and long-term strategic success.
- Agility is our ability to adapt and stay flexible in the fast-changing business world. This value not only enables short-term flexibility but also prepares us for future uncertainties.
- Kron employees are always eager to learn, explore, and push boundaries. Our company fosters an open-minded approach to new knowledge, innovative solutions, and evolving trends. Curiosity fuels not only individual growth but also the company's culture of continuous innovation.
- We stand firmly against discrimination. For us, every individual is equal. Operating across diverse geographies from Turkey to the U.S., the Middle East to the Asia-Pacific, we believe our team must be enriched by different cultures and experiences. We support diversity and grow stronger through it.
- We respect human rights. Our policies define and monitor aspects such as work-life balance, gender equality in employment, and equal pay for equal work. Supporting women's participation in the workforce under equal conditions and increasing female representation among employees and leadership is a priority. With a 50% female Board of Directors, we aim to increase our female employee ratio, which stood at 22% at the end of 2024, every year.
- We believe that no criterion should be a barrier to accessing the right talent. Being a cultural fit and possessing the required technical competencies are sufficient to be a Kron candidate and employee. We offer equal employment opportunities regardless of race, language, religion, gender, sexual identity, nationality, ethnicity, age, or marital status.

BEYOND NUMBERS: SUCCESS GROWING WITH THE TEAM

2024 was a year in which Kron Technologies strategically invested not only in its products and solutions but also in its human capital. Over the year, we achieved a 21% increase in employment, expanding our talent pool globally. Today, Kron has a total of 160 employees, with 75% comprising engineering and technologies teams. Software company company that brings together talent from different countries and cultures, we operate within a global structure in terms of employee locations. This multinational framework enriches not only our way of working but also our corporate culture.



KRON TALENT MANAGEMENT



At Kron Technologies, we believe every employee is a unique talent. Our talent management approach encompasses finding the right talent for the right position, continuous learning, and fostering employee engagement. In line with this approach, our talent acquisition strategy focuses on hiring employees who align with the company's core values, possess relevant competencies, and embrace continuous learning and development. As a result, 45 new colleagues joined the Kron family in 2024.

Beyond hiring new talent, we also implemented various projects to enhance employee engagement. One of the most notable initiatives was the Grading Project, launched to optimize career management for our employees. This project:

- Established clear and transparent career development paths across all teams,
- Defined employee growth stages explicitly,
- Systematized development evaluations through promotion committees.

As a result of these initiatives, we achieved a 77% employee satisfaction rate in our engagement survey. Additionally, we improved our voluntary turnover rate by 45% compared to the previous year, reducing it to 10%.

Kron highly values the effective participation of young talent in the workforce. Through employer branding efforts, we actively engage with university students, particularly those in Computer Engineering programs, by participating in career days, guest lecturing, and organizing events. Through short- and long-term internship programs and young talent initiatives, we welcome university students passionate about technology into our ecosystem every year.

In 2024, we continued our university collaborations with institutions such as Istanbul Technical University, Ege University, and Muğla Sıtkı Koçman University. Our initiatives included:

- Offering internship and young talent programs to integrate students into the Kron ecosystem,
- Organizing career days and technical seminars,
- Sponsoring projects that support university-industry collaboration.

These efforts not only nourish our talent pool but also serve as strategic investments that strengthen our employer brand.

DEVELOPING THE TALENT OF THE FUTURE TODAY

Since 2017, our Unicorn Young Talent Program has been designed for university students looking to build careers in technology while aligning with Kron's values. Through Unicorn Academy, participants gain industry insights, learn about our company culture, and receive mentorship from experienced professionals at the beginning of their careers.

At the end of the program, selected young talents undergo a structured recruitment process and are provided with orientation and training programs that support their personal and professional development. Our company encourages cross-departmental rotations, enabling employees to gain experience in various areas and develop a versatile career path.



TRAINING AND DEVELOPMENT AT KRON

Keeping up with the rapid pace of change in today's world and industry requires continuous learning. Through our Kron Academy platform, we have built a comprehensive learning ecosystem to support the development journey of all employees. Our training focuses on:

- Leadership and management skills,
- Technical certifications,
- Foreign language courses,
- Global business practices.

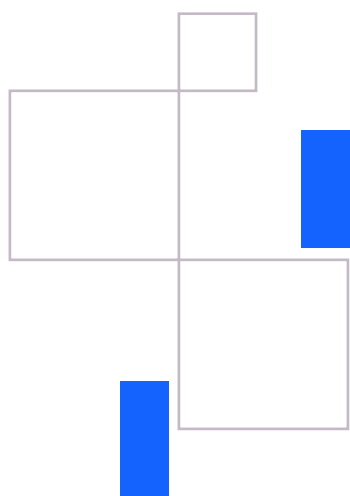
As an R&D company, we also provide incentives for employees pursuing master's and doctoral degrees. Employees engaged in thesis work aligned with R&D projects receive financial and academic support for their participation in academic activities.

2025 PRIORITIES

Kron's Human Resources goals for 2025 include:

- Fully digitalizing HR processes,
- Expanding our global talent pool,
- Diversifying employee engagement projects,
- Strengthening our continuous learning culture,
- Aligning all employees with common goals using the OKR methodology.

With this vision, we are committed to carrying Kron's culture into the future through innovative applications that integrate technologies and human focus.



06

CORPORATE GOVERNANCE & SUSTAINABILITY

INVESTOR RELATIONS DEPARTMENT

In accordance with Article 11 of the Corporate Governance Communiqué No. 11-17.1 of the Capital Markets Board, which was published in the Official Gazette on January 3, 2014, an Investor Relations Department has been established to operate under the Deputy General Manager of our company. The company's employees listed below have been appointed as the manager and officer of the Investor Relations Department.

Onur ÇELİK

Investor Relations Manager
(License No: 208664)

Contact Information:

Tel: (212) - 286 51 22

Fax: (212) - 286 53 43

E-Mail: onur.celik@krontech.com

Ebru BİNGÜL

Investor Relations Officer

Contact Information:

Tel: (212) - 286 51 22

Fax: (212) - 286 53 43

E-Mail: ebru.bingul@krontech.com

The primary duties of the unit are:

- Ensuring healthy, secure, and up-to-date maintenance of records related to correspondence and other information and documents between investors and our Company.
- Ensuring healthy, secure, and up-to-date maintenance of records related to shareholders.
- Responding to shareholders' information requests, within the framework of the Capital Markets Legislation, except for information that has not been disclosed to the public, confidential, or a trade secret.
- Taking measures to ensure that the General Assembly meetings are held in accordance with the procedure.
- Preparing documents to be presented to shareholders during the General Assembly meetings.
- Conducting necessary work to ensure that the meeting minutes are recorded in accordance with the procedure.
- Conducting the necessary secretariat work related to the Board of Directors and committee meetings.
- Supervising and monitoring that all matters related to public disclosure are conducted in accordance with the legislation.

Throughout the year, the relevant unit received information requests from shareholders via telephone and e-mail. These requests mostly relate to new projects and developments in the sector. Topics that are not considered trade secrets were answered promptly, within the framework of confidentiality rules, and to the extent allowed by legislation.

EXERCISE OF SHAREHOLDERS' RIGHTS TO INFORMATION

Our company treats shareholders equally in their exercise of the right to information. Information requests from shareholders may only be refused by the Company to protect trade secrets or maintain equal access to information among shareholders. During the period, questions from shareholders mostly related to the performance of our company's shares. The company's website is effectively used to inform investors.

The Investor Relations Department carefully responds to shareholders' information requests throughout the year. The Articles of Association do not specifically regulate the request for the appointment of a special auditor. However, depending on future developments, the regulation of the request for the appointment of a special auditor as an individual right in the Articles of Association will be considered. To date, there have been no requests to appoint a special auditor received by our Company.

GENERAL ASSEMBLY

Our company held an Extraordinary General Assembly on April 16, 2024, and an Ordinary General Assembly on June 5, 2024, to determine the registered capital ceiling and the term of office for Board members.

The minutes of the General Assembly meetings were published on the Public Disclosure Platform (KAP) and our company's website the same day, informing investors.

VOTING AND MINORITY RIGHTS

As stated explicitly in the company's articles of association, each share carries one voting right. A group shares have the privilege of nominating candidates for the board. There is no reciprocal participation in the company's capital.

Although minority shares are not represented in management, the company takes great care in safeguarding minority rights. No requests or criticisms have been made by minority shareholders.

DIVIDEND DISTRIBUTION POLICY AND DIVIDEND DISTRIBUTION TIME

[There are no privileges regarding profit participation in our company.](#)

The dividend distribution policy established by our company's Board of Directors is as follows:

"In dividend distribution, a balanced and consistent policy is pursued between shareholders' interests and company interests in accordance with the Corporate Governance Principles. Considering general economic conditions, long-term investment, financing, and business plans, as well as profitability, our Board of Directors will distribute at least 20% of the calculated distributable net profit for the period to its shareholders, in compliance with the TCC and CMB regulations

and our articles of association. This distribution can be made either in cash or through a bonus issue, or through a combination of cash and bonus shares. If the calculated amount of distributable dividends is less than 5% of the paid-in capital, this amount can be retained within the partnership instead of being distributed. This dividend distribution policy is reviewed annually by the Board of Directors." Our company acts on the principle of making dividend payments within the periods stipulated in the Capital Markets Legislation and CMB regulations, within the timeframe set out in the relevant communiqué following the general assembly meeting.

TRANSFER OF SHARES

The Company's Articles of Association do not include any restrictive provisions regarding the transfer of shares.

COMPANY INFORMATION POLICY

There are no restrictive provisions in the Company's Articles of Association regarding the transfer of shares. The Company's information policy, which aims to enlighten the public, has been established and disclosed by our Board of Directors. Our information policy, based on principles of transparency and openness, aims to inform shareholders and stakeholders equally, fairly, and accurately. Preparations have been made to ensure that information to be disclosed to the public reaches shareholders, stakeholders, and all other relevant parties. Public disclosures are made in accordance with the regulations of the Capital Markets Law No. 6362 and the "Communiqué on

Material Events" No. 28891 (11-15.1), as well as other relevant communiqués.

The Board of Directors is responsible for establishing, reviewing, and developing the Information Policy. A list of people who have access to insider information has been created according to the information policy. The Investor Relations Department, under the Directorate of Finance and Accounting, is also responsible for implementing and monitoring our Information Policy.

COMPANY WEBSITE AND ITS CONTENT

The company's website, www.krontech.com, is actively used for public disclosure. The website is available in both Turkish and English.

The information specified in Article 2.1.1 of Part II of the CMB Corporate Governance Principles is available on our corporate website.

ANNUAL REPORT

The Kron Annual Report is prepared in sufficient detail to provide the public with accurate and comprehensive information about the company's activities, and in compliance with the regulatory requirements. Our company includes

the necessary items in its annual report in accordance with the "Public Disclosure and Transparency" section 2.3 of the CMB Communiqué No: IV-56.

INFORMATION FOR STAKEHOLDERS

Stakeholders are continuously informed through Special Situation Disclosures and the company website.

Stakeholders can request information in writing, or they can request information via the company's website using the email address investor@krontech.com

ETHICAL RULES AND SOCIAL RESPONSIBILITY

The ethical rules established for the company and its employees are communicated to new employees through orientation programs.

Additionally, the company's ethical rules are outlined in the contracts for new hires. No public disclosure has been made on this subject.

STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

The Kron Board of Directors consists of six members elected by the General Assembly. The names and qualifications of the Chairman and Members of the Board are listed below:

NAME	ROLE	EXECUTIVE / NON-EXECUTIVE	INDEPENDENCE	START DATE	END DATE
Lütfi Yenel	Chairman	Non-Executive	Not Independent	14.05.2007	16.04.2027
Ayşe Yenel	Vice-chairperson	Executive	Not Independent	29.04.2022	16.04.2027
Zeynep Yenel Onursal	Board Member	Executive	Not Independent	15.05.2023	16.04.2027
Emre Yavuz Baran	Board Member	Non-Executive	Not Independent	29.04.2022	16.04.2027
Zeynep Tokman Cesur	Board Member	Non-Executive	Independent	02.11.2023	16.04.2027
Yavuz Suat Bengür	Board Member	Non-Executive	Independent	28.12.2021	16.04.2027

There are currently two independent members on our Board of Directors. Five members are non-executive. On March 6, 2012, the roles of Board Chairman and General Manager were separated within our company. There are no rules preventing Board members from taking on roles outside the company. It is believed that the members will fulfill their duties towards the company properly, so such a restriction

has not been deemed necessary. There are currently no women members on our Board of Directors. The board structure will be reviewed, and priority will be given to female candidates during the nomination process. In subsequent years, we will comply with the principles set by the CMB in this regard.

WORKING PRINCIPLES OF THE BOARD OF DIRECTORS

Our Board Chairman sets the meeting agenda after evaluating the information provided by the General Manager and the Deputy General Managers, in consultation with other Board Members. The Kron Board of Directors held 21 meetings in 2024. The Board of Directors meets according to TCC provisions and when company business requires.

In principle, Board Members attend meetings in person, but in accordance with the company's Articles of Association, decisions can also be made without a meeting unless one of the members requests a discussion. All decisions made at the Board meetings are recorded in the decision book. A secretariat has been established and provides services to all members.

INDEPENDENCE DECLARATIONS OF OUR INDEPENDENT BOARD MEMBERS:

Zeynep Tokman Cesur and Yavuz Suat Bengür have submitted their declarations of independence, affirming their status as independent members of the Board of Directors.

To the Board of Directors of Kron Teknoloji A.Ş.,

I, as a candidate to serve as an “independent member” on the Company’s Board of Directors, within the framework of the criteria set forth in the relevant legislation, the Articles of Association, and the Corporate Governance Communiqué No. 11-17.1 of the Capital Markets Board, hereby declare the following:

a) Neither I, nor my spouse, nor my relatives up to the second degree have held a significant managerial position, or had more than 5% ownership or voting rights or privileged shares, or had significant commercial relations with the Company, its subsidiaries, entities controlled by or significantly influenced by the Company, or its significant shareholders, in the last five years.

b) In the last five years, I have not been a partner (with a 5% or greater shareholding), held a significant managerial position, or been a member of the board in companies from which the Company purchased or sold significant goods or services, particularly in the areas of audit (including tax and legal audit, internal audit), rating, or consultancy.

c) I have the professional education, knowledge, and experience to fulfill my duties as an independent board member.

d) I am considered a resident of Turkey for tax purposes under the Income Tax Law No. 193 dated 31/12/1960.

e) I have strong ethical standards, professional reputation, and experience to contribute positively to the Company’s activities,

maintain impartiality in conflicts of interest between the Company and its shareholders, and make decisions freely, considering the rights of stakeholders.

f) I have sufficient time to devote to the Company’s activities and to fulfill my duties fully.

g) I have not been a member of the Company’s Board of Directors for more than six years in the last ten years.

h) I do not serve as an independent board member in more than three companies controlled by the Company or its significant shareholders, or more than five publicly traded companies in total.

If a situation arises that affects my independence, I will immediately inform the board and resign.

This is my declaration.

OTHER ISSUES

Information on conflicts of interest between the company and institutions from which it receives services such as investment consultancy and rating, and measures taken to prevent them

Our company has not received services on these matters in 2024.

Assessment of the Board of Directors on the working principles and effectiveness of board committees

With the decision of the Kron Teknoloji A.Ş. Board of Directors dated 28.07.2020, in accordance with the Capital Markets Board (11-17.1) Corporate Governance Communiqué and other relevant legislation, an Audit Committee, Corporate Governance Committee, and Committee for Early Detection and Management of Risks have been established within our Board of Directors to fulfill the duties defined in the regulations and disclosed

to the public. In 2024, the committees established within the Board of Directors fulfilled all their duties and responsibilities, and operated effectively.

The Audit Committee met eight times during the year, the Corporate Governance Committee met one times, and the Committee for Early Detection and Management of Risks met six times, reporting to the Board.

Risk management and internal control mechanism

The Board of Directors creates internal control systems covering risk management, information systems, and processes, considering the opinions of the relevant board committees, to minimize the impact of risks that could significantly affect the company, especially shareholders and stakeholders.

In this context, the Board of Directors has established a Committee for Early Detection of Risks, consisting of two independent members. The committee presents its suggestions and solutions related to risk management and internal control management to the Board of Directors as needed.

Legislation changes that may significantly affect company activities

No legislation changes were made in 2024 that could significantly affect our company's activities.

Information on reciprocal participation exceeding 5% direct participation in capital

Our company had no reciprocal participation in 2024.

Information on lawsuits filed against the company that could affect its financial status and activities and potential outcomes

There were no lawsuits in 2024 that could affect the financial status and activities of our company.

Explanations Regarding Administrative or Judicial Sanctions Imposed on Members of the Company's Governing Body Due to Violations of Legislative Provisions

In 2024, there were no administrative or judicial sanctions imposed on the members of the Company's governing body due to violations of legislative provisions.

Privileged Shares and Voting Rights

There are no privileged shares or special voting rights associated with any shares.

Donations and Social Responsibility Projects

The company provides information about its donations and expenditures on social responsibility projects during the fiscal year. If you need specific details about these, they can be found in the company's reports or through direct inquiry.



STRATEGIC OBJECTIVES OF THE COMPANY

As the highest decision-making body, the Board of Directors reviews and approves the strategic objectives set by the management in line with the Company's mission and vision during board meetings.

In regularly scheduled meetings, the Board compares the established goals with the actual activities and reviews the current status.

This approach allows the Board to monitor periodic performance, and if necessary, new strategies are established.

FINANCIAL RIGHTS PROVIDED TO THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

All rights, benefits, and remuneration for Board Members are determined by the General Assembly. There is no performance-based remuneration for Board Members. A total of TL 11,187,595 was paid to the Board of Directors and Key Managers in 2024.

Our company does not directly or indirectly lend or provide credit to any Board Member or manager.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Kron Teknoloji A.Ş. has adopted corporate governance principles based on transparency, equality, responsibility, and accountability in its management approach and continues to work towards achieving best practices.

Full compliance with the mandatory principles outlined in the Capital Markets Board's (11-17.1) Corporate Governance Communiqué has been achieved, while most voluntary principles have been complied with. Evaluations regarding the voluntary principles that have not been implemented are ongoing at our company.

There is no conflict of interest arising from non-compliance with voluntary principles. Although there is no provision or practice in our Articles of Association regarding voluntary principles, the company complies with the Turkish Commercial Code, Capital Markets Law, and relevant legislation in these matters.

VOLUNTARY PRINCIPLES WITH WHICH FULL COMPLIANCE HAS NOT BEEN ACHIEVED ARE AS FOLLOWS:

1.5.2. Our company ensures the utmost care in safeguarding minority rights. There is no provision in the articles of association regarding the recognition of minority rights to those who own less than 1/20 of the capital and extending their scope.

2.1.4. Information on the company's corporate website has been prepared in Turkish and partially in English.

3.2.1 Employees' participation in management has not been regulated by the articles of association or internal company regulations.

4.4.7. There are no restrictions on Board members taking on other roles outside the company. No such restriction

has been deemed necessary as members are believed to fulfill their duties towards the company properly.

4.5.5. Each board member serves on more than one committee. There are 3 committees within the board and 2 independent members.

4.6.1 The board of directors has not conducted a performance assessment to evaluate whether it has effectively fulfilled its responsibilities.

4.6.5. The remuneration of board members and managers with administrative responsibilities has not been disclosed individually in the annual report but has been disclosed collectively.

SUSTAINABILITY

Kron Teknoloji's sustainability strategy is gathered under three main headings: economic, social responsibility, and environmental awareness. Within these headings, the company emphasizes recycling of office equipment, reducing the use of paper, cardboard, and derivatives through incentives and training, and creating a sustainable footprint through the use of cloud-based technological products and software, while also highlighting their positive impact on customer sustainability. Efforts are made to spread our sustainability principles starting from all our domestic and international offices, with the aim of creating a global footprint of our sustainability expertise.

Social responsibility and environmental awareness are addressed separately in our annual report. Economic sustainability is emphasized in terms of Kron Teknoloji's impact on its workforce and the Kron Teknoloji ecosystem created through them. It is of vital importance for economic sustainability that our colleagues, and future young colleagues who will join us, and employees of our stakeholders are individuals with strong basic education, committed to lifelong learning, constantly improving, capable of working in multicultural environments, and having ethical values.

In addition to technological competencies, economic priorities highlight the importance of communication, sales and marketing, international business skills, and the ability to work in different environments and geographies. Our strategy includes activities to develop these competencies.

Work Environment, Kron Ecosystem and Waste Management Approach

According to the 2024 Circularity Gap Report, humans consume 100 billion tons of material each year, and as of 2024, only 7.2% of these materials are returned to the economy after use. Traditional take-make-waste systems and current infrastructure fall short in effectively preserving, collecting, and redistributing materials for a global circular economy. Kron Teknoloji acknowledges the urgent need to reduce the carbon emissions associated with the lifecycle of these materials and recognizes the need to take action. We are making decisions to integrate a more circular approach into our business and the world with the products we use in our production processes. We support this effort with our policy of recycling bins in the office, battery waste collection points, and the recycling of end-of-life servers, computers, and other electronic devices.

Kron Teknoloji understands the importance of raising awareness not only among its employees but also in its ecosystem. Through the digital management platform (Partners Portal) we have prepared, Kron aims to reduce waste between our partners and customers to almost zero.



**KRON TEKNOLOJİ A.Ş.
SUSTAINABILITY COMPLIANCE REPORT
2024 - ANNUAL NOTIFICATION**



**Summary
Sustainability Compliance Report**



A. GENERAL PRINCIPLES

A1. Strategy, Policy and Goals

A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company’s Board of Directors.

● The ESG (Environmental, Social, and Governance) working group at Kron Teknoloji A.Ş. has been established under the direct supervision of the General Manager, following the recommendation of the Corporate Governance Committee. This group continues its efforts to identify and effectively manage risks and opportunities, thereby creating value and raising awareness on sustainability issues.

A1.1. In line with Capital Markets Regulations, the Disclosure Policy, Remuneration Policy, Dividend Distribution Policy, Donation and Aid Policy, Stakeholders Policy, Human Resources Policy, and Compensation Policy, which are part of the ESG policies, have been prepared and disclosed to the public on our website.

● The ESG working group has initiated efforts to set short-term and long-term goals. Information regarding these goals has been shared in Section 4 of the Activity Report.

- <https://krontech.com/tr/bilgilendirme-politikasi>
- <https://krontech.com/tr/insan-kaynaklari-politikasi>
- <https://krontech.com/tr/bagis-ve-yardim-politikasi>
- <https://krontech.com/tr/ucret-politikasi>
- <https://krontech.com/tr/tazminat-politikasi>
- <https://krontech.com/tr/kar-dagitim-politikasi>
- <https://krontech.com/tr/menfaat-sahipleri-politikasi>

A1.2. The short and long-term targets set within the scope of ESG policies have been disclosed to the public.

● The ESG working group has started to set short-term and long-term goals. Information about these goals is shared in Section 4 of the Activity Report

Activity Report / 06 Corporate Governance / Sustainability

A2. Implementation/Monitoring

A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.

● Committees and/or units responsible for the implementation of ESG policies, as well as the highest-level officials in the partnership concerned with ESG issues and their responsibilities, have been identified but have not been disclosed to the public.

A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.

●

A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.

● The ESG working group has started to define short-term and long-term goals, but these have not been disclosed to the public.

A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.

● No public disclosure has been made.

A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.

● No public disclosure has been made.

● Yes
 ● No
 ● Partial
 Not Applicable

A3. Reporting

A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company in an understandable, accurate and sufficient manner.



The Activity Report includes not only the Compliance Report on Sustainability Principles but also a general assessment regarding sustainability.

Activity Report / 06 Corporate Governance

A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.



The Activity Report includes not only the Compliance Report on Sustainability Principles but also a general assessment regarding sustainability.

Activity Report / 06 Corporate Governance

A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.



There are no lawsuits of significant nature or that would significantly impact the activities in terms of ESG policies

A4. Verification

A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.



Services have not been obtained from independent sustainability assurance providers

B. ENVIRONMENTAL PRINCIPLES

B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.



The 'Code of Ethics and Principles of Conduct' of our company also references the policies and practices in the area of environmental management.

<https://krontech.com/tr/etik-kurallar>

B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.



No public disclosure has been made.

B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).



No public disclosure has been made.

B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.



No public disclosure has been made.

B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.



No public disclosure has been made.

B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.



No activities have been conducted with the mentioned institutions and organizations.



Yes





















No




Partial











Not Applicable

B9. In the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.		No public disclosure has been made.
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.		No public disclosure has been made.
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.		No public disclosure has been made.
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.		No public disclosure has been made.
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.		No public disclosure has been made.
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.		It is partially included in the activity reports and notifications made to the customer.
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.		No public disclosure has been made.
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.		No public disclosure has been made.
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope-1 and Scope-2.		No public disclosure has been made.
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.		No public disclosure has been made.
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.		No public disclosure has been made.
B19. The renewable energy production and usage data has been publicly disclosed.		No public disclosure has been made.
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.		No public disclosure has been made.
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.		No public disclosure has been made.
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).		No public disclosure has been made.
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.		There are no accumulated or purchased carbon credits.
B24. If carbon pricing is applied within the Company, the details have been disclosed.		Carbon pricing is not implemented in our company.
B25. The platforms where the Company discloses its environmental information have been disclosed.		No public disclosure has been made.

 Yes
  No
  Partial
  Not Applicable

C. SOCIAL PRINCIPLES

C1. Human Rights and Employee Rights

C1.1 - The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	 Our Human Resources Policy is available on our official website, but the relevant roles and responsibilities have not been disclosed. https://krontech.com/tr/insan-kaynaklari-politikasi
C1.2 - Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in its policy on employee rights.	
C1.3 - The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	 Measures related to the issue are being taken, but no statement has been made
C1.4 - The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	
C1.5 - Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	 The Remuneration Policy and Human Resources Policy, prepared in accordance with the Capital Markets Legislation as part of the ESG policies, have been prepared and disclosed to the public on our website. https://krontech.com/tr/insan-kaynaklari-politikasi https://krontech.com/tr/ucret-politikasi
C1.5 - The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	 Employee-generated complaints and disputes are resolved within the framework of Company policies and principles
C1.5 - The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	 Employee satisfaction is measured in annual performance evaluations, but no statement has been made regarding this matter.
C1.6 - The occupational health and safety policies have been established and disclosed.	 Occupational health and safety policies are in place, but no statement has been made regarding this matter.
C1.6 - The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.	 Measures have been taken against workplace accidents, but no statement has been made regarding this matter.
C1.7 - The personal data protection and data security policies have been established and disclosed.	 Work related to the Personal Data Protection (KVKK) has been completed and compliance with the legislation has been achieved, but no statement has been made regarding this matter.
C1.8 - The ethics policy have been established and disclosed.	
C1.9 - The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	 No public disclosure has been made.
C1.10 - The informative meetings and training programs related to ESG policies and practices have been organized for employees.	 Product- and customer-based notifications are made.



Yes



No



Partial



Not Applicable

C2. Stakeholders, International Standards and Initiatives

C2.1 - The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	<input checked="" type="radio"/>	Customer satisfaction is measured through survey studies, but a written policy has not yet been developed.
C2.2 - The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	<input checked="" type="radio"/>	In meetings with customers, progress made in sustainability activities is occasionally brought up.
C2.3 - The international reporting standards that adopted in reporting have been explained.	<input type="radio"/>	No international reporting standard has been adopted under ESG.
C2.4 - The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	<input type="radio"/>	There is no international organization/principle that has been signed or joined under ESG.
C2.5 - The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	<input checked="" type="radio"/>	The matter is being evaluated by our Board of Directors.

D. CORPORATE GOVERNANCE PRINCIPLES

D1 - The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	<input checked="" type="radio"/>
D2 - The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	<input checked="" type="radio"/>

Yes
 No
 Partial
 Not Applicable

KRON TEKNOLOJİ A.Ş.
CORPORATE GOVERNANCE COMPLIANCE REPORT
2024 - ANNUAL NOTIFICATION



Summary
Corporate Governance Compliance Report



CORPORATE GOVERNANCE COMPLIANCE REPORT

1.1. Facilitating The Exercise of Shareholder Rights

1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.

To ensure the effective use of shareholder rights, current information and disclosures are made available to investors on the corporation's website at www.krontech.com

1.2. Right To Obtain and Review Information

1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.

The company takes utmost care in exercising shareholder rights. There are no practices that hinder the conduct of special audits.

1.3. General Assembly

1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.

The agenda of the general assembly is clearly stated, with each proposal presented under a separate heading.

1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.

Those who have privileged access to partnership information have not conducted any transactions on their own behalf during the relevant period.

1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.

Board members responsible for the preparation of financial statements, officials, and auditors attended the general assembly meeting.

1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.

The general assembly agenda includes a separate item on donations and contributions.

1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.

There is no restriction on stakeholders attending the general assembly meeting without the right to speak.

1.4 Voting Rights

1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.

Shareholders freely exercise their voting rights in the company.

1.4.2 - The company does not have shares that carry privileged voting rights.

There are no shares with privileged voting rights in the company. Privilege exists only in nominating candidates to the board of directors.

1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.

The company does not have any mutual participation relationships with other companies.

Yes
 No
 Partial
 Not Applicable

1.5 Minority Rights

1.5.1 - The company pays maximum diligence to the exercise of minority rights.

● The company takes the necessary care in facilitating the exercise of minority rights.

1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.

● The company takes utmost care in facilitating the exercise of minority rights, although there is no specific provision in the articles of association regarding this matter.

1.6. Dividend Right

1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.

● The company's dividend distribution policy, approved by the general assembly, has been disclosed to the public on the corporate website.

1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.

● The dividend distribution policy disclosed by the company contains minimum information that is clear enough to enable shareholders to anticipate the procedures and principles for the distribution of profits in future periods of the partnership.

1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.

● The company has indicated in the agenda item that it will not distribute profits for the relevant period and will use the profits for investments.

1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.

● As outlined in the dividend distribution policy, the company's board of directors always considers the balance between the interests of the shareholders and the interests of the company.

1.7. Transfer of Shares

1.7.1 - There are no restrictions preventing shares from being transferred.

● There is no provision in the company's articles of association that restricts the transfer of shares.

2.1. Corporate Website

2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.

●

2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.

●

2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.

● Some of the information disclosed on the corporate website has been prepared only in English.

2.2. Annual Report

2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.

●

2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.

●



Yes



No



Partial



Not Applicable

3.1. Corporation’s Policy on Stakeholders

3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	●
3.1.3 - Policies or procedures addressing stakeholders’ rights are published on the company’s website.	●
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	●
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	●

3.2. Supporting The Participation of The Stakeholders in The Corporation’s Management

3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	●	The participatory approach is achieved through the adopted and implemented flat management philosophy in our company.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	●	

3.3. Human Resources Policy

3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	●	Human Resources Policy
3.3.2 - Recruitment criteria are documented.	●	
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	●	
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	●	
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	●	There is no union in our company.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	●	
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	●	
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	●	
3.3.9 - A safe working environment for employees is maintained.	●	

● Yes
 ● No
 ● Partial
 Not Applicable

3.4. Relations with Customers and Suppliers

- 3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction. ●
- 3.4.2 - Customers are notified of any delays in handling their requests. ●
- 3.4.3 - The company complied with the quality standards with respect to its products and services. ●
- 3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers. ●

3.5. Ethical Rules and Social Responsibility

- 3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website. ● The corporate website includes a section on 'Corporate Governance' where Ethic Rules are provided.
- 3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery. ●

4.1. Role of The Board of Directors

- 4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place. ●
- 4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance. ●

4.2. Activities of The Board of Directors

- 4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders. ●
- 4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report. ●
- 4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity. ●
- 4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report. ●
- 4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined. ●
- 4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders. ●

● Yes
 ● No
 ● Partial
 Not Applicable

4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital. ●

4.3. Structure of The Board of Directors

4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy. ●

The ratio of our female board member composition is 50%.

4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance. ●

4.4. Board Meeting Procedures

4.4.1 - Each board member attend the majority of the board meetings in person or via an electronic board meeting system. ●

4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members. ●

4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members. ●

4.4.4 - Each member of the board has one vote. ●

4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board. ●

4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director’s dissenting opinions if any. ●

4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members’ external commitments at the General Shareholders’ Meeting. ●

There are no restrictions on board members taking on other roles outside the company. It is believed that board members will fulfill their duties to the company adequately, hence such limitation is deemed unnecessary.

- Yes
- No
- Partial
- Not Applicable

4.5. Board Committees

4.5.5 - Board members serve in only one of the Board's committees.	<input checked="" type="radio"/>	Each board member serves on multiple committees. There are two independent members in our Board of Directors, and there are three committees within the Board.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	<input checked="" type="radio"/>	Such a need did not arise during the relevant period.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	<input type="radio"/>	No consultancy services were obtained during the relevant period.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	<input checked="" type="radio"/>	

4.6. Financial Rights

4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	<input checked="" type="radio"/>	The board of directors' performance evaluation is not conducted.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	<input checked="" type="radio"/>	
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.	<input type="radio"/>	A collective statement has been made in the annual activity report

Yes
 No
 Partial
 Not Applicable

KRON TEKNOLOJİ A.Ş.
CORPORATE GOVERNANCE INFORMATION FORM
2024 - ANNUAL NOTIFICATION



Summary
Corporate Governance Information Form



1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/ etc.) organised by the company during the year

Four meetings were held throughout the year.

1.2. Right to Obtain and Examine Information

The number of special audit request(s)

There has been no request for a special auditor.

The number of special audit requests that were accepted at the General Shareholders' Meeting.

-

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

<https://www.kap.org.tr/tr/Bildirim/1284148>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time.

The documents related to the general assembly have been presented only in Turkish.

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9

Within the scope of the mentioned item, no transaction has occurred in the company.

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)

Within the scope of the mentioned item, no transaction has occurred in the company.

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)

Within the scope of the mentioned item, no transaction has occurred in the company.

The name of the section on the corporate website that demonstrates the donation policy of the company.

Yatırımcı İlişkileri/Kurumsal Yönetim/Politikalar/Bağış ve Yardım Politikası

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved

<https://www.kap.org.tr/tr/Bildirim/1024080>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting.

The articles of association do not contain any provisions regarding the participation of stakeholders in the general assembly. There are no restrictions applied in our company regarding this matter.

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any

The general assembly has not received any requests for participation from shareholders other than the owners of shares.

1.4 Voting Rights

Whether the shares of the company have differential voting rights	Hayır (No)
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	None
The percentage of ownership of the largest shareholder	17,62%

1.5 Minority Rights

Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Hayır (No)
If yes, specify the relevant provision of the articles of association.	None

1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	Yatırımcı İlişkileri / Kurumsal Yönetim / Politikalar / Kar Dağıtım Politikası
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	<p>The Board of Directors proposal regarding the non-distribution of dividends was made available for shareholders' review at the Company's headquarters, on the Public Disclosure Platform, in the Central Securities Depository's Electronic General Meeting system, and on the Company's website at least three weeks prior to the meeting date, excluding the announcement and meeting days, as per the Board decision dated 09.05.2024 and numbered 2024-11. The following proposal was submitted in this decision: According to our financial statements prepared in accordance with Capital Markets regulations and audited by Kavram Independent Audit and Consulting Inc., the net profit for the period, after deducting taxes and other legal liabilities from the profit generated from the Company's activities for the 2023 fiscal year, amounts to TL 46,370,299 (whereas, according to financial statements prepared in accordance with the Tax Procedure Law, this figure is TL 86,225,992.42). The Board of Directors has decided to inform shareholders and submit for the approval of the General Assembly that the net profit for the 2023 fiscal year will not be distributed and will instead be retained in the Company's accounts to be used for Company investments. The Board of Directors' decision regarding the non-distribution of dividends was opened for discussion. Following the discussions, the Board of Directors' proposal to refrain from distributing dividends for the 2023 fiscal year was submitted for the approval of the General Assembly. The proposal was unanimously approved by the General Assembly.</p>

PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends.

<https://www.kap.org.tr/tr/Bildirim/1284148>

GENERAL ASSEMBLY MEETINGS

General Meeting Date	05/06/2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	40%
Percentage of shares directly present at the GSM	40%
Percentage of shares represented by proxy	0%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Yatırımcılar İlişkileri / Genel Kurullar
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Yatırımcılar İlişkileri / Genel Kurullar
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to	This type of transaction has not been conducted
The number of declarations by insiders received by the board of directors	0
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/1136792

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Yatırımcı İlişkileri / Kurumsal Yönetim
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Yatırımcı İlişkileri / Kurumsal Yönetim / Ortaklık Yapısı
List of languages for which the website is available	Turkish- English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	02 Board of Directors
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	02 Board of Directors / Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	06 Corporate Governance - Principles of Board of Directors' Activities
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	06 Corporate Governance - Legislation Changes That Could Significantly Impact Company Activities
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	06 Corporate Governance - Information on Lawsuits Filed Against the Company and Their Potential Impact on the Company's Financial Situation and Activities
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	06 Corporate Governance - Information regarding conflicts of interest between the company and institutions providing services such as investment consultancy and rating, and measures taken to prevent them.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	06 Corporate Governance - Information regarding mutual participations where the direct participation in capital exceeds 5%.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	06 Corporate Governance - Ethics Rules and Social Responsibility.

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Yatırımcı İlişkileri / Kurumsal Yönetim / Politikalar / Tazminat Politikası
The number of definitive convictions the company was subject to in relation to breach of employee rights	None
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Deputy General Manager - Finance.
The contact detail of the company alert mechanism	investor@krontech.com https://www.krontech.com/contact

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	There is no internal regulation regarding employee participation in management.
Corporate bodies where employees are actually represented	There is no management body representing the employees.

3.3. Human Resources Policy

The role of the board on developing and ensuring that the company has a succession plan for the key management positions.	The board of directors takes all necessary measures to ensure the company's healthy continuity.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy	Yatırımcı İlişkileri / Kurumsal Yönetim / Politikalar / İnsan Kaynakları Politikası
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Yatırımcı İlişkileri / Kurumsal Yönetim / Politikalar / İnsan Kaynakları Politikası
The number of definitive convictions the company is subject to in relation to health and safety measures	None

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Yatırımcı İlişkileri/ Kurumsal Yönetim/Etik Kurallar
---	--

The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.

Our company prioritizes environmental awareness in all of its activities. By leveraging the technologies it develops to optimize performance, productivity is enhanced, leading to a natural reduction in energy consumption and contributing to the fight against global warming. Kron designs its technologies aiming for green energy. Additionally, support is provided for social responsibility projects to foster the development of more qualified young individuals in the field of technologies.

Any measures combating any kind of corruption including embezzlement and bribery

All company employees adhere to our company's code of ethics.

4. BOARD OF DIRECTORS - I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted.	The performance evaluation has not been conducted.
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Ayşe Yenel - Zeynep Yenel Onursal / Under Article 367 of the Turkish Commercial Code, they are responsible and authorized for matters outside of those requiring decisions by the Board of Directors or General Assembly, in accordance with the Law, Capital Markets legislation, Articles of Association, and the provisions of this Internal Directive, which are listed in Article 7.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	None
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	06 Corporate Governance - Risk Management and Internal Control Mechanism
Name of the Chairman	Lütfi Yenel
Name of the CEO	Ayşe Yenel / Zeynep Yenel Onursal
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The distinction between the chairman of the board and the general manager has been made.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	There is an insurance policy with a premium exceeding 25% of the company's capital.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	https://krontech.com/tr/Kadin-Yonetim-Kurulu-yulerinin-Oranini-Artirmaya-Yonelik-cesitlilik-Politikamiz

The number and ratio of female directors within the Board of Directors 3 / 50%

Composition of Board of Directors

Names of the Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered By The Nomination	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director 'Has At Least 5 Years ,Experience On Audit Accounting And/Or Finance Or Not
Lütfi Yenel	Non-Executive	Not Independent Director	14/05/2007	-	Not Applicable	Not Applicable	Yes
Ayşe Yenel	Executive	Not Independent Director	29/04/2022	-	Not Applicable	Not Applicable	Yes
Zeynep Yenel Onursal	Executive	Not Independent Director	15/05/2023	-	Not Applicable	Not Applicable	Yes
Emre Yavuz Baran	Non-Executive	Not Independent Director	29/04/2022	-	Not Applicable	Not Applicable	Yes
Zeynep Tokman Cesur	Non-Executive	Independent Director	02/11/2023	https://www.kap.org.tr/tr/Bildirim/1214442	Considered	No	No
Yavuz Suat Bengür	Non-Executive	Independent Director	28/11/2021	https://www.kap.org.tr/tr/Bildirim/986781	Considered	No	Yes

4. BOARD OF DIRECTORS - II

4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period	21
Director average attendance rate at board meetings	71%
Whether the board uses an electronic portal to support its work or not	Hayır(No)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	2 Days
The name of the section on the corporate website that demonstrates information about the board charter	https://krontech.com/tr/yonetim-kurulu-toplanti-usulve-esaslari
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented

02 Board of Directors / Committees

Link(s) to the PDP announcement(s) with the board committee charters

<https://www.kap.org.tr/tr/Bildirim/1132020>

COMPOSITION OF BOARD COMMITTEES-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Corporate Governance Committee	-	Yavuz Suat Bengür	Yes	Board Member
Corporate Governance Committee	-	Lütfi Yenel	No	Board Member
Corporate Governance Committee	-	Onur Çelik	No	Not Board Member
Audit Committee	-	Yavuz Suat Bengür	Yes	Board Member
Audit Committee	-	Zeynep Tokman Cesur	No	Board Member
Committee of Early Detection of Risk	-	Zeynep Tokman Cesur	Yes	Board Member
Committee of Early Detection of Risk	-	Lütfi Yenel	No	Board Member

4.BOARD OF DIRECTORS - III

4.5. Board Committees-ztlI

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report website)

02 Board of Directors / Committees

Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)

02 Board of Directors / Committees

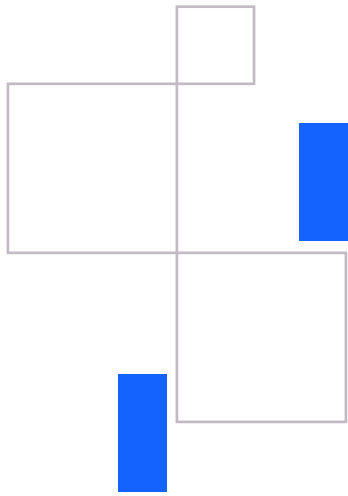
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is fulfilled by the Corporate Governance Committee. 02 Board of Directors / Committees.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	02 Board of Directors / Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	It is fulfilled by the Corporate Governance Committee. 02 Board of Directors / Committees.

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	06 Corporate Governance / Company's Strategic Objectives
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	https://kron.com.tr/ucret-politikasi
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	06 Corporate Governance / Financial Rights Provided to the Board of Directors and Senior Management

COMPOSITION OF BOARD COMMITTEES-II

Names Of The Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Audit Committee	-	%100	%100	8	8
Corporate Governance Committee	-	%100	%33	4	4
Committee of Early Detection of Risk	-	%100	%50	6	6



07

2024 AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT



KAVRAM BAĞIMSIZ DENETİM ve DANIŞMANLIK A.Ş.
Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the Board of Directors

Kron Teknoloji Anonim Şirketi

Opinion

We have audited the annual report of Kron Teknoloji Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1 January 2023 - 31 December 2023.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set of consolidated financial statements and the information we obtained during the audit.

Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated May 2, 2024 on the full set consolidated financial statements of the Group for the period of 1 January - 31 December 2023.

The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communique 11-14.1 on the Principles of Financial Reporting in Capital Markets ("the Communique") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.



The Responsibility of the Board of Directors on the Annual Report (continued)

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion. The independent audit we have performed is conducted in accordance with the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are presented according to fair value and consistent with the information gathered during audit.

The responsible auditor who conducted and concluded this independent audit is Bünyamin KALYONCU.

Partner
Istanbul, May 2, 2024



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

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

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

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

INDEPENDENT AUDITOR REPORT

To the General Assembly of Kron Teknoloji Anonim Şirketi

A. Independent Audit of Consolidated Financial Tables

1. Opinion

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

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

2. The Base of Opinion

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

3. Matters To Draw Attention

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

4. Key Audit Matters

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

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

<p>The costs are capitalized related to costs of personnel related to software projects for the projects the Group has completed feasibility studies and projects the Group provides cash flow in the scope of development operations. Capitalization is calculated according to rates and timing of development costs of personnel determined according to forecasts and assumptions of project managers and management level.</p> <p>The calculation of capitalization costs are determined as key audit matter since they are significant related to financial statements and it includes the forecasts of management related to this matter.</p>	<p>The meetings are conducted with personnel chosen by sampling method related to capitalization and the activities are examined with the details of projects in the scope.</p>
<p>Application of TAS 29 'Financial Reporting in Hyperinflationary Economies</p> <p>TAS 29, "Financial Reporting in High-Inflation Economies" ("TAS 29") standard has been applied in the Group's consolidated financial statements for the year ending 31 December 2024.</p> <p>According to TAS 29, statement of financial position items and non-monetary items that are not expressed in terms of the current measurement unit as of the end of the reporting period are adjusted using a general price index. For this reason, the transactions in 2024, non-monetary balances at the end of the period and the consolidated financial statements of previous years have been rearranged to reflect the current price index as of the balance sheet date of December 31, 2024. The application of TAS 29 has a widespread and significant impact on consolidated financial statements. Considering these reasons, the risk that the data used in the application of TAS 29 may not be accurate and complete, and the additional audit effort spent, the implementation of TAS 29 has been determined by us as a key audit matter. Explanations regarding the application of TAS 29 are included in Note 2.1.</p>	<p>During our audit, the following audit procedures were applied regarding the application of TAS 29 "Financial Reporting in High Inflation Economies" standard:</p> <ul style="list-style-type: none"> -The Group's TAS 29 implementation process was analyzed and the design and implementation of controls related to this process were evaluated. -It has been checked whether the distinction between monetary and non-monetary items made by the Group is made in accordance with TAS 29. -The assumptions used by the Group were evaluated and checked whether they were used consistently in each period. -The general price index rates used in the calculations have been checked with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute. - Within the scope of TAS 29 application, detailed studies were provided regarding non-monetary items and their acquisition dates and amounts were tested by sampling method. -The mathematical accuracy of the non-monetary items and financial statements rearranged with the application of TAS 29 was tested. -The adequacy of the disclosures in the consolidated financial statements and notes has been evaluated within the scope of TFRS.

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

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

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

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

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

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

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

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

We also:

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

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

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

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

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

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

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

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

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

B.Other Liabilities Arising From Legislation

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

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

İstanbul, March 11, 2025

Bünyamin KALYONCU

Responsible Auditor

KAVRAM BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.

Member Crowe Global

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

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

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

Enclosed notes are integral parts of these statements.

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

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

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

Enclosed notes are integral parts of these statements.

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

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

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

Enclosed notes are integral parts of these statements.

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

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

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

Enclosed notes are integral parts of these statements.

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

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

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

Enclosed notes are integral parts of these statements.

KRON TEKNOLOJİ A.Ş. AND ITS SUBSIDIARY'S

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF JANUARY 1- 2024 -DECEMBER 31, 2024

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

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

Enclosed notes are integral parts of these statements

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

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

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

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

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

Enclosed notes are integral parts of these statements

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

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

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

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

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

Enclosed notes are integral parts of these statements.

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

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

NOTE 1 - ORGANIZATION AND SUBJECT OF ACTIVITY

1.1 Field of Activity;

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

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

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

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

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

1.2 Capital Structure:

The partnership structure of the group is as follows:

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

1.3 Approval of Financial Statements;

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

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

NOTE 2- CONSOLIDATED GUIDELINES ON SUBMISSION OF FINANCIAL STATEMENTS

2.1. Basic Guidelines on Submission of Financial Statements and Declaration of Conformity to the Turkish Accounting Standard

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

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

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

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

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

2.2. Preparation Of Consolidated Financial Statements

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

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

2.3 The Bases of Consolidation

The affiliates of the Group are as follows:

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

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

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

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

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

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

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

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

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

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

(i) Subsidiaries;

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

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

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

2.4 Assumption on Going Concern

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

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

Operational and reporting currency

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

Adjustment of financial statements in high inflation periods

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

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

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

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

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

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

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

The indexation process are as follows according to TAS 29:

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

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

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

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

The compared amounts

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

2.6 Offsetting – Deduction

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

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

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

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

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

2.8 Changes in Accounting Policies

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

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

2.9.1. Cash Flow Statement

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

2.9.2. Financial Assets

Classification and Measuring

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

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

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

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

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

Financial assets recognized at amortized cost

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

Impairment

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

2.9.3. Derivative Financial Instruments

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

2.9.4. Receivables from Financial Sector Activities

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

2.9.5. Trade Receivables

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

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

2.9.6. Other Receivables

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

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

2.9.7. Inventories

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

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

2.9.8. Alive Assets

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

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

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

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

2.9.9. Prepaid Expenses

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

2.9.10. Assets Related To the Current Period

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

2.9.11. Other Current/Non-Current Assets

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

2.9.12. Non-current Assets Classified For Sales Purpose

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

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

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

2.9.13. Investments Assessed By Equity Method

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

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

2.9.14. Investment Property

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

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

The Group does not have any investment property.

2.9.15. Tangible Assets:

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

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

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

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

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

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

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

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

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

2.9.16 Intangible Assets:

a. Intangible assets acquired

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

Licenses

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

Computer Software

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

Internally generated intangible assets-research and development expenses

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

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

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

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

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

2.9.17. Financial Liabilities

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

2.9.18. Borrowing Costs

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

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

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

2.9.19. Taxation

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

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

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

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

2.9.20. Revenue

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

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

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

Presentation of service

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

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

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

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

2.9.21. Impairment of assets

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

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

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

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

2.9.22. Earnings per Share

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

2.9.23 Post-balance-sheet Events

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

2.9.24 Provisions, Contingent Liabilities and Contingent Assets

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

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

2.9.25 Payables In Scope Of Employee Benefits / Employee Termination Benefit

Provision for severance pay

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

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

Leave Provisions

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

2.9.26 Significant Accounting Assessments, Estimates and Assumptions

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

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

Actuarial loss / gain is accounted under other comprehensive expense account

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

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

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

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

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

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

2.10. Changes In Significant Accounting Policies

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

The Transition to TFRS 16;

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

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

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

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

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

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

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

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

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

The Group right of use assets as a lessee.

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

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

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

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

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

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

Lease Liability

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

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

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

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

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

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

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

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

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

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

2.11 New and Revised Turkey Financial Reporting Standards

As of December 31, 2024 the accounting policies adopted during the preparation of consolidated financial statements are applied consistently with the previous year's accounting policies except for new and changed Turkish Accounting Standards (TAS)/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.

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

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

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

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

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

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

c) Amendments Effective Upon Issuance

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

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

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

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

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

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

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

NOTE 3-SEGMENT REPORTING

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

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

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

January 1-

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

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

January 1-

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

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

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

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

NOTE 4- CASH AND CASH EQUIVALENTS

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

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

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

NOTE 5 – FINANCIAL INVESTMENTS

a) Short Term Financial Investments

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

b) Long Term Financial Investments

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

NOTE 6- FINANCIAL LIABILITIES

a) Short Term Financial Liabilities

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

b) Short-term Portions of Long-term Loans

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

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

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

c) Long Term Financial Liabilities

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

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

** These are credit card debts.

d) Liabilities Of Credits Including Interest and Maturity Of Credits

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

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

e) Interest Rates of Credits

December 31, 2024

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

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

December 31, 2023

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

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

f) Other Financial Liabilities

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

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

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

NOTE 7- TRADE RECEIVABLES AND PAYABLES

A-Trade Receivables

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

a) Trade Receivables (Short term)

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

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

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

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

b) Trade receivables (Long term)

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

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

B-Trade Payables

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

a) Trade Payables (Short Term)

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

b) Trade Payables (LongTerm)

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

NOTE 8-OTHER RECEIVABLES AND PAYABLES

A- Other Receivables

a) Other Receivables (Short term)

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

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

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

b) Other Receivables (Long term)

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

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

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

b) Other Payables (Long Term)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b) Other Fixed Assets

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

NOTE 11- INVENTORIES

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

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

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

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

NOTE 12- PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid Expenses (Short-Term)

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

b) Prepaid Expenses (Long-Term)

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

NOTE 13- GOVERNMENT INCENTIVES AND GRANTS

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

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

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

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

NOTE 14- TANGIBLE FIXED ASSETS

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

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

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

Pledges and Mortgages on Assets

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

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

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

NOTE 15- RIGHT OF USE ASSETS

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

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

NOTE 16- INTANGIBLE FIXED ASSETS

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

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

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

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

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

NOTE 17- PERIOD INCOME TAX LIABILITY

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

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

NOTE 18- PERIOD PROFIT TAX LIABILITY

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

NOTE 19- LIABILITIES UNDER EMPLOYEE BENEFITS

a) Liabilities Under Employee Benefits (Short-Term)

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

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

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

b) Liabilities Under Employee Benefits (Long-Term)

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

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

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

NOTE 20- OTHER LIABILITIES

a) Other Liabilities (Short Term)

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

b) Other Liabilities (Long Term)

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

NOTE 21- COMMITMENTS

a) Collaterals, pledges and mortgages acquired by the Group

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

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

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

b) Collaterals, pledges and mortgages received by the Group

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

NOTE 22- SHORT/LONG-TERM PROVISIONS

a) Short-Term Provisions for Employee Benefits

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

The movements of unused leave fees are as follows:

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

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

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

Seniority Incentive Bonus

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

Other

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

b) Long-Term Provisions for Employee Benefits

- Provision for Severance Pay

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

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

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

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

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

Long-term Provisions Related to Employee Benefits

	December 31, 2024	December 31, 2023
Provision for severance pay	4,000,773	4,126,262
	4,000,773	4,126,262

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

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

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

NOTE 23- CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid Capital and Capital Adjustment Differences

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

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

The partnership structure of the Group is as follows.

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

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

Additional Information on Capital, Reserves and Other Equity Items

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

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

b) Share Premiums (Discounts)

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

c) Defined Benefit Plans Remeasurement Gains / Losses

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

Actuarial Gain / (Loss)

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

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

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

d) Foreign currency conversion difference

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

e) Restrained Reserves from Profit

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

f) Previous Year Profits / Losses

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

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

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

b) Cost of Sales (-)

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

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

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

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

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

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

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

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

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

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

NOTE 26- EXPENSES CLASSIFIED ACCORDING TO ASSORTMENT

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

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

NOTE 27- OPERATING INCOME / EXPENSES

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

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

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

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

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

NOTE 28- INCOME FROM INVESTING ACTIVITIES

a) Revenues from Investment Activities

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

b) Expenses Due To Investing Activities (-)

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

NOTE 29- FINANCING INCOME/ EXPENSES

a) Financing Income

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

b) Financing Expenses

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

c) Net Monetary Position Gains (Losses)

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

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

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

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

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

NOTE 30- TAX PROVISIONS AND LIABILITIES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)

a) Period Income Tax Liability

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

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

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

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

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

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

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

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

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

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

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

b) Deferred tax

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

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

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

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

Previous Years' Losses

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

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

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

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

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

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

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

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

NOTE 31- EARNINGS PER SHARE

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

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

NOTE 32- RELATED PARTY DISCLOSURES

a) Related Parties End of Period Balance Sheet Balances

None. (December 31, 2023: None)

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

None. (December 31, 2023: None)

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

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

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

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

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

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

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

Loan Risk

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

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

Credit risks exposed due to type of financial instruments

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

Credit risks exposed due to type of financial instruments

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

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

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

Liquidity Risk

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

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

Liquidity Risk Table

December 31, 2024

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

Liquidity Risk Table

December 31, 2023

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

Exchange rate risk

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

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

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

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

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

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

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

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

Foreign Exchange Sensitiveness Analysis

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

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

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

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

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

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

Interest Rate Risk Management and Interest Rate Sensitivity

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

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

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

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

Capital Management

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

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

NOTE 34- POST-BALANCE SHEET EVENTS

December 31, 2024

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

December 31, 2023

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

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

NOTE 35- INDEPENDENT AUDIT FEES FOR THE REPORTING PERIOD

Fees For Services Rendered By Independent Audit Authority

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

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

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

NOTE 36- OTHER MATTERS

a) Financial Statement Disclosures:

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

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

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

b) Classifications of Previous Period Financial Statements and Their Qualifications

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

c) Significant Accounting Policies

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

NOTE 37- OTHER COMPLEMENTARY INFORMATION

EBITDA Reconciliation

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

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



Kron
TECHNOLOGIES

info@krontech.com
www.krontech.com