

1H2024 Interim Activity Report

01.01.2024 - 30.06.2024



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KRON AT A GLANCE

01

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 250 customers across 30 countries, the company has been listed on the Borsa Istanbul (BIST: KRONT) 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 technology, driven by heightened security needs, regulatory changes, and cyber-attacks, motivates Kron Technologies to innovate continuously. The company is committed to developing next-generation technology 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 2024 strategy. 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

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Ankara Branch

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

İzmir Branch

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Kron Technologies US

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

Trade Registry Number

547587

Web Address

www.krontech.com

E-Mail Address

yatirimci@kron.com.tr

Listing Venue

Borsa İstanbul

Listing Date

27 Mayıs 2011

Ticker

KRONT

Market

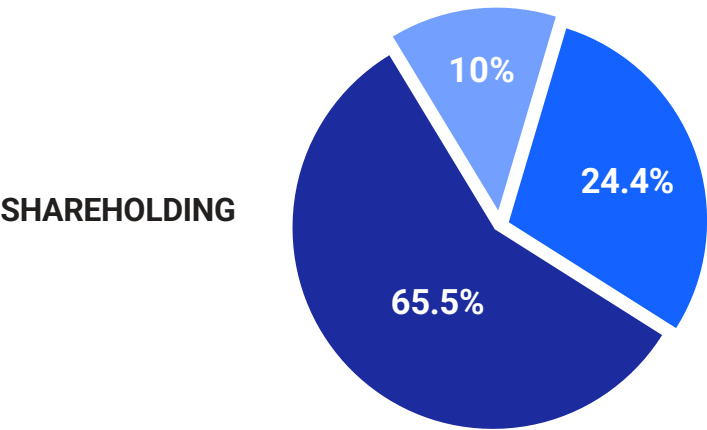
Bist Main

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 June 30, 2024, the company’s shareholder and capital structure is as follows:

SHAREHOLDER	SHARE GROUP	NUMBER OF SHARES
ZEYNEP YENEL ONURSAL	A	● 8,561,112
LÜTFİ YENEL	B	● 20,926,797
FREE FLOAT	B	● 56,123,169
TOTAL		85,611,078



SUBSIDIARIES

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



CORPORATE GOVERNANCE

02

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, founder 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, CIS 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. Lütfi Yenel has held a number of Board Membership positions in leading institutions including Sabancı Holding, Turkish Industry and Business Association (TUSİAD), International Investors Association (YASED), Turkey Quality Association (KALDER) (Vice Chair) and 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 Executive Committee Chair 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 Vice Chair of the Executive Committee and a Board member.

Emre Baran is an entrepreneur and a software executive with 20+ years of experience in both B2B and B2C product areas. He is currently the co-founder and CEO of Cerbos; a plug-and-play authorization service for software.

Emre was the co-founder and CTO of Yonja.com, Turkey's largest social network in the mid 2000s. After getting his MBA, he joined Google as a senior product manager.

After Google, Emre and his three former colleagues founded Qubit. During his 10 year tenure, as the CTO and a board director, Emre was responsible for the product development and technology of Qubit throughout different phases of the company's development.

Emre is an angel investor and advises various early-stage companies and entrepreneurs. He also is an Expert-in-Residence at Seedcamp; Europe's leading seed stage investor. He holds 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. Mr. Bengür designed and managed numerous projects at ASELSAN.

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 and works as a part-time lecturer at the Faculty of Engineering at Çankaya University.



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 Chairperson	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. During the first half of 2024, no meetings were held.

Corporate Governance Committee

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

** Lütfi Yenel was elected to replace Ayşe Yenel, who resigned as a Corporate Governance Committee member on February 21, 2024.*

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. During the first half of 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 Chairperson, who holds independent status. The committee met 1 times and provided 1 notifications to the board.

Committee for Early Detection and Management of Risks

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

* *Lütfi Yenel was elected to replace Ayşe Yenel, who resigned as a Corporate Governance Committee member on February 21, 2024.*

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, a 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 the first half of 2024, reviewing the company's risk management system and presenting its report to the board. One meeting was held during the first half of 2024. The committee chairperson is an independent board member and consists of two non-executive members.

EXECUTIVE COMMITTEE

In accordance with the authority granted to our Board of Directors pursuant to the first paragraph of Article 367 of the Turkish Commercial Code and Article 11 of our Company's articles of association, a decision was made on 21/02/2024 to establish an Executive Committee. This committee will be responsible for and authorized to handle principal matters not requiring a decision directly from the Board of Directors or the General Assembly. The structure of the committee and the duties and responsibilities of the Executive Committee members have been regulated through internal guidelines, and our company's Executive Committee has been formed as follows:

- Executive Committee Chairperson: Ayşe Yenel, Vice-Chairperson of the Board
- Executive Committee Vice-Chairperson: Zeynep Yenel Onursal, Board Member
- Executive Committee Member: Mete Sansal, General Manager
- Executive Committee Member: Fuat Altıoğlu, Deputy General Manager, Finance

GENERAL ASSEMBLY

Our company held an Extraordinary General Assembly on April 16, 2024, and the 2023 Annual Ordinary General Assembly on June 5, 2024

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

MEMBERS OF SENIOR MANAGEMENT



METE SANSAL
CEO



FUAT ALTIOĞLU
CFO



MEHMET ILGAZ
CPO



SERDAL YILDIZ
CTO



SERHAT ÜMIT ÇELİK
Enterprise Business Unit
Sales Director



LEVENT ARS
APAC & MEA
Sales Director



ONUR SEMİH SEVİM
Europe & LATAM
Sales Director



MEHMET A. TANSAL
Sales Director
(Turkcell Group)



BERKAY MEKER
Sales Director
(Turk Telecom)



PINAR GÜNGÖR BİLGİN
Project Management
Office Director



CANEL GÜRGEN ARCAK
HR Director



AHMET CEMAL AKGÜN
Marketing and Channel
Management Director



JEN WALTZ
Alternate Channels
Director



ERHAN YILMAZ
PAM Product
Management Director



BARAN BARUT
Telco Solutions
Director



AKIN KÜÇÜK
Software Development
Director



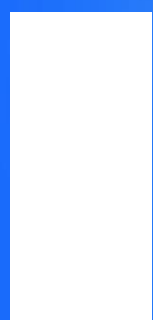
SİNAN KESKİN
Software Development
Director



HAKAN OTAL
Operations &
Delivery Director



ERTÜRK VAROL
Cyber Security Operations
& Delivery Director



KRON IN 2024

03

MID-TERM ACTIVITIES and DEVELOPMENTS

Kron has become a key player in the technology and IT sector by producing innovative solutions driven by R&D, both nationally and internationally. With its unique software and data security solutions, it stands out in the global competition as a local brand. Kron's strategic goals are shaped by its commitment to R&D and its customer-centric service approach. The company has strengthened its position as a reliable technology provider in both local and international markets. In this context, the achievements and projects realized in the first half of 2024 mark significant milestones in Kron's growth journey.

Kron secured the top spot in the Bilişim500 Local Manufacturer Data Security Software category for the fourth consecutive year. CEO Mete Sansal commented on this success: "This achievement reflects our years of dedicated efforts and the consistent execution of our strategies. The award serves as a testament to the quality and reliability of the solutions we provide. As a proud local and national brand, we are honored to represent our country at the highest level on both national and international stages."

Through our partnership with İşNet, one of Turkey's leading IT service providers, we began offering privileged account access security services to İşNet's cloud customers. This collaboration enhances İşNet's ability to provide more secure access to its customers while improving overall cybersecurity levels.

To strengthen our business relationships in the Middle East, we organized a summit with Naizak, our regional distributor, where we engaged with over 50 partners to share Kron's product portfolio and future strategic goals.

Kron's Telemetry Pipeline solution won the silver prize in the Data Analytics and Artificial Intelligence category at the Export Accelerators Competition held during the Mobilefest Technology Fair and Conference.



At the Gartner Security and Risk Management Summit in Dubai, we played an active role, engaging in strategic discussions on regional investments and partnerships and establishing important connections with new partners.

At the GISEC Global event, we showcased our solutions, creating new business opportunities with regional distributors, partners, and customers. This event is recognized as one of the world's most respected platforms in the field of information security.

At the prestigious Channel Partners Expo & MSP Summit in the U.S., Kron stood out as the only technology manufacturer from Turkey, presenting our Identity and Access Management and Data Security solutions, which garnered significant attention.

Thanks to our investments in the channel ecosystem, we successfully conducted business with 54 different partners in the first half of 2024.

As part of our global growth strategy, we continued expanding internationally by adding new members to our sales teams in the Middle East and Indonesia.

KEY FINANCIAL INDICATORS SUMMARY

Prepared in accordance with IAS 29

SUMMARY INCOME STATEMENT	30.06.2024	30.06.2023
Net Revenue	152,660,394	152,612,037
Gross Profit	129,296,902	130,969,050
Operating Expenses	-123,865,413	-120,194,477
Other Income from Operating Activities	24,951,233	40,156,802
Other Expenses from Operating Activities	-10,844,284	-11,399,472
Operating Profit / Loss	19,538,438	39,531,903
Financial Income	10,688,792	23,351,678
Financial Expense	-9,898,371	-31,128,717
Net Monetary Positions Gains/ Loss	-32,657,145	-22,024,338
Profit / Loss Before Taxes	-10,977,876	11,047,801
Current Period Tax Income / Expense	-	-
Deferred Tax Income / Expense	-568,179	-1,838,760
Profit / Loss from Continuing Operations	-11,546,055	9,209,041
EBITDA	48,900,687	61,933,813

PROFITABILITY RATIO	30.06.2024	30.06.2023
Gross Margin	85%	86%
Operating Profit Margin	13%	26%
EBITDA Margin	32%	41%

Our consolidated revenues remained flat at 152.7 million TL in 1H2024 following the adjustments under TMS 29 regulations. However, in USD terms, our consolidated revenues increased by 12.3%. This growth was primarily driven by the strong performance of our sales in the Turkish market. International sales accounted for 40% of our total revenues, while foreign currency-denominated sales made up 57% of the total.

In 1H2024, we issued 127 invoices to 67 customers, demonstrating our ability to execute cross-selling and upselling, which are key elements of our growth strategy. Subscription revenues rose from 10.2% of total billed revenues in 1H2023 to 17.5% in 1H2024, highlighting the success of our recurring revenue strategy.

Our EBITDA decreased by 21% compared to the previous year due to lower foreign currency revenues from core operations. However, in terms of our balance sheet, our net cash position increased from 34.0 million TL in June 2023 to 94.9 million TL, while our bank debt decreased from 41.4 million TL to 20.5 million TL.

KEY FINANCIAL INDICATORS SUMMARY

Prepared in accordance with IAS 29

BALANCE SHEET (TL)	30.06.2024	31.12.2023
Total Current Assets	258,259,688	334,046,482
Cash, Cash Equivalents and Financial Investments	117,004,292	77,165,222
Trade Receivables	128,767,654	245,688,928
Net Fixed Assets	9,373,640	6,971,797
Intangible Assets (Net)	248,314,444	230,123,832
Total Assets	563,536,242	619,430,129
Short-Term Debt	20,608,465	42,030,292
Equity	364,551,104	390,019,401

LIQUIDITY RATIOS	30.06.2024	31.12.2023
Current Ratio	2.14	2.28
Liquidity Ratio	2.12	2.26

FINANCIAL STRUCTURE RATIOS	30.06.2024	31.12.2023
Equity / Total Liabilities	65%	63%
Short-Term Liabilities / Total Liabilities	21%	24%
Long-Term Liabilities / Total Liabilities	14%	13%



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