

2023

INTERIM ACTIVITY REPORT

01.01.2023 – 30.06.2023

KRON TEKNOLOJI A.S. AND ITS SUBSIDIARIES
2023 INTERIM ACTIVITY REPORT
01.01.2023 - 30.06.2023



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REPORTING PERIOD

This report covers Kron's activities between January 01, 2023 and June 30, 2023.

COMPANY DETAILS

Trade Name:

Kron Teknoloji A.S.

Headquarters Address:

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T: 0 212 286 5122

F: 0 212 286 5343

Ankara Branch:

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

İzmir Branch:

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

Kron Technologies US:

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

Trade Registry Number:

547587

Website Address:

www.kron.com.tr

Email Address:

yatirimci@krontech.com

Stock Exchange Listing:

Borsa İstanbul A.Ş.

Listed on the Stock Exchange: 27 Mayıs 2011

Trading Symbol: KRONT

Listed on the Stock Market: Main Stock Exchange Market

BRIEF INFORMATION ABOUT THE COMPANY

Kron is a global technology company based in Turkey that has been developing software products in the fields of cyber security and telecom infrastructure management since 2007.

The company has developed products in the fields of cyber security and telecom infrastructure management, especially on topics of identity, access, and data security. These products protect companies' sensitive information and data, prevent unauthorized access, and provide protection against cyber threats. As a result, the security of organizations' digital assets is maximized and security risks are minimized. In the identity and access security segment, "Privileged Access Management" is the most revenue-generating product of Kron.

In this category, there are also multi-factor authentication, Tacacs+/Radius access management, and AAA solutions. In the data security category, "Dynamic Data Masking" and "Real-Time Data Processing" stand out. The digitization processes of businesses and remote working trends have increased the need for access and data security, and as a result, the demand for Kron's products has grown.

In the field of telecom infrastructure management, Kron provides solutions to telecom operators, including service activation, service quality monitoring, network access control, real-time data processing, and logging. With these products, operators can improve the customer experience even amidst heavy

data traffic, monitor network performance, and swiftly identify and address potential issues. Kron's solutions boost operational efficiency by ensuring the network's utmost security.

Kron's revenue sources include software licenses, maintenance services, professional engineering services, and subscription revenues. Kron is adopting a sales and marketing strategy aimed at increasing the proportion of subscription revenues within the total income.

The company strengthens its sales and service capacity in target markets to effectively distribute its products globally and actively leverages its global channel partners. At its research and development centers in Istanbul, Ankara,

and Izmir, Kron collaborates with nearby universities to quickly adapt to new technologies.

Cloud technologies and artificial intelligence are among the new features added to the company's products. Kron's products have been highlighted by international technology analyst firms such as Gartner, Omdia, and KuppengerCole. With its robust product portfolio and team, Kron plans to focus its resources on growth in the future.

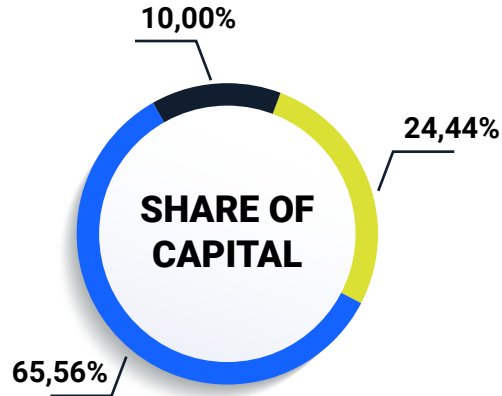


KRON'S EQUITY AND OWNERSHIP STRUCTURE

Kron's paid-in capital is 42,805,539 TL, consisting of 42,805,539 shares, each with a registered nominal value of 1 TL.

The company's Capital structure as of June 30, 2023 is as follows:

SHAREHOLDERS	SHARE GROUP	SHARE AMOUNT IN TL
Zeynep Yenel Onursal	A	● 4.280.556,00
Lütfi Yenel	B	● 10.463.398,50
Free Float	B	● 28.061.584,50
TOTAL		42,805,539,00



SUBSIDIARIES

COMPANY TITLE	HEADQUARTER	OWNERSHIP RATE
Kron Technologies US	New Jersey - USA	100%

In the United States, the trade name of Ironsphere Inc., a subsidiary wholly owned by Kron Teknoloji A.Ş., has been changed to "Kron Technologies US" with the aim of increasing the brand's visibility in global markets and ensuring brand consistency.

INTERIM ACTIVITIES AND FINANCIAL RESULTS

Kron, headquartered in Istanbul with additional offices in Ankara, Izmir, and Jersey City, USA, caters to its expansive client base both in Turkey and globally. Specializing in cybersecurity and network infrastructure management, Kron has garnered substantial financial success across multiple sectors. In the first half of the year, the company witnessed a 116% surge in its turnover compared to the same timeframe of the preceding year, and its gross profit rose by 117%. During the first half of 2023, 61% of Kron's total sales emanated from overseas. Reinforced by a revamped product strategy, Kron has enhanced its global market footprint and has achieved progress in line with its objective to augment the ratio of international sales in its overall revenue.

As part of its sales and marketing activities, from the beginning of this year, Kron, which participated in important fairs, business forums, and events held in United States of America, Germany, the United Kingdom, the United Arab Emirates, Morocco, Saudi Arabia, and Turkey, introduced its telecom and cybersecurity solutions to potential customers in Europe, North Africa, and the Middle East. During this time, Kron, which was among the leaders in the "Leadership Compass for Privileged Access Management" and "Leadership Compass for Data Security Platforms" reports prepared by the world-renowned research company KuppingerCole, once again proved the power and capabilities of its Privileged Access Management and Data Security solutions.

Kron, which expands its business partnership network day by day to deliver its strong solutions in the field of cybersecurity to different geographies of the world, has signed a cooperation agreement with EOS (EOS IT Solutions), a global distributor, and Cyberpoint, Azerbaijan's leading cybersecurity service

provider. The partnership with Cyberpoint will deepen the technological and commercial relations between the two countries, enabling Kron to increase its market share in the region in a short time.

Our company has increased its issued capital by 200% from 14,268,513 TL to 42,805,539 TL, funded by Previous Years Profits. SPK (Capital Markets Board) has approved the transaction on March 30, 2023, and the Bonus Capital Increase was successfully completed.

The Company Board of Directors convened on July 14, 2023, and decided to increase the paid capital to finance R&D and product development investments, investments that will strengthen our global channel structure, and the increase in working capital resulting from the growth of the Company. Accordingly, an application was made to the SPK on July 17, 2023, to increase the entire issued capital, which is 42,805,539 TL, by 250% to 107,013,847.50 TL, making it 149,819,386.50 TL, all funded in cash.

Additionally, to accelerate its sales activities on a global scale, Kron appointed Jen Waltz as the Vice President in Charge of Global Alternative Channels to Kron Technologies US, a subsidiary of Kron Technology located in the USA. With the participation of Jen Waltz, who served at Microsoft and Equinix (Nasdaq:EQNX) for many years, momentum will be added to the planning, implementation, and management of channel strategies on a global scale, and an increase in revenue and visibility in global markets will be achieved through alternative channels.

The actions taken to achieve the growth target will significantly contribute to the company's financial performance, along with effective sales and marketing activities.

2023 MID-TERM FINANCIAL DATA

FINANCIAL INFORMATION

FINANCIAL RESULTS(TL)	30.06.2023	30.06.2022
Total Revenue	84,169,724	39,034,291
Gross Profit	72,649,409	33,416,922
Operating Expenses	-62,923,135	-39,548,309
Other Income from Operating Activities	23,165,595	23,491,132
Other Expenses from Operating Activities	-6,390,176	-5,744,348
Operating Profit (Loss)	26,501,693	11,615,397
Financial Income	14,331,402	3,958,812
Financial Expense	-17,977,669	-6,230,705
Profit (Loss) Before Taxes	22,855,426	9,343,504
Current Period Tax Income (Expense)	0	-1,258,061
Deferred Tax Income (Expense)	-318,113	-4,565,959
Profit (Loss) from Continuing Operations	22,537,313	3,519,484
Amortization Expense	-7,915,444	-5,779,464
EBITDA	34,417,137	17,394,861
Earnings per share	0.527	0.247

PROFITABILITY RATIO	30.06.2023	30.06.2022
Gross Margin	86%	86%
Operating Margin	41%	45%
Net Margin	27%	9%

KEY FIGURES–BALANCE SHEET(TL)	30.06.2023	31.12.2022
Total Current Assets	164,247,436	142,874,612
Cash and Cash Equivalents	77,867,875	39,934,178
Trade Receivables	78,352,493	95,481,098
Net Fixed Assets	3,162,719	2,447,784
Intangible Assets (Net)	99,983,379	71,968,173
Total Assets	296,992,550	225,947,057
Short-Term Debt	58,323,881	35,393,586
Equity	143,115,593	119,918,620

LIQUIDITY RATIOS	30.06.2023	31.12.2022
Current Ratio	1.48	1.52
Liquidity Ratio	1.43	1.50

FINANCIAL STRUCTURE RATIOS	30.06.2023	31.12.2022
Equity / Liabilities	48%	53%
Short-term Liabilities/ Total Liabilities	37%	42%
Long-term Liabilities/ Total Liabilities	14%	5%

KRON TECHNOLOGY BOARD OF DIRECTORS

The Chairman and members of the Board of Directors are vested with the powers stated in the relevant articles of the Turkish Commercial Code and Articles 10 and 11 of the Company's Articles of Association. The members of the Audit Committee have the powers specified in Article 25 of the CMB's Communiqué Serial: X No:22.

These powers and responsibilities are regulated in Article 12 of the Company's Articles of Association. Our Board of Directors consists of 6 members, and their term of office is 3 years.

NAME	POSITION	START DATE	END DATE
Lütfi Yenel	Chairman of the Board	13.04.2021	13.04.2024
Ayşe Yenel	Vice Chairperson of the Board	29.04.2022	13.04.2024
Zeynep Yenel Onursal	Board Member	17.05.2023	13.04.2024
Emre Baran	Board Member	29.04.2022	13.04.2024
Osman Nezihi Alptürk	Board Member (Independent)	13.04.2021	13.04.2024
Yavuz Suat Bengür	Board Member (Independent)	28.12.2021	13.04.2024

COMMITTEES

Corporate Governance Committee

NAME	POSITION
Yavuz Suat Bengür	Committee Chairman
Ayşe Yenel	Member
Onur Çelik	Member

Corporate Governance Committee

NAME	POSITION
Osman Nezihi Alptürk	Committee Chairman
Yavuz Suat Bengür	Member

Early Detection and Management of Risks Committee

NAME	POSITION
Osman Nezihi Alptürk	Committee Chairman
Ayşe Yenel	Member

EXECUTIVES

NAME	POSITION	E-MAIL ADDRESS
Mete Sansal	CEO	mete.sansal@krontech.com
Fuat Altıođlu	CFO	fuat.altioglu@krontech.com
Mehmet Ilgaz	CPO	mehmet.ilgaz@krontech.com
Canel Gürgen Arcak	HR Director	canel.gurgen@krontech.com
Serhat Ümit Çelik	Enterprise Business Unit Sales Director	umit.celik@krontech.com
Mehmet A. Tansal	Sales Director	mehmet.tansal@krontech.com
Berkay Meker	Sales Director	berkay.meker@krontech.com
Serdal Yıldız	Software Development Director	serdal.yildiz@krontech.com
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Sinan Keskin	Software Development Director	sinan.keskin@krontech.com
Akın Küçük	Software Development Director	akin.kucuk@krontech.com
Erhan Yılmaz	PAM Product Management Director	erhan.yilmaz@krontech.com
Ertürk Varol	Cyber Security Product Operations and Support Director	erturk.varol@krontech.com

GENERAL ASSEMBLY MEETING

Our company held its Annual Ordinary General Assembly on May 8, 2023. The minutes of the General Assembly Meeting were announced on the Public Disclosure Platform (KAP) and on our company's website on the same day, informing the investors.





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