



2024 Q1 Interim Activity Report

01.01.2024 - 31.03.2024



TABLE OF CONTENTS

01	KRON AT A GLANCE
03	About Kron
05	Shareholder Structure
02	CORPORATE GOVERNANCE
07	Kron Board of Directors
09	Committees
10	Executive Committee
10	General Assembly
11	Members of Senior Management
03	KRON IN 2024
13	Interim Activities and Financial Results
14	Key Financial Indicators Summary



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: 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 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 2023 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

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

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-İzmir

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

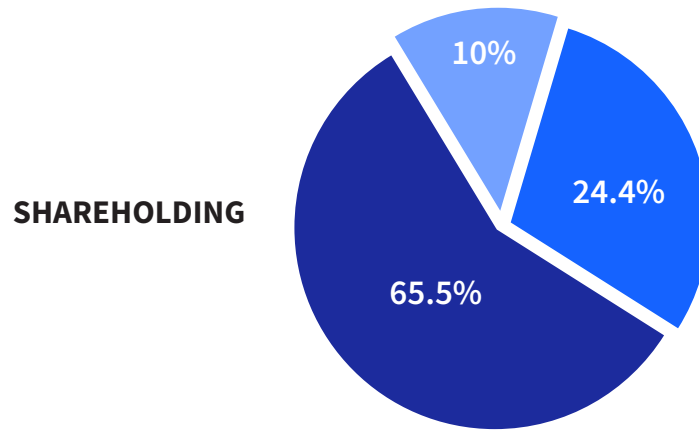
Bist Main

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 March 31, 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 - ABD	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 quarter 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 quarter 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, 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 quarter of 2024, reviewing the company's risk management system and presenting its report to the board. One meeting was held during the first quarter 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 ÜMİT 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

INTERIM ACTIVITIES AND FINANCIAL RESULTS

For 2024, one of our key objectives is to train our channel partners and expand the Kron brand in strategic regions in collaboration with our distributors. We have initiated extensive training and marketing activities, primarily targeting Turkey and Middle Eastern countries, and also including Pakistan, Malaysia, and the USA.

As part of our growth strategy in global markets, we have taken steps and made investments to support our partner ecosystem. To facilitate the rapid activation of our partners in the Middle East and to support their project development efforts, we have taken necessary actions to onboard local employees. In this context, we participated in the **Gartner Security & Risk Management Summit** in the region, bringing together our channel partners and customers.



Additionally, we organized various events with our distributor Naizak Distribution, with whom we signed a distribution contract earlier this year. In March, we showcased Kron products to channel partners and end-users at the **Channel Partners Technology Expo** in the USA, within the cybersecurity hall. We also organized events targeting end customers together with our domestic and international partners to introduce our products to end-users.

Developments for our **Partner Portal**, a significant component of our channel program, continued at full speed in the first quarter of 2024. We believe that the Portal, which we plan to launch this year, is a critical element that will enhance our effectiveness in all markets where we operate.

On February 22, 2024, we launched and completed the rollout of a **Managed Security Service Provider (MSSP) agreement with İşNet**, one of our business partners. This agreement aims to provide solutions under the "As a Service" model, offering their customers a more secure and flexible access environment.



In the first quarter, Kron Technology was awarded the prestigious "Export Champion of the Year" award at the "Sector Summit" held between February 22-25, 2024. This summit was organized by the Turkey Cyber Security Cluster, which operates under the coordination of the Presidency of Defense Industries and the Presidency's Digital Transformation Office.



We are intensively continuing our R&D activities related to our data management product, **Telemetry Pipeline**. We are also working on the necessary infrastructure to deliver our **Privileged Access Management products** as a service to end customers via the cloud.

As a result of our actions and investments, our sales revenues, calculated according to IAS 29 inflation accounting rules, **increased by 15.9%** compared to the same period last year. Correspondingly, **our gross profit increased by 13.3%**. Our operating expenses **decreased by 1.6%** compared to the same period last year, **turning last year's operating loss into an operating profit this year**. In the first quarter of 2024, our operational performance improved significantly compared to the same period last year, and our EBITDA increased substantially. However, due to net monetary position losses and increased financing expenses required by inflation accounting calculations, pre-tax and net profit/loss items show a loss.

KEY FINANCIAL INDICATORS SUMMARY

Prepared in accordance with IAS 29

SUMMARY INCOME STATEMENT	31.03.2024	31.03.2023
Total Revenue	66,451,760	57,339,362
Gross Profit	54,593,810	48,167,045
Operating Expenses	-59,116,402	-60,048,144
Other Income from Operating Activities	18,586,848	9,955,629
Other Expenses from Operating Activities	-6,103,627	-3,439,485
Operating Profit / Loss	7,960,629	-5,364,955
Financial Income	6,957,707	1,258,919
Financial Expense	-6,772,117	-4,844,605
Net Monetary Positions Gains/ Loss	-22,881,979	-18,619,518
Profit / Loss Before Taxes	-14,735,760	-27,570,159
Current Period Tax Income / Expense	-	-
Deferred Tax Income / Expense	-5,860,170	-773,744
Profit / Loss from Continuing Operations	-2,595,930	-28,343,903
EBITDA	21,426,975	3,692,185

PROFITABILITY RATIO	31.03.2024	31.03.2023
Gross Margin	82%	84%
Operating Profit Margin	12%	-9%
EBITDA Margin	32%	6%

KEY FINANCIAL INDICATORS SUMMARY

Prepared in accordance with IAS 29

BALANCE SHEET (TL)	31.03.2024	31.12.2023
Total Current Assets	293,425,932	308,147,070
Cash, Cash Equivalents and Financial Investments	92,817,407	69,671,874
Trade Receivables	185,868,611	226,640,086
Net Fixed Assets	19,813,653	14,705,451
Intangible Assets (Net)	209,865,077	204,007,592
Total Assets	569,357,241	571,404,246
Short-Term Debt	43,231,014	38,771,583
Equity	333,527,218	359,780,274

LIQUIDITY RATIOS	31.03.2024	31.12.2023
Current Ratio	1.91	2.28
Liquidity Ratio	1.89	2.26

FINANCIAL STRUCTURE RATIOS	31.03.2024	31.12.2023
Equity / Total Liabilities	58%	63%
Short-Term Liabilities / Total Liabilities	27%	24%
Long-Term Liabilities / Total Liabilities	14%	13%



ISTANBUL

I.TU. Ayazağa Kampusu, Teknokent ARI 3 Binası,
No: B401, Maslak, Sarıyer, İstanbul, Türkiye

T +90 (212) 286 51 22

F +90 (212) 286 53 43

E info@kron.com.tr

IZMIR

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

T +90 (232) 484 13 97

E info@kron.com.tr

ANKARA

Bilkent CyberPark, C - Blok, No: 321 Bilkent,
Ankara - Türkiye

T +90 (312) 265 06 86

F +90 (312) 265 06 87

E info@kron.com.tr

NEW JERSEY

3 2nd Street, Suite 201 Jersey City, NJ,
07302 United States of America

T +1 646 869 23 88

E info@krontech.com