

22 AUGUST 2023



2023 Half Year Investor Presentation



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2023 first half financial performance summary



1H2023 Revenue,
TL 84m
116% increase

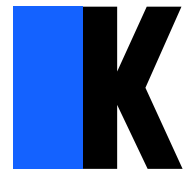
1H2023 EBITDA,
TL 34.4m,
41% EBITDA Margin

1H2023 Net Profit,
TL 22.5m,
540% increase

61%
Share of international
sales in total revenue

Net cash
TL 19.5m

1H2023 Gross Profit,
TL 72.6m,
117% increase



2023 first half highlights and developments



Strong revenue growth and profitability continued in the first half of 2023

- Revenue increased by 116%
- EBITDA reached 34.4 mTL with 98% increase. Net Profit realized as 22.5 mTL
- International revenue in total revenue reached 61%
- Strong balance sheet management continued (77.5 mTL cash available against 58 mTL bank debt)



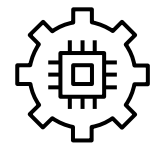
As our customer portfolio grows, transition to subscription model is progressing inline with our strategy

- In the first 6 months, 8 new customers were acquired domestically and 11 internationally
- 68% of the contracts made with these customers were done with the subscription model, thus the subscription revenues within the total revenues increased from 11% to 16%



We continue our investments to increase our global sales capacity with new sales channels and business partners

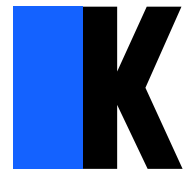
- To accelerate global sales activities, we are expanding our sales and marketing team to formulate the Global Alternative Channel strategy
- We have added EOS IT Solutions which is active in the North American and European markets, to our partner network
- We completed a collaboration agreement with Cyberpoint, the leading cybersecurity firm in Azerbaijan



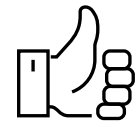
We have implemented exciting developments to enhance the capabilities of our existing products and expand our product range

- Thanks to the white-label agreement made with the PKWARE company, the promotion and sale of our Dynamic Data Masking product was initiated in PKWARE's global sales channels
- Our DSP (CG Logger) product, which we strengthened in accordance with regulations made by countries' telecom regulatory bodies, encountered a great demand in regional countries
- The Behavioral Biometrics Analysis module of our AI-powered PAM product has started being introduced to our customers



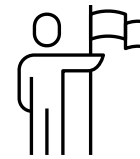


2023 first half highlights and developments



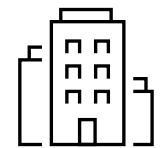
Our products maintain their leading positions in the industry's foremost analyst reports

- In the "Leadership Compass for Privileged Access Management" and "Leadership Compass for Data Security Platforms" reports prepared by KuppingerCole, we once again proved the strength and capabilities of our Privileged Access Management and Data Security solutions by being among the leaders
- With a 4.8/5 evaluation score and a 100% recommendation rate on Gartner Peer Insights, our PAM product continues to be among the most effective PAM products with the highest customer satisfaction



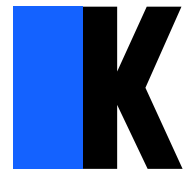
To increase Kron's visibility in global markets, we participated in industry's leading international fairs

- As part of our sales and marketing activities, since the beginning of this year, we have participated in significant fairs, business forums, and events held in Germany, the United Kingdom, the United Arab Emirates, the United States, Morocco, Saudi Arabia, and Turkey, introducing our telecom and cybersecurity solutions to potential customers in Europe, North Africa, and the Middle East



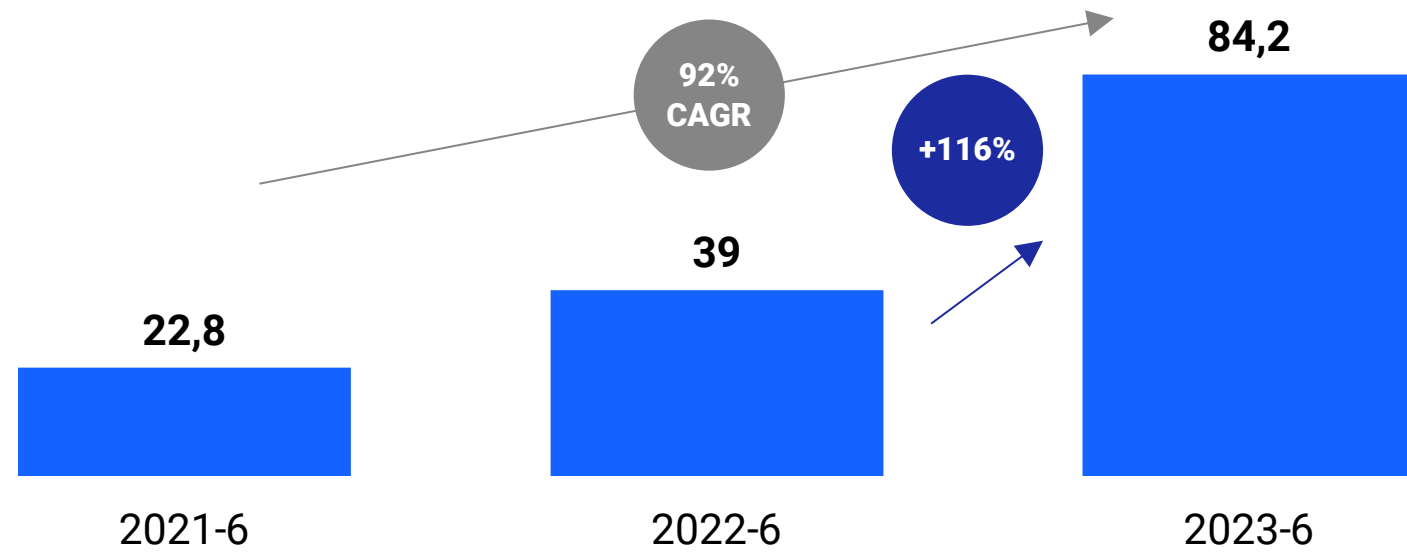
We are strengthening our capital structure to support our growth targets

- Our decision to increase our issued capital by 200% to 42.805.539 TL, within the capital ceiling of 150.000.000 TL, funded from internal resources, was approved by the Capital Markets Board (SPK) on March 30, 2023, and the Bonus Capital Increase was successfully completed
- The Company's Board of Directors decided on a paid capital increase, evaluating investments in R&D, product development, and strengthening global sales channels to accelerate our growth and be more competitive in global markets
- Considering the increase in our working capital due to the company's growth, a decision was made to increase our capital by 250%. In this context, an application was made to the SPK on July 17, 2023

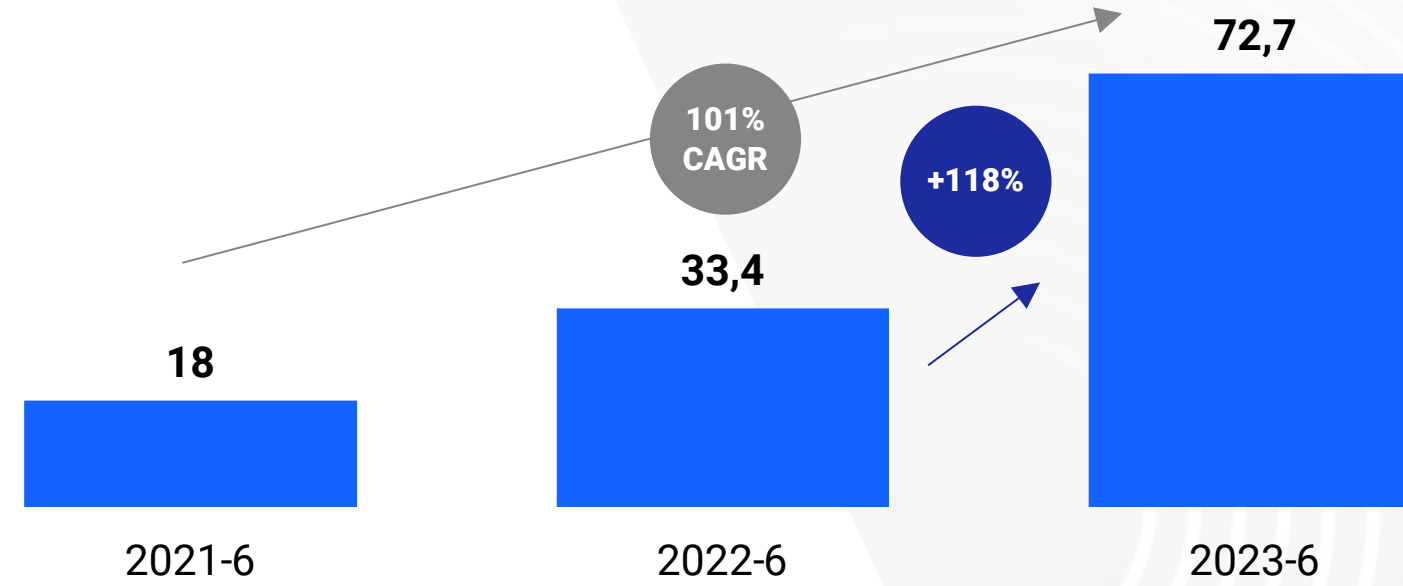


1H2023 strong revenue growth and profitability

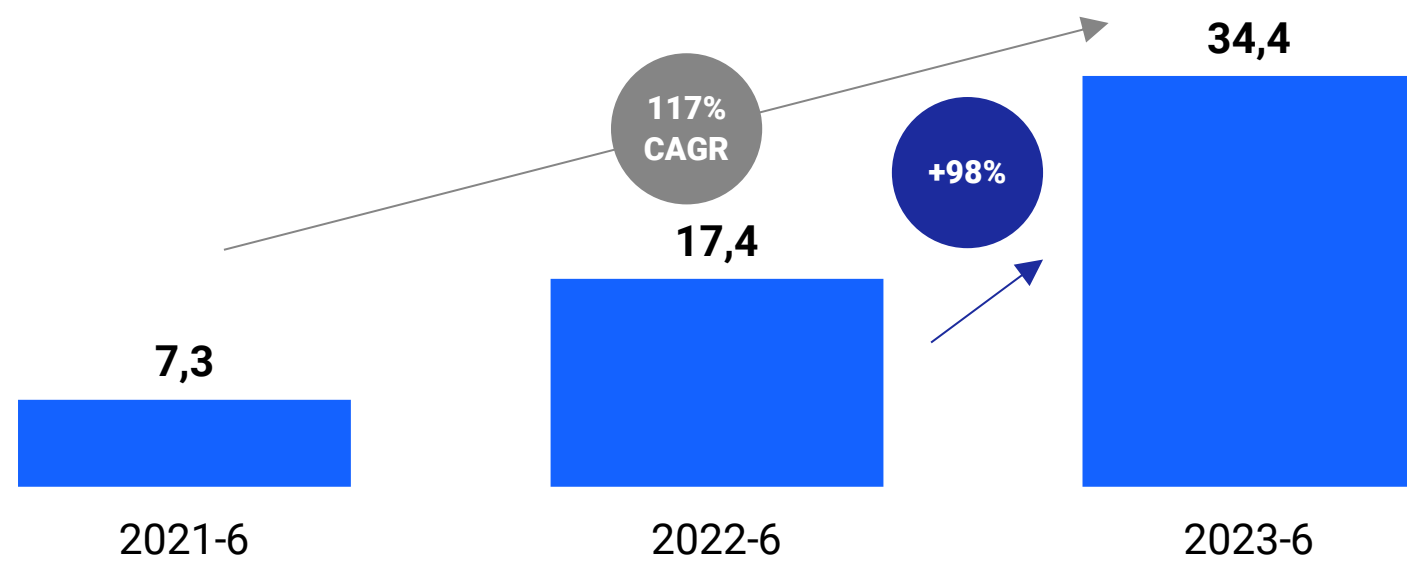
Revenues (TLm)



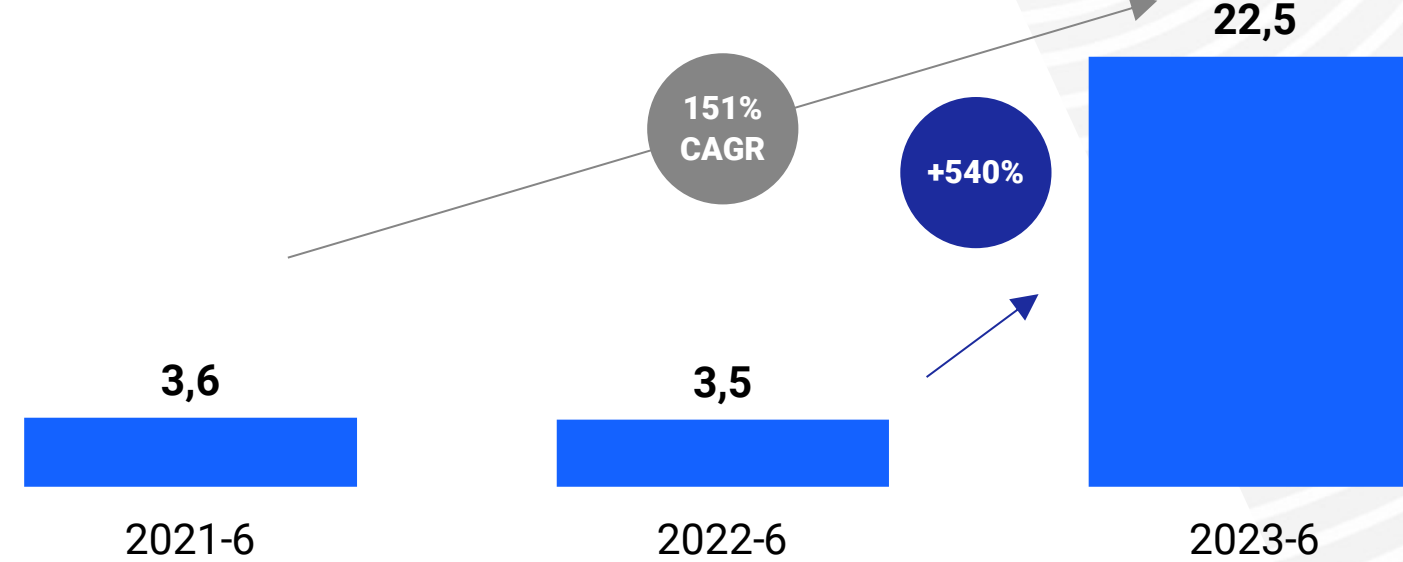
Gross Profit (TLm)

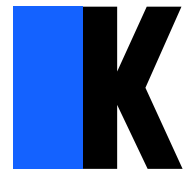


EBITDA (TLm)



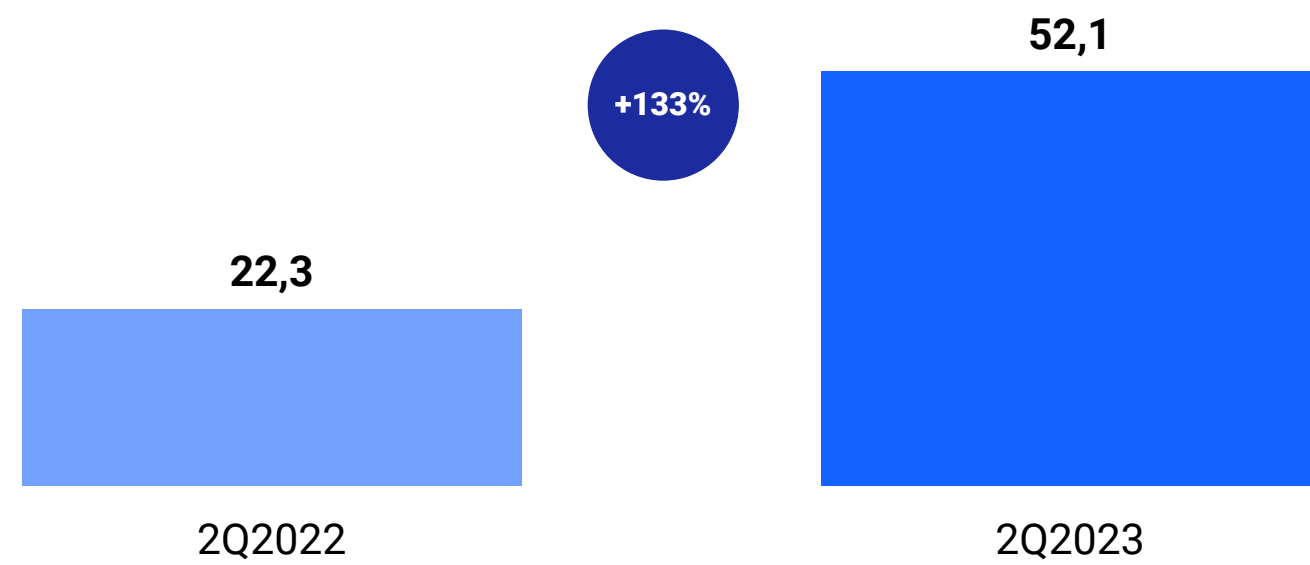
Net Profit (TLm)



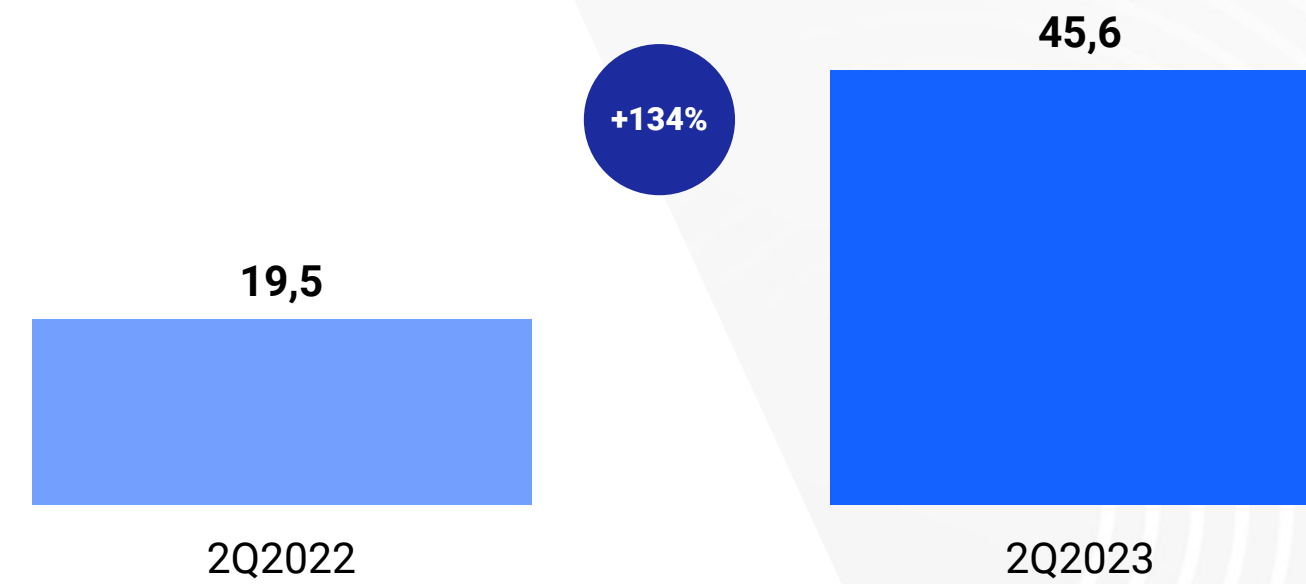


2Q2023 figures

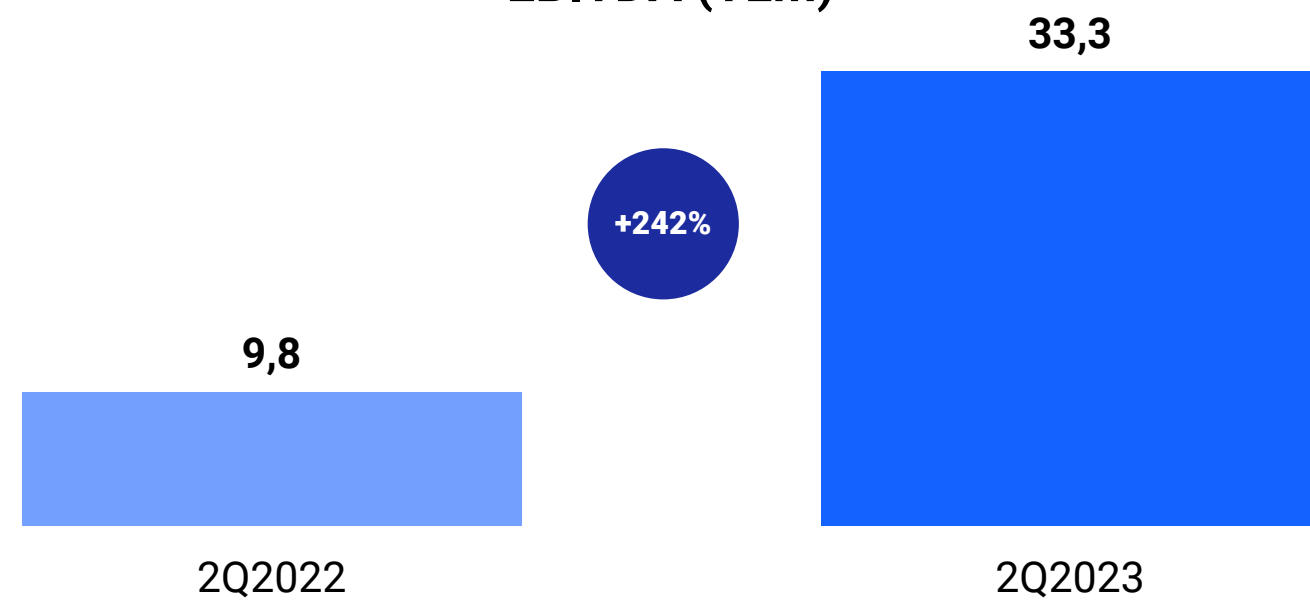
Revenues (TLm)



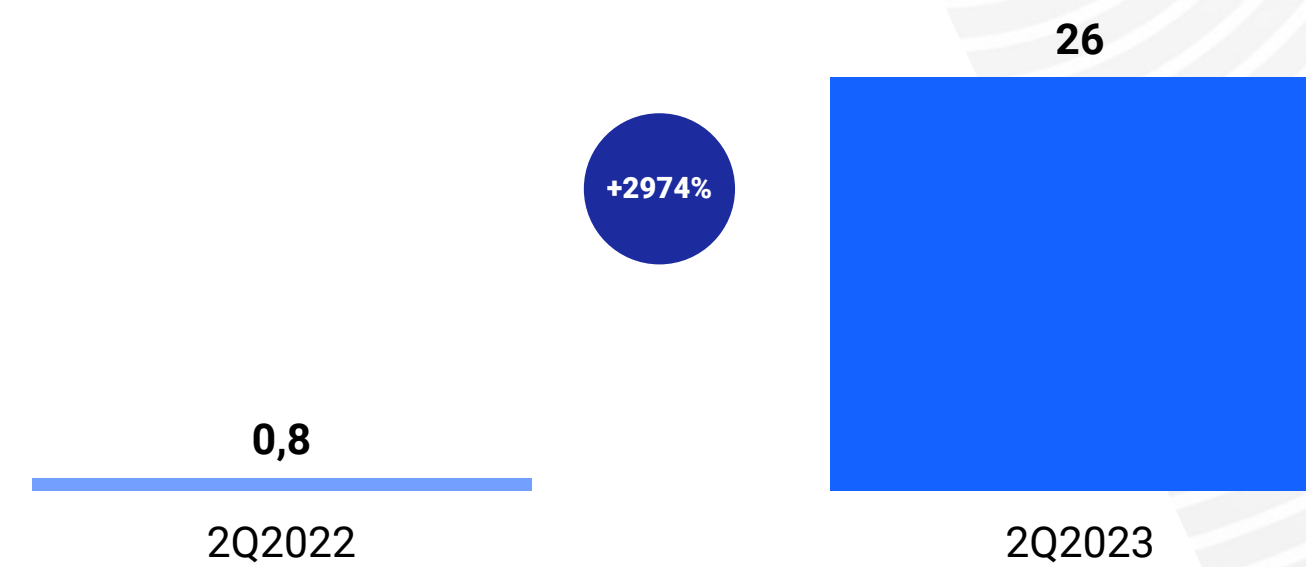
Gross Profit (TLm)

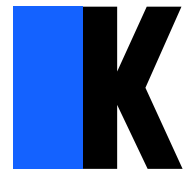


EBITDA (TLm)



Net Profit (TLm)



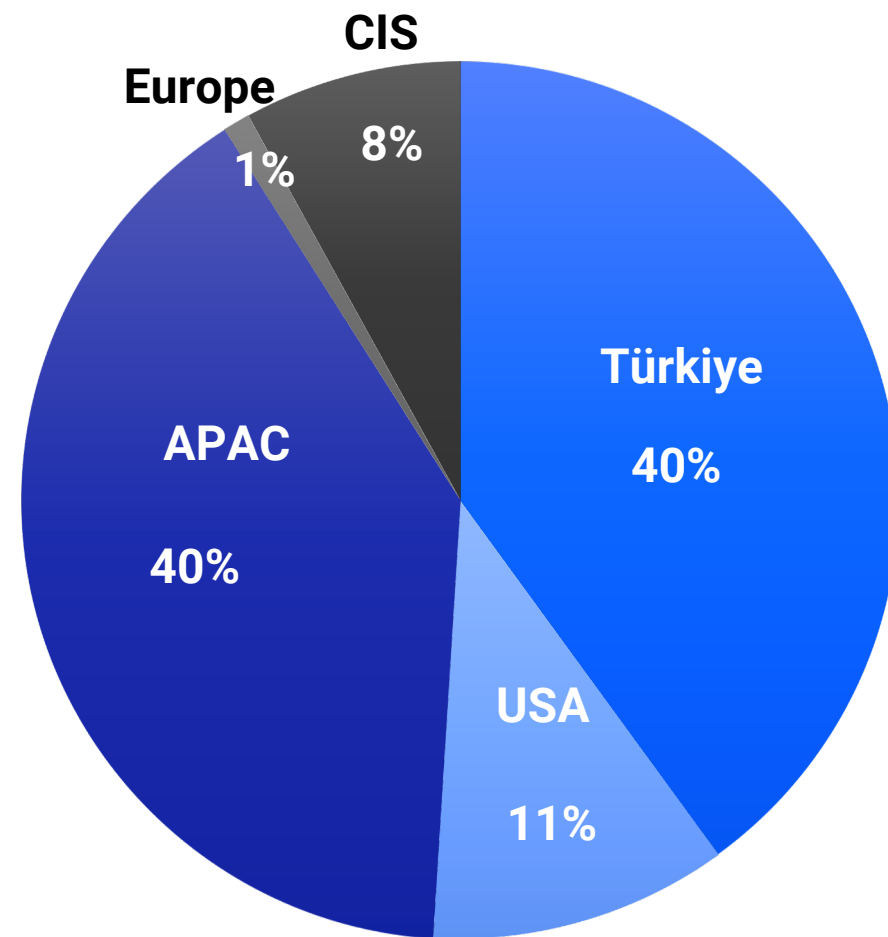


Global business with a balanced product portfolio

1H2023

Global Business

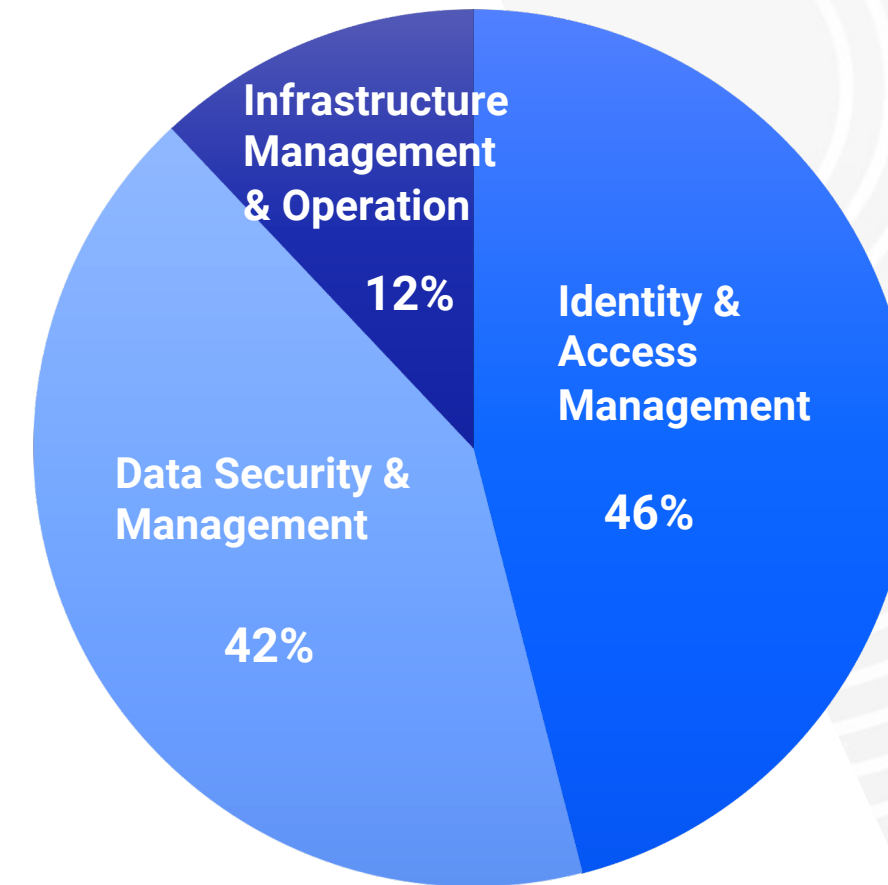
2023 sales by geography

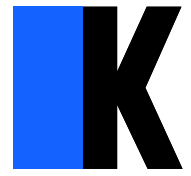


1H2023

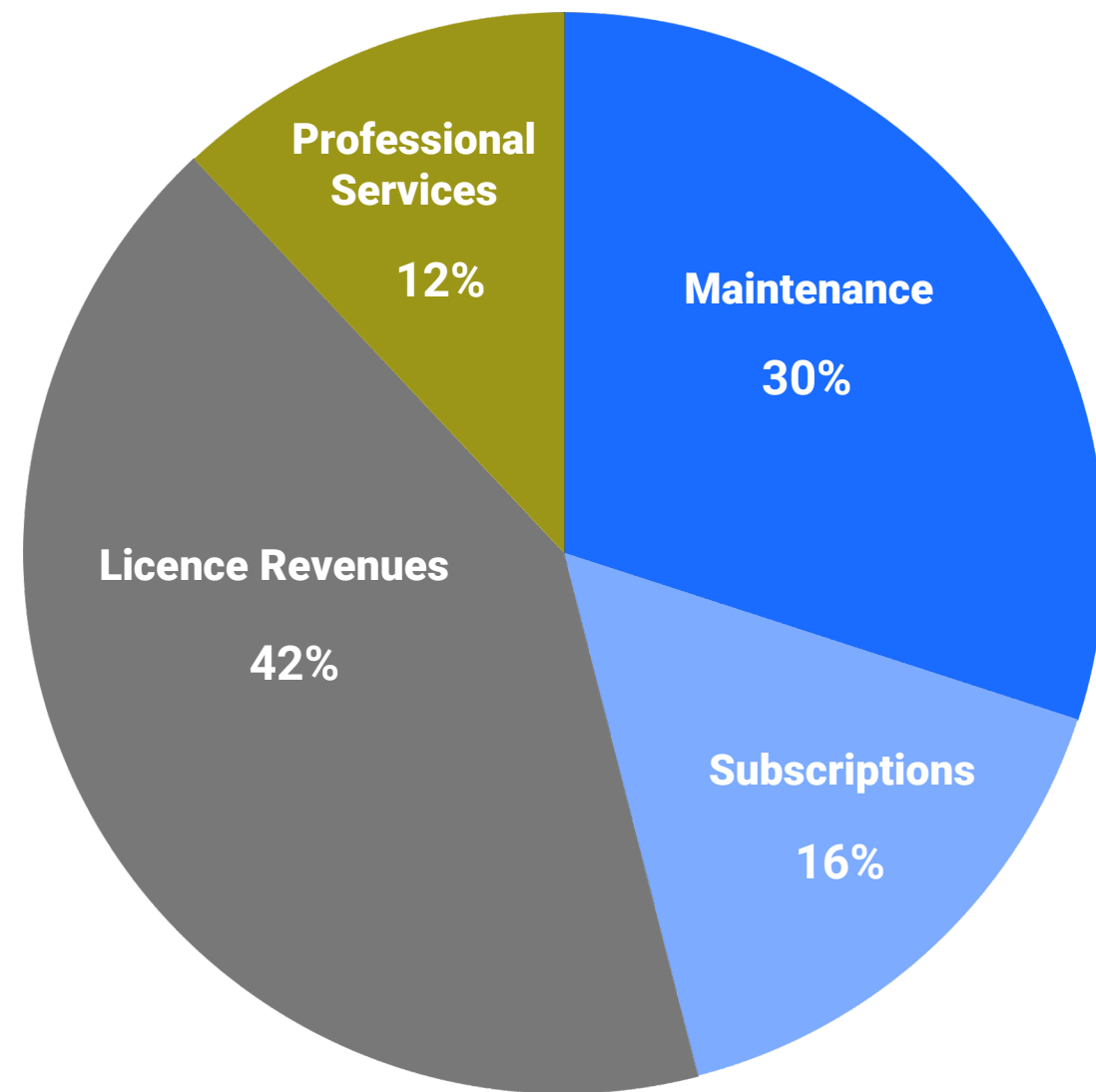
Product Portfolio

2023 sales by product category






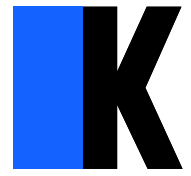


1H2023 Breakdown of revenues

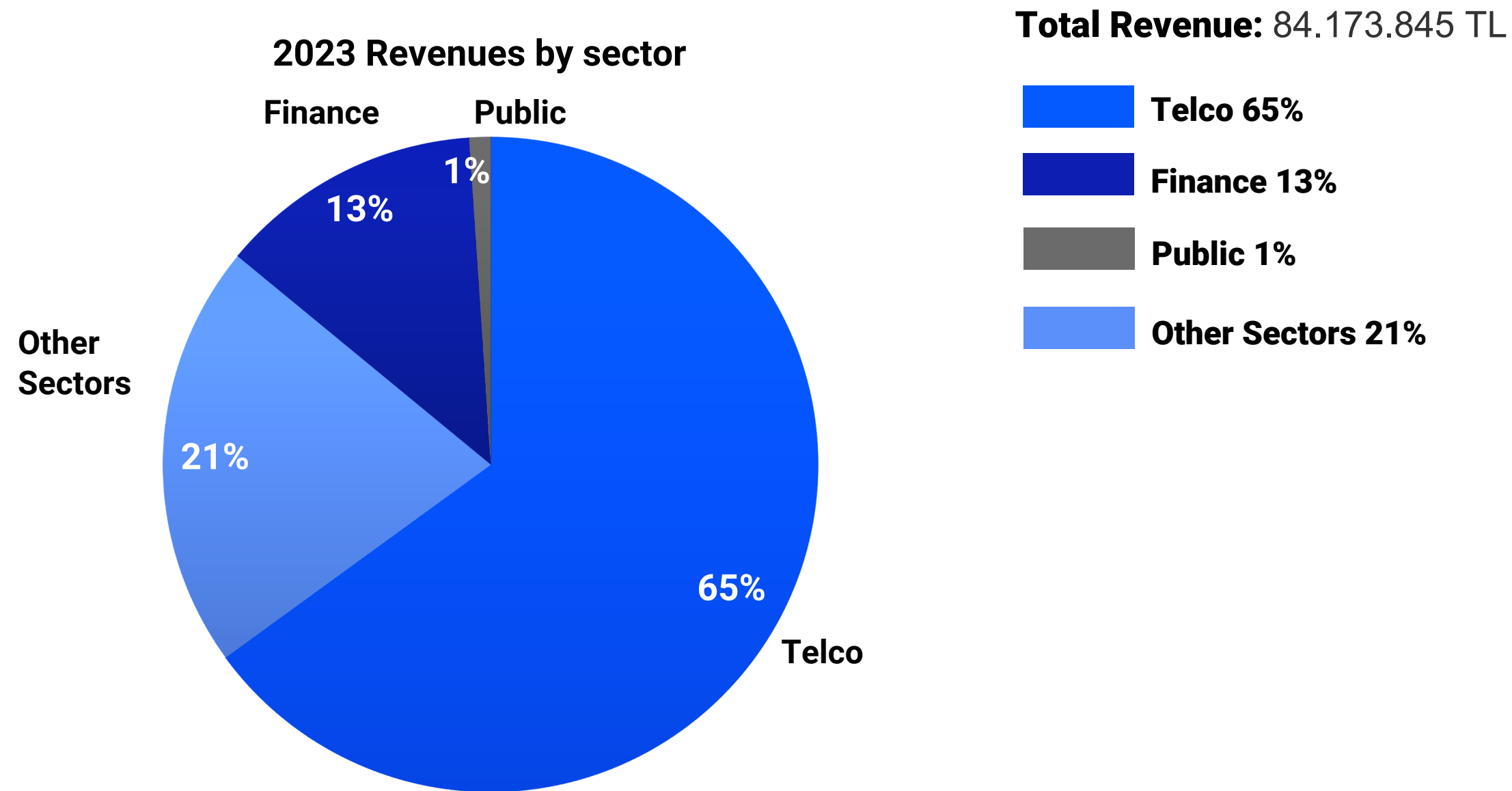


Total Revenue: 84.173.845 TL

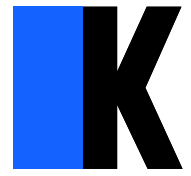
-  **Recurring Revenues (Subscriptions ve Maintenance) 46%**
-  **Licence Revenues 42%**
-  **Professional Services 12%**



1H2023 Sectoral breakdown of sales



Sales in the telecommunications sector includes cybersecurity and telecom infrastructure products, with cybersecurity sales accounting for 53% of the total sales.



Strong balance sheet and natural hedge



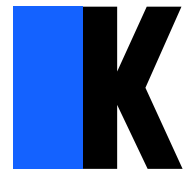
Healthy balance sheet

	June 30, 2023 Balance (TL million)	
100% USD	Bank Debt	58.0
	Cash	77.5
7% TL 93% USD	Net Debt	19.5



Natural hedge

6M 2023 revenues by currency	6M 2023 expenses by currency
63% USD/EUR	30% USD
37% TL	70% TL



2023 Guidance

In line with our first half performance, we maintain the guidance we shared at the beginning of the year.

Growth in revenue
in the range of
55-60%

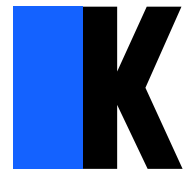
EBITDA Margin
in the range of
40-45%

The ratio of
international sales to
total sales in the
range of
53-58%



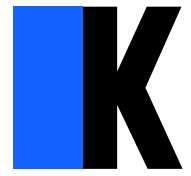


APPENDICES



2023 Financial performance

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%
EBITDA Margin	41%	45%
Net Margin	27%	9%

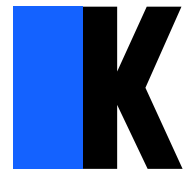


Balance sheet

KEY FIGURES – BALANCE SHEETS (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 / Total Liabilities	48%	53%
Short-Term Liabilities / Total Liabilities	37%	42%
Long-Term Liabilities / Total Liabilities	14%	5%



Shareholder and capital structure

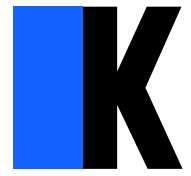
As of June 30, 2023, the company's shareholder and capital structure is as follows:

Shareholder	Share Group	Number of Shares	Shareholding
Zeynep Yenel Onursal	A	4.280.556,00	10,00%
Lütfi Yenel	B	10.463.398,50	24,44%
Public	B	28.061.584,50	65,56%
Total		42,805,539.00	100.00%

Developments for Strengthening the Capital Structure

- Our decision to increase our issued capital by 200% to 42.805.539 TL, within the capital ceiling of 150.000.000 TL, funded from internal resources, was approved by the Capital Markets Board (SPK) on March 30, 2023, and the Bonus Capital Increase was successfully completed.
- Additionally, in order to accelerate the growth of our company and enhance its global competitiveness, an application was made to the CMB on July 17, 2023, for a paid capital increase.
- The funds obtained from the capital increase will be utilized in three areas.

Fund Usage	Distribution of Fund Usage
1. R&D and Product Development Investments	40%
2. Investments to Strengthen Our Global Distribution Channels	30%
3. Increasing Working Capital Requirement	30%



Key pillars of our future strategy

1

Leveraging our top strength:

Our product focus

- Ensuring continued innovation and high quality in existing product suit, especially in Privileged Access Management and Data Security areas
- Continue to build and evolve new security solutions based on growing customer needs and market
- Invest in our AI capabilities to go beyond current expectations and future proof our products and our Cloud capabilities to expand our reach in different cloud platforms

2

Growing in international markets

- 2022 was the first year when international income caught up with local income ratio
- Our goal is to increase our international share by 6% every year
- We prioritize and develop channel strategies for each international market, especially the United States

3

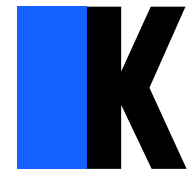
Expanding our reach through channel partners

- Strong partner network will be the main engine for new client growth
- Recently onboarded partners PKWare (US) and Damovo (Europe) are valuable additions to our partner network representing large potentials for 2023 and onwards
- Growing the partner network for each geography with the optimal product suite is a key priority of the growth plan
- In Turkey, already a strong partner network is in place (i.e. GlassHouse, SabancıDX, İşNet, DeSistem, Vodafone, Turkcell) positioning Kron well to take advantage of the high growth in the local market

4

Increasing recurring revenue

- Increasing recurring revenue will be a driver of revenue growth by maintaining a healthy balance between desire to move to subscriptions, addressing client needs and maintaining a strong cash flow cycle



Our priorities for 2023

- Increasing the share of international sales in our total sales by continuing to be a leading player in the global market with our renewed product strategy
- Creating new sales channels and partnerships to run our global sales operations more effectively
- Positioning all products in our portfolio as global products and focusing on marketing them internationally
- Expanding our market share in PAM by adding new capabilities such as cloud-based remote PAM, user behavior analytics, and endpoint privilege management
- Effectively marketing our data security (Database Activity Monitoring and Dynamic Data Masking) products in global markets
- Enhancing our existing products (Data Stream Processing and Deep Packet Inspection) that address the needs of big data management and make them suitable for cloud based usage
- Promoting the widespread use of our Kron AAA product in the Banking and Finance sector, for efficient management of point-of-sale (POS) device authentication, authorization, and activity
- monitoring/charging processes, within the scope of the access security needs in the Internet of Things (IoT)
- Expanding the usage of our Kron NPM product in public and private sectors
- Continuing to contribute to the effective implementation of information security in our country with our products and expertise by collaborating with public and private institutions
- Playing an active role in cybersecurity projects in the Turkish Defense Industry sector



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Thank you

