



FY 2024 Results Presentation

MARCH 2025



Disclaimer

Capital Markets Board Bulletin No. 2023/81 dated December 28, 2023, announced that issuers and capital market institutions are required to prepare their annual financial statements for the fiscal periods ending on or after December 31, 2023, in accordance with the provisions of IAS 29 inflation accounting.

Accordingly, this presentation regarding the 2024 fourth quarter audited financial results contain the Company's financial information prepared according to Turkish Accounting/Financial Reporting Standards by application of IAS29 inflation accounting provisions.

In addition to this information, given that the guidance information and the 2024 FY financial results announced so far were presented without the application of inflation accounting, in order to enable investors and analysts to conduct a full-fledged analysis, supplementary historical information for selected key performance indicators used in prior periods' investor

presentations were provided. Such supplementary information is made available for this period, and contains unaudited financial information prepared for management reporting purposes.

The information and opinions contained in this document have been prepared for the purpose of providing a consistent and comparable evaluation of our financial performance, under the responsibility of our Company's Board of Directors and managers responsible for financial reporting.

This presentation may contain forward-looking statements reflecting the current views, expectations, assumptions, and forecasts of the Company's management regarding certain future events, using words such as "may," "will," "expect," "believe," "plan," and "anticipate." While the Company believes that the expectations reflected in these forward-looking statements are reasonable under current circumstances, actual results may differ depending on developments and events affecting the

variables and assumptions underlying future expectations and estimated figures.

The Company, its shareholders, members of the board of directors, managers, employees, or any other person cannot be held responsible for any damages that may arise from the use of the contents of this presentation.



Kron at a Glance

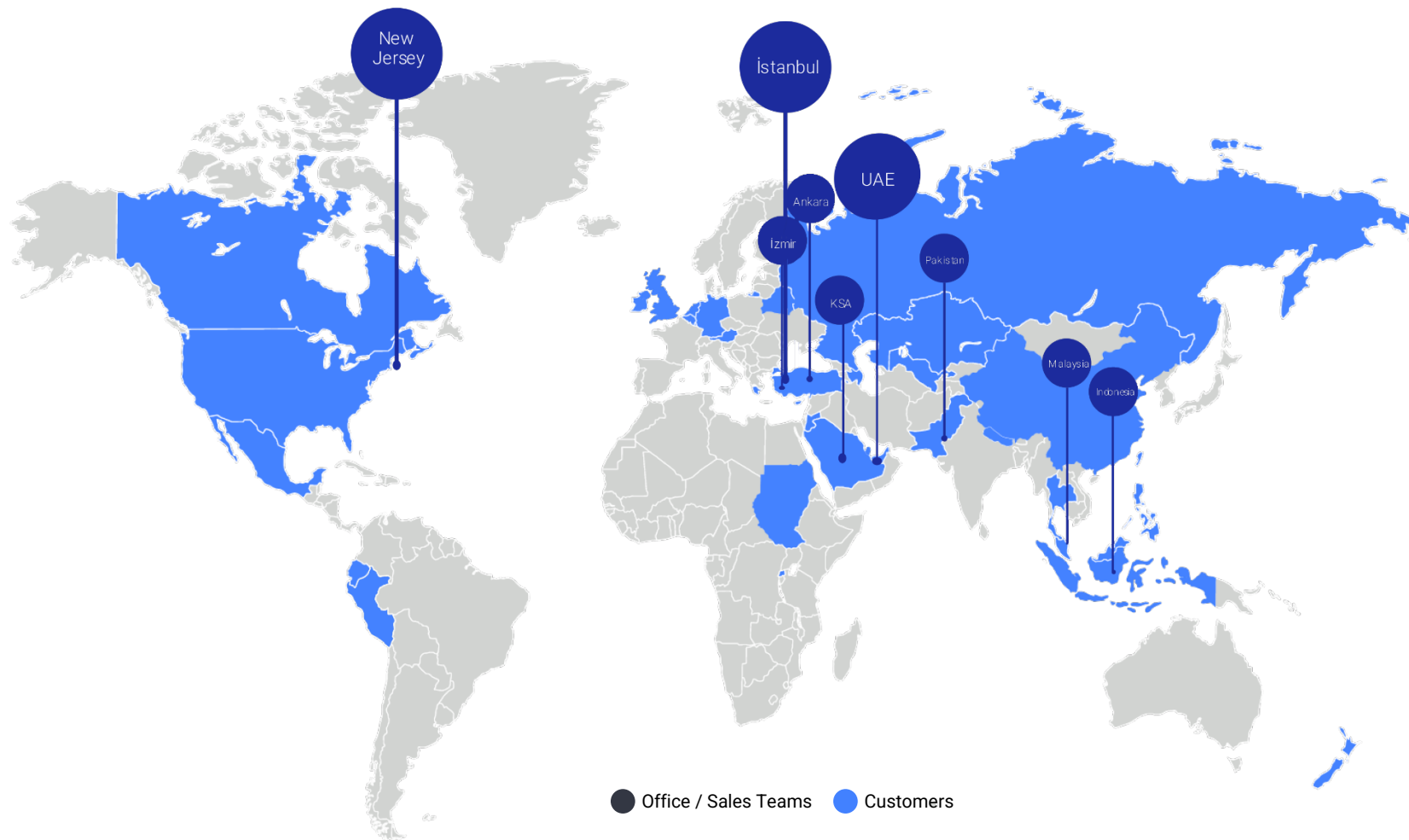
Leading Provider of cybersecurity solutions for Identity and Access Management and Data Security with **18 years** of experience

300+ customers globally in **30+ countries**, across **6 continents**

160 employees globally, in **8 countries**

Continuous **R&D Investment** with expert staff in **3 R&D centers** in Türkiye

Leading Identity & Data Security Vendor



Industry Recognitions

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.



Kron Technologies was **highlighted in two distinct categories** in **KuppingerCole’s Leadership Compass** reports in 2024. Kron PAM was listed in the Leadership Compass for Privileged Access Management, highlighting its strength in securing privileged accounts, while **Kron DAM&DDM was recognized in the Leadership Compass for Data Security Platforms**, showcasing its growing impact in data security. These recognitions further establish Kron’s position as a leader in both privileged access management and data security solutions.



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.



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.

PAM	<p>4.7 ★★★★★</p> <p>Highest Rated on</p> <p>Gartner</p> <p>Peer Insights™</p>	<p>Privileged Access Management</p> <ul style="list-style-type: none"> ✓ 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
-----	---	--

FY 2024 Highlights

Our Strategy to Increase Recurring Revenue is Delivering Results

Strategic shift to subscription licensing model is accelerating recurring revenue growth, creating a more predictable and scalable business



Sustained Total Sales with **Higher Recurring Revenue Mix**

2024 invoiced sales stable at \$10.3m despite transition to subscription

Recurring revenue share grew to 55%, up from 42% in 2023



Accelerated Growth in **Annual Recurring Revenue (ARR)**

95% Y-o-Y increase, reaching \$5.15m



Significant Expansion in Subscription Revenue

245% increase, driven by our disciplined shift to **subscription licensing in key markets**

FY 2024 Highlights

Strengthening Our Core While Building for Global Growth

Strong performance in our home market, key investments in global expansion and strategic initiatives positioning us for future growth



Expanding our
Customer Base

58 new clients
onboarded, a **24% YoY
increase** in client
acquisition



Home Market
Momentum

28%
sales growth in
Türkiye in USD terms



Channel Expansion for
Scalable Growth

Launched **Partner Portal** and
Channel Program to
accelerate growth through
stronger partnerships



Rebuilding for
International Growth

Temporary decline in
international sales as
we **built local teams in
North America and MEA**



Investing in Talent

Team size grew from
133 to **160**,
strengthening our
capabilities



Short term trade-offs,
for long term gains

**Strategic shift to subscription
licensing adversely impacted
topline & profitability** in the
short-term, but enhances
long-term growth

Industry Trends Shaping Cybersecurity

At the Core of Cybersecurity: Identity & Data

80 %

of breaches involve compromised credentials, making identity the **#1 attack vector***

The global data volume is expected to **3X** compared to 2023, reaching

222 ZB

by 2027**

Machine identities are estimated to be

45 times

more numerous than human identities.***

Four Key Trends Redefining the Future of Cybersecurity



Proliferation of Machine Identities



Expanding Cloud Adoption



Zero Trust to Adaptive Security



Data Centric Security



*Verizon Data Breach Investigators Report, 2023

**Gartner Innovation Insight Secret Management Tools, 2024

***IDC Global DataSphere Forecast, 2024

Kron Platform: Built to Address Today's Cybersecurity Challenges

Key Challenges in Identity & Access Security





-  Remote Work and Mobility
-  Rapid Growth of Machine Identities
-  Hybrid & Multicloud Infrastructure
-  Sophistication of Identity Based Attacks



Our Solutions

- Privileged Access Management (PAM)
 - Secure Remote Access
 - Database Access Management
 - Secrets Management
 - Privileged Session Manager
 - AI-Based Threat Analytics
 - CIEM
 - Password Vault
 - Privileged Task Automation
- End Point Privilege Manager
- Multi Factor Authentication
- TACACS +/- Radius Access Manager

Key Challenges in Data Security

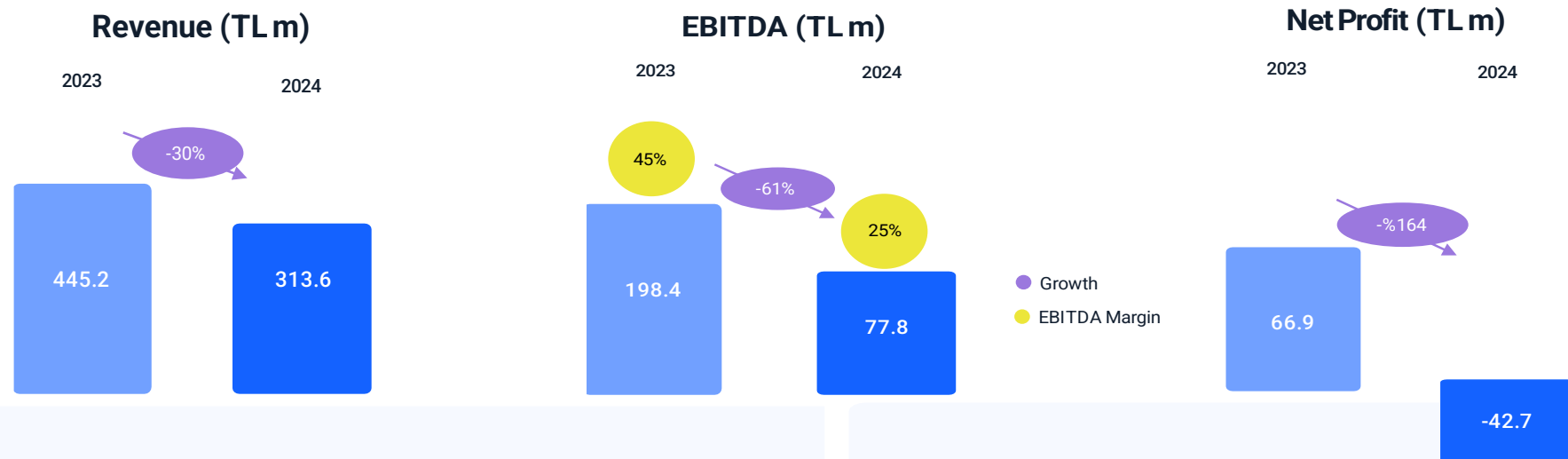
-  Massive Growth of Data
-  Regulations and Compliance
-  Complexity of Database Diversity
-  Poor Monitoring of Internal Threats



- Database Activity Monitoring
- Dynamic Data Masking
- Telemetry Pipeline



FY 2024 IFRS Consolidated Results



Revenue

- Consolidated revenues in FY2024 amounted to 313.6 million TL post-IAS29, reflecting a 30% Y-o-Y decline **Underperformance of our US operations** in the transition period with old team out and new team being built
- Before IAS29 adjustments, FY2024 revenues stood at 275.5 million TL, up 7% Y-o-Y and below our growth guidance of 20-22%

Revenue was impacted by:

- Accelerated transition to a subscription-based model, causing a short-term revenue dip
- Underperformance in U.S. operations during the transition to a new team
- Persistent gap between inflation (44.3% IAS 29 adjustment rate) and exchange rate changes (19.5%) in 2024

Profitability

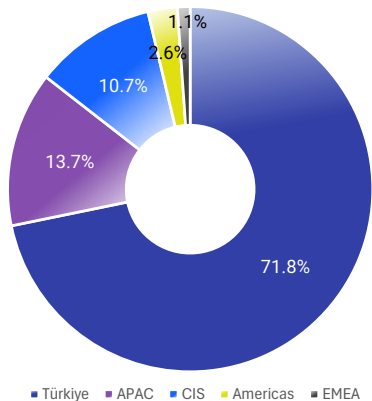
EBITDA declined Y-o-Y to 77.8 million TL, resulting in a 25% margin, falling short of our guidance of 30-32%

Profitability was impacted by:

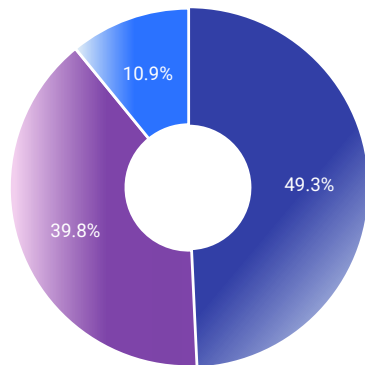
- Sharp cost rises due to high TL inflation, against largely USD-based revenues.
- Increased investments.
- Weaker than expected revenues.

FY 2024 Invoiced Revenues*

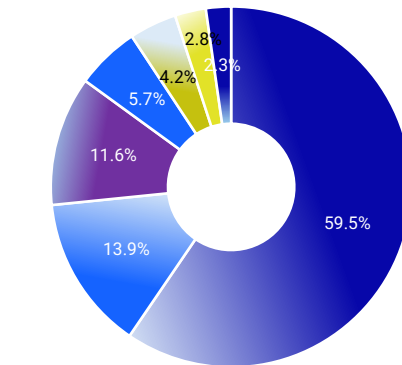
- Identity & Access Management remains our core product category, with increased adoption due to enhanced capabilities and innovation increased investments.
- Strong sales growth in Türkiye (+28% Y-o-Y in USD terms), while international markets saw weaker growth.
- Telco continues to be our leading sector, with sector diversification accelerating in 2024.
- Public Sector is particularly notable, growing 258% Y-o-Y. Three of our top five cybersecurity sales in 2024 were attributable to this vertical, highlighting its strong momentum.



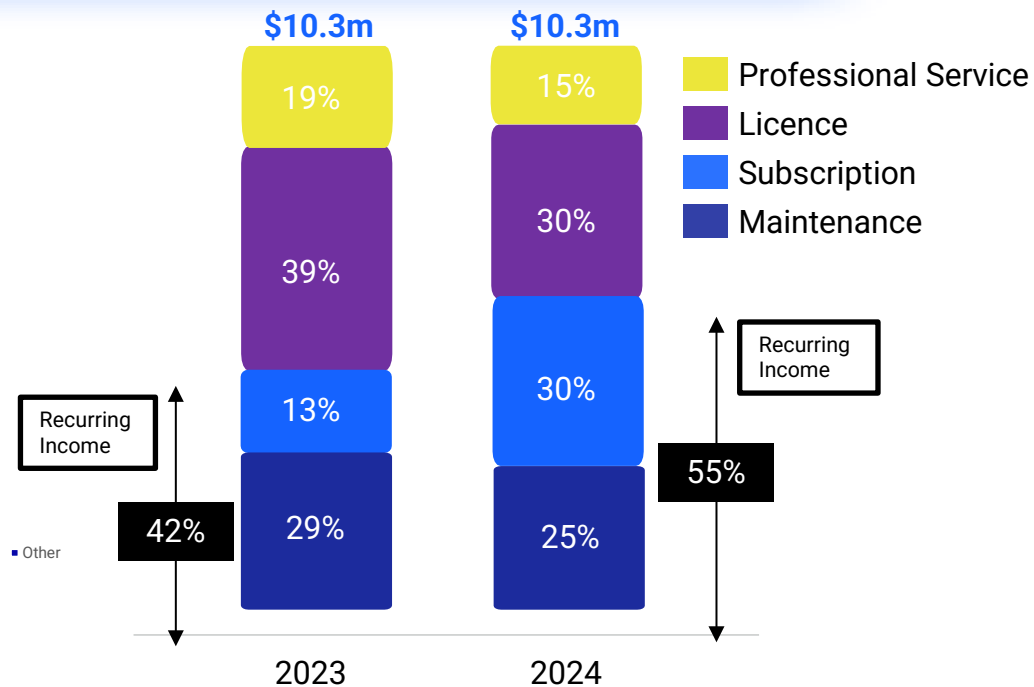
■ Türkiye ■ APAC ■ CIS ■ Americas ■ EMEA



■ Identity Access Management
■ Infrastructure Management
■ Data Security Management



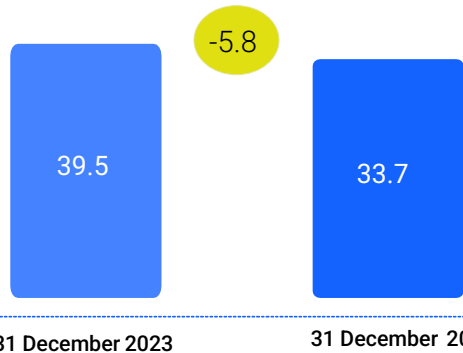
■ Telco ■ Public ■ Finance ■ Manufacturing ■ IT ■ Retail ■ Other



(*Invoiced revenues are revenues that have been invoiced within the relevant reporting period but are recognized in the income statement in the same reporting period or in subsequent reporting periods, according to IFRS rules. Figures do not include the effect of IAS 29.

Balance Sheet and Liquidity Position

Net Cash Position (TL m)



Net Cash Position	31 December 2023	31 December 2024
Cash and Cash Equivalents	+87.5	+81.6
Bank Debt	-48.0	-47.9

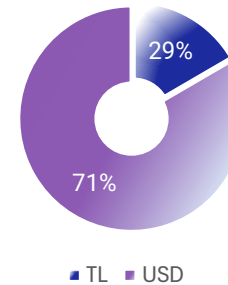
31 Dec 2024
Receivables
TL 181.4m

USD Average
Weighted Interest
Rate of
8.7%

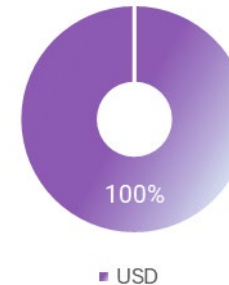
Currency Exposure

Debt and cash currency breakdown as of 31 Dec 2024

Cash and Cash Equivalents

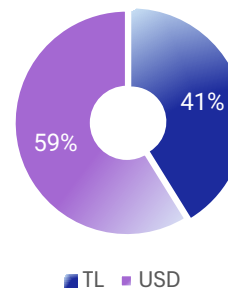


Bank Debt

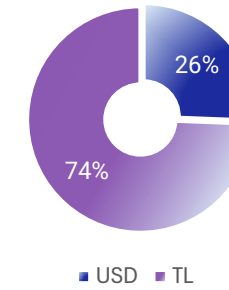


Revenue and cost breakdown by currency

Revenue



Cost



All figures include IAS29 impact



Key Long Term Growth Drivers

Favorable Industry Tailwinds

Expanded Platform

Leveraging Partner Ecosystem

Subscription & Recurring Revenue Growth

Global Expansion



2025 Guidance



Revenue Growth

(in TL with IAS 29 adjustments)

7-10%



EBITDA Margin

(in TL with IAS 29 adjustments)

20-25%



ARR Growth

(in USD)

60-65%

Appendix



FY 2024 Audited Financial Statements

Balance Sheet

TL	31 December 2023	31 December 2024	Change %
Cash, Cash Equivalents and Financial Investments	89,317,654	86,234,894	-3%
Trade Receivables	284,381,464	181,479,012	-36%
Inventory	2,681,884	1,728,645	-36%
Tangible Assets	8,069,757	10,747,974	33%
Intangible Assets	266,365,084	369,004,922	39%
Deferred Tax Assets	2,434,361	3,516,492	44%
Total Assets	716,981,623	713,314,910	-1%
Short-Term Financial Liabilities	169,375,929	235,488,119	39%
Trade Payables	5,844,373	11,577,384	98%
Total Liabilities	265,539,677	332,216,111	25%
Equity	451,441,946	381,098,799	-16%
Total Equity + Liabilities	716,981,623	713,314,910	-1%

All figures include IAS29 impact



FY 2024 Audited Financial Statements

Income Statement

TL	2023	2024	Change %
Net Sales	445,249,670	313,648,731	-30%
Cost of Sales	(56,000,635)	(46,470,659)	-17%
Gross Profit	389,249,035	267,178,072	-31%
Gross Profit Margin	87%	85%	
Operating Expenses	(244,257,435)	(257,402,503)	5%
<i>G&A Expenses</i>	(50,978,938)	(48,192,679)	-5%
<i>Marketing Expenses</i>	(129,059,764)	(127,842,547)	-1%
<i>R&D Expenses</i>	(104,672,169)	(107,612,613)	3%
<i>Other Operating Income/Expense, Net</i>	40,453,436	26,245,336	-35%
Operating Profit	144,991,600	9,775,569	-93%
Amortisation	53,384,752	55,679,636	4%
EBITDA	198,376,352	77,822,087	-61%
EBITDA Margin	45%	25%	
Financial Expenses, Net	(9,388,082)	2,828,868	-130%
Monetary Gain / (Loss)	(83,277,773)	(58,610,589)	-30%
Profit Before Taxes	56,099,887	(43,323,048)	-177%
Tax Income / (Expense)	10,849,087	594,582	-95%
Profit / (Loss)	66,948,974	(42,728,466)	-164%
Profit Margin	15%	-14%	

All figures include IAS29 impact





Thank You

✉ BIST: KRONT | krontech.com | investor@krontech.com