



# 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 forth 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

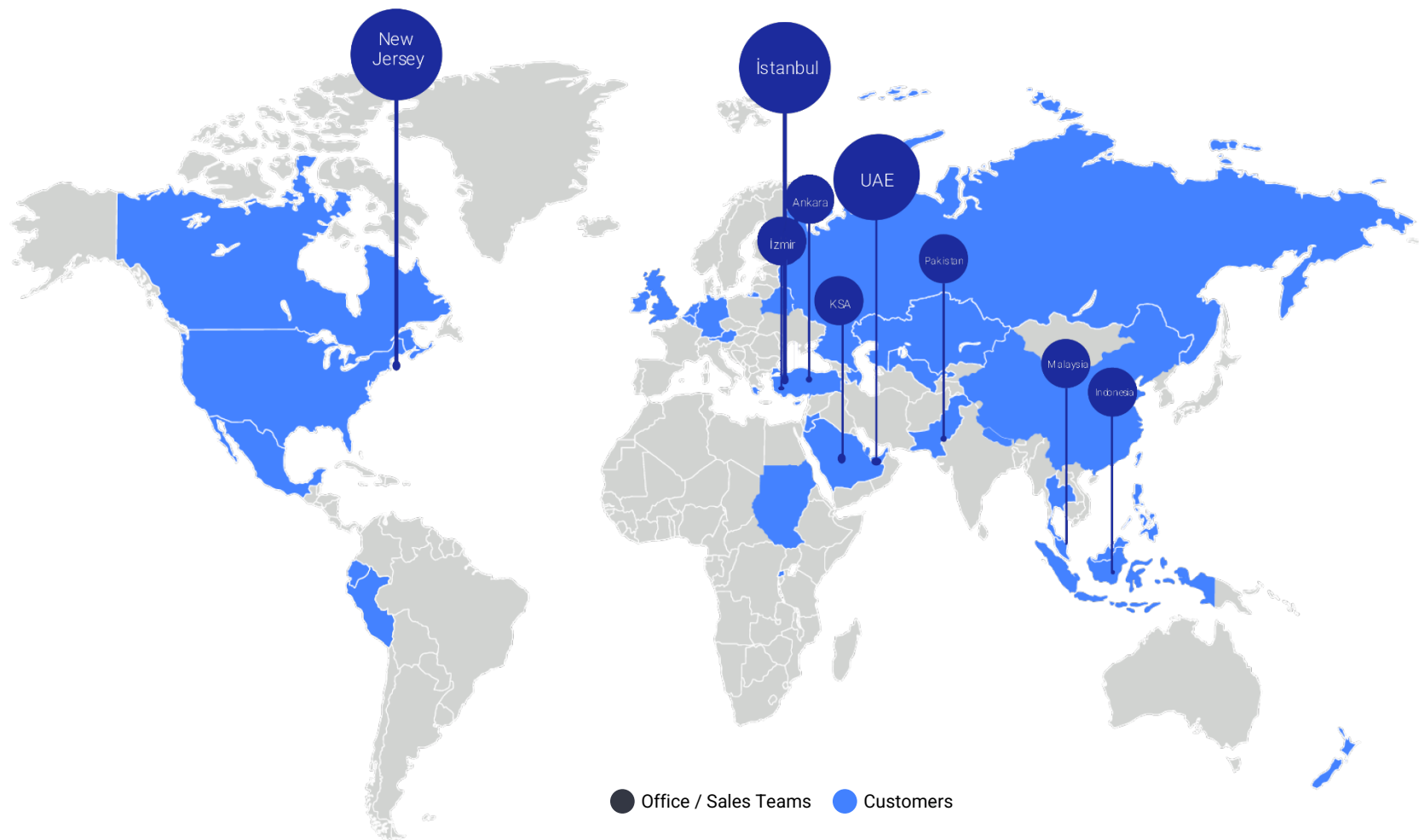
**Leading Provider** of cybersecurity solutions for Identity and Access Management and Data Security with **18 years** of experience

**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 | 4.7 ★★★★★                                     | <b>Privileged Access Management</b>                                                                                                                                                                                                                                                      |
|     | Highest Rated on<br>Gartner<br>Peer Insights™ |                                                                                                                                                                                                                                                                                          |
|     |                                               | <ul style="list-style-type: none"><li>✓ Protect your data and critical infrastructure with Kron PAM by managing privileged users and sessions.</li><li>✓ Password Management</li><li>✓ Session Management with Zero-trust Principles</li><li>✓ Regulation and Audit Compliance</li></ul> |

## 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

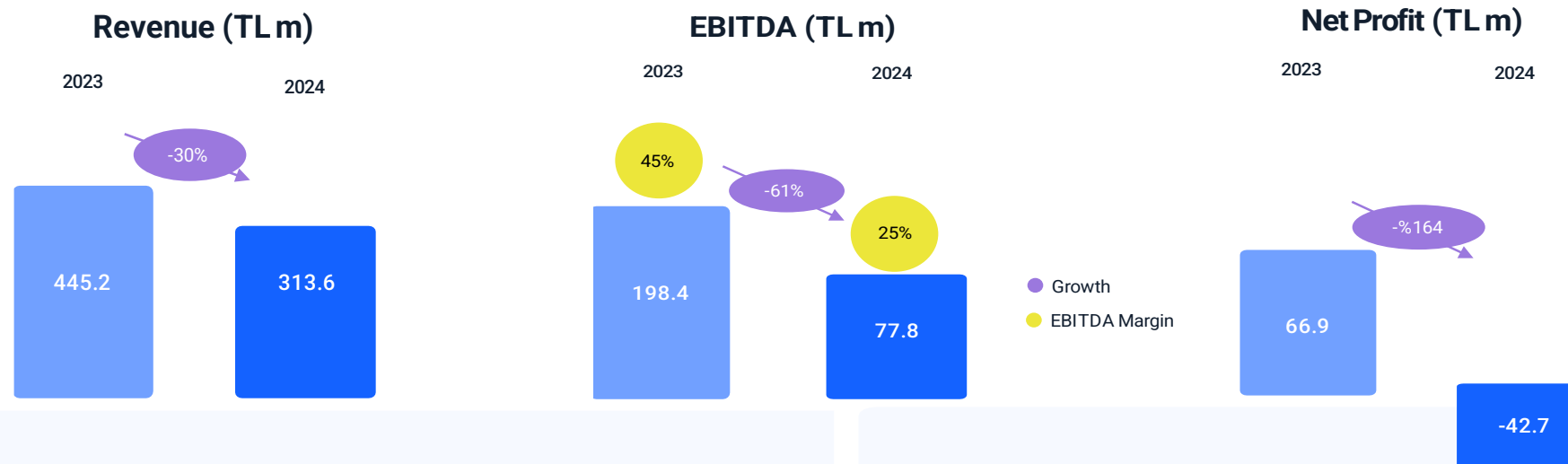
-  Massive Growth of Data
-  Regulations and Compliance
-  Complexity of Database Diversity
-  Poor Monitoring of Internal Threats

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

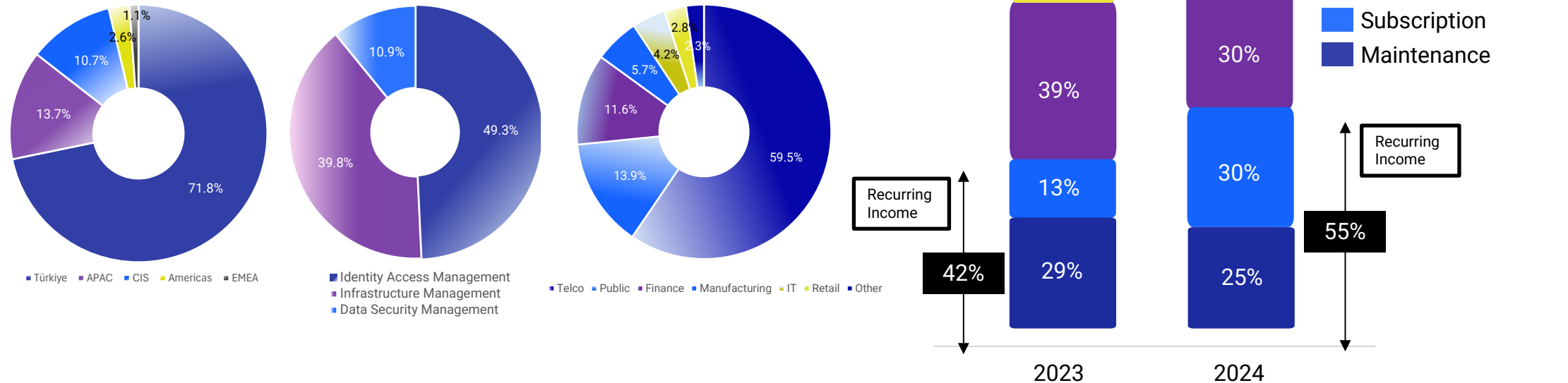
EBITDA declined Y-o-Y to 77.8 million TL, resulting in a 25% margin, falling short of our guidance of 30-32%

### 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\*

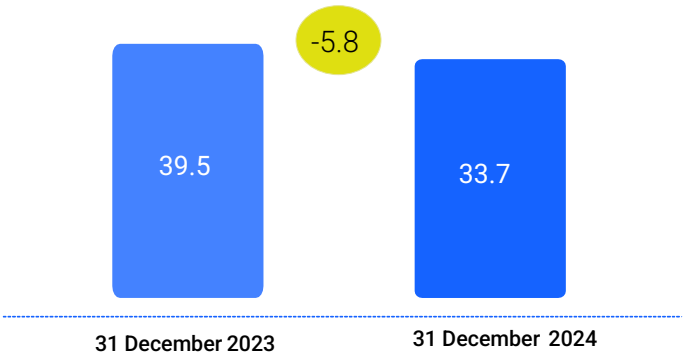
- Identity & Access Management remains our core product category, with increased adoption due to enhanced capabilities and innovation increased investments.
- Strong sales growth in Türkiye (+28% Y-o-Y in USD terms), while international markets saw weaker growth.
- Telco continues to be our leading sector, 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.



(\*) 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)



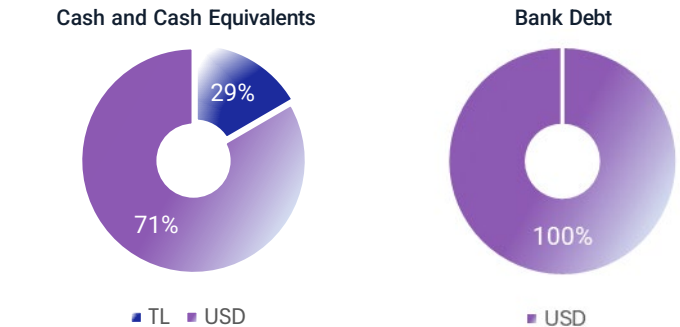
| Net Cash Position         | 31 December 2023 | 31 December 2024 |
|---------------------------|------------------|------------------|
| Cash and Cash Equivalents | +87.5            | +81.6            |
| Bank Debt                 | -48.0            | -47.9            |

31 Dec 2024  
Receivables  
TL 181.4m

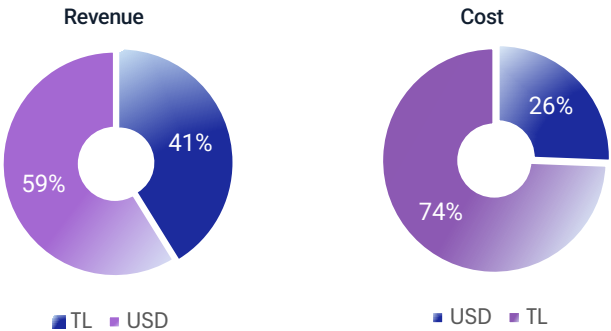
USD Average  
Weighted Interest  
Rate of  
8.7%

Currency Exposure

Debt and cash currency breakdown as of 31 Dec 2024

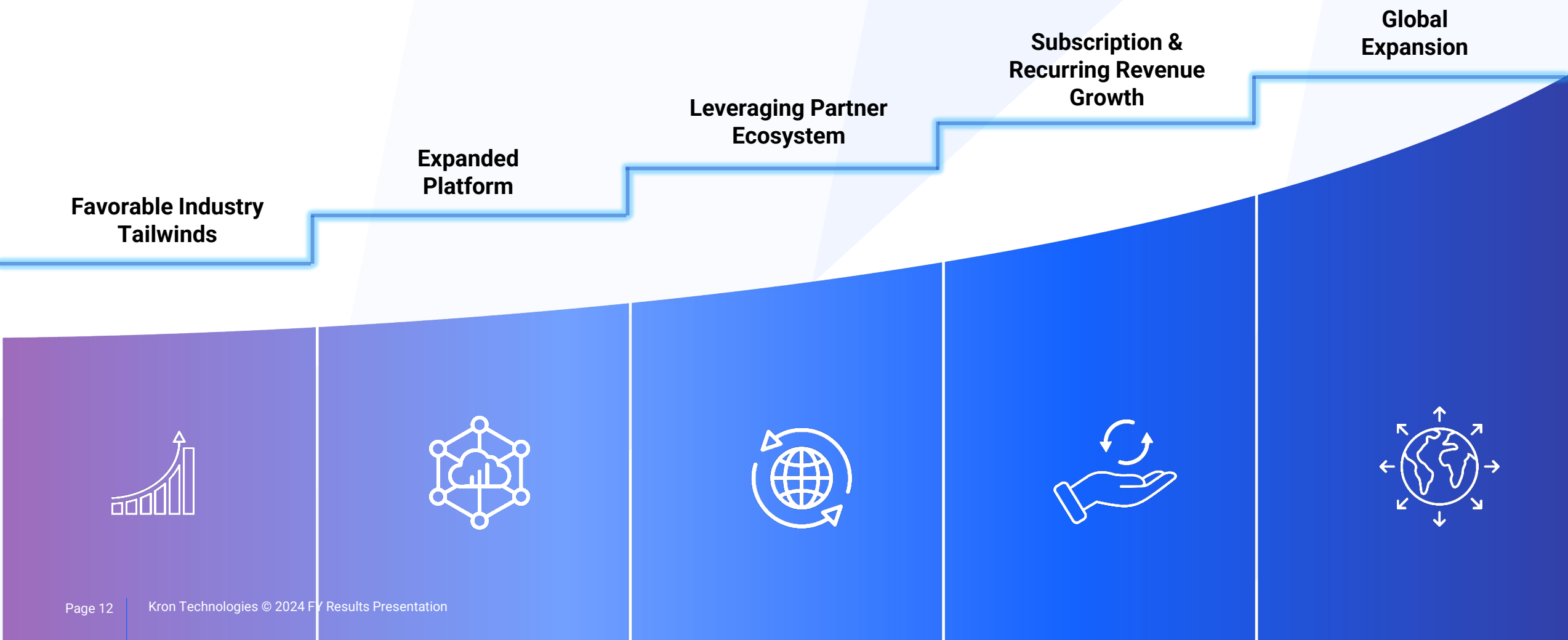


Revenue and cost breakdown by currency



All figures include IAS29 impact

## Key Long Term Growth Drivers



## 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%**



# 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%         |
| <b>Total Assets</b>                              | <b>716,981,623</b> | <b>713,314,910</b> | <b>-1%</b>  |
| Short-Term Financial Liabilities                 | 169,375,929        | 235,488,119        | 39%         |
| Trade Payables                                   | 5,844,373          | 11,577,384         | 98%         |
| <b>Total Liabilities</b>                         | <b>265,539,677</b> | <b>332,216,111</b> | <b>25%</b>  |
| <b>Equity</b>                                    | <b>451,441,946</b> | <b>381,098,799</b> | <b>-16%</b> |
| <b>Total Equity + Liabilities</b>                | <b>716,981,623</b> | <b>713,314,910</b> | <b>-1%</b>  |

*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                               | <b>389,249,035</b> | <b>267,178,072</b>  | <b>-31%</b>  |
| Gross Profit Margin                        | <b>87%</b>         | <b>85%</b>          |              |
| Operating Expenses                         | (244,257,435)      | (257,402,503)       | 5%           |
| <i>G&amp;A Expenses</i>                    | (50,978,938)       | (48,192,679)        | -5%          |
| <i>Marketing Expenses</i>                  | (129,059,764)      | (127,842,547)       | -1%          |
| <i>R&amp;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                           | <b>144,991,600</b> | <b>9,775,569</b>    | <b>-93%</b>  |
| Amortisation                               | 53,384,752         | 55,679,636          | 4%           |
| EBITDA                                     | <b>198,376,352</b> | <b>77,822,087</b>   | <b>-61%</b>  |
| EBITDA Margin                              | <b>45%</b>         | <b>25%</b>          |              |
| Financial Expenses, Net                    | (9,388,082)        | 2,828,868           | -130%        |
| Monetary Gain / (Loss)                     | (83,277,773)       | (58,610,589)        | -30%         |
| Profit Before Taxes                        | <b>56,099,887</b>  | <b>(43,323,048)</b> | <b>-177%</b> |
| Tax Income / (Expense)                     | 10,849,087         | 594,582             | -95%         |
| Profit / (Loss)                            | <b>66,948,974</b>  | <b>(42,728,466)</b> | <b>-164%</b> |
| Profit Margin                              | <b>15%</b>         | <b>-14%</b>         |              |

All figures include IAS29 impact



# Thank You

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