



ARDINFORMATICS

Investor Presentation

1Q 2021 Figures

21 May 2021



1Q 2021 HEADLINES

Growth: Continuing Solid Growth

Financials: Net Cash and Long Foreign Exchange Position

Investment: R&D Investment Creates Expectation

EXECUTIVE SUMMARY

Growth

- The company has been selected among the top 50 companies in the "Deloitte Technology Fast 50 Turkey 2020" program held in February 2021 and was among the fastest growing technology companies in Turkey.
- Simultaneous strong growth was achieved in net sales, EBITDA and net profit in the first quarter of the year

Margins

- Quarterly gross profit margin, which was 67% in 1Q2021, increased to 77% in 1Q2021
- Quarterly rise in R&D expenses balanced net profit and EBITDA margin in 1Q2021

Low Leverage

- Despite the high sales growth, the steady decline in the working capital to sales ratio since 2019 indicates efficiency
- In a period when exchange rates increased, TL 12.5 mn long foreign exchange position affected profitability positively

Performance

- Strong financials supported share performance
- Economic added value was achieved with a return on equity of 40.2%, well above the interest rates

1Q20 vs 1Q21 (12mTrailing)

**REVENUE
GROWTH**



121.7%

**EBITDA*
GROWTH**



141.6%

**NET INCOME
GROWTH**



165.2%

**EBITDA*
MARGIN**



59.3%

Solid Performance

135.2%

133.8%

170.1%

58.0%

1Q20 vs 1Q21(Quarterly)



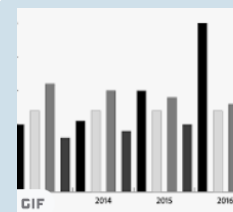
**REVENUE
GROWTH**



**EBITDA*
GROWTH**



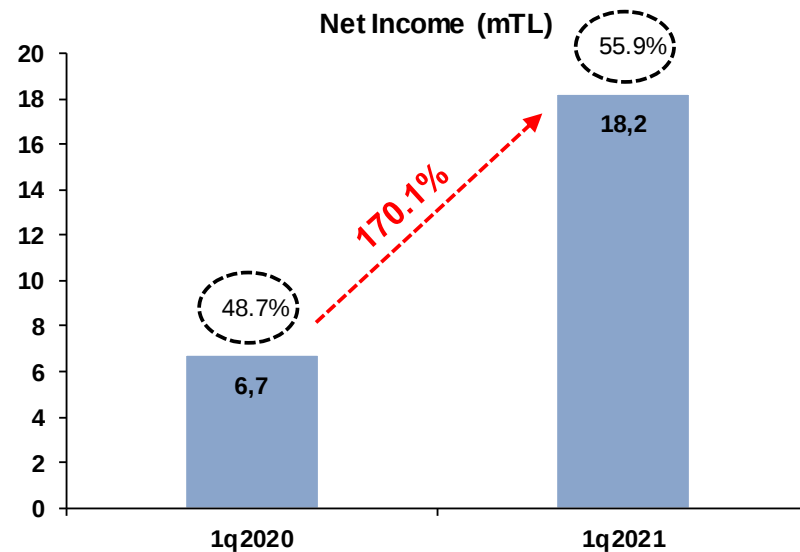
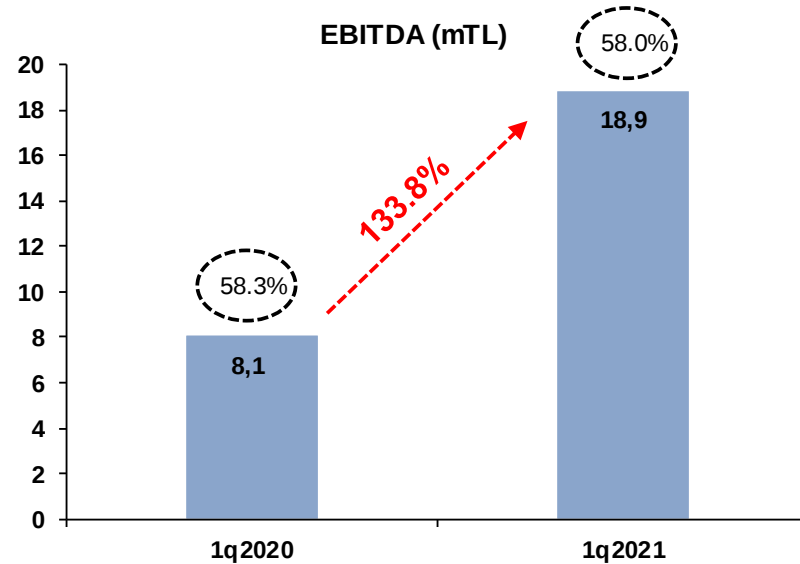
**NET INCOME
GROWTH**



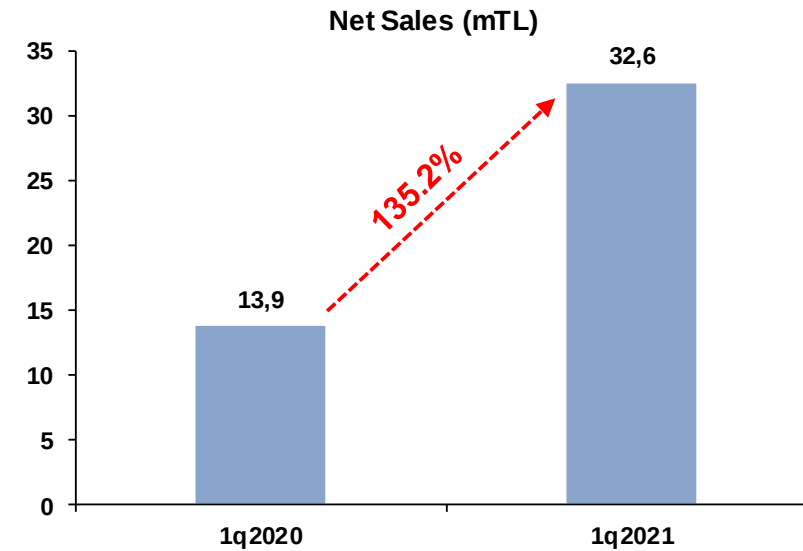
**EBITDA*
MARGIN**

*Other Income / Expense from Operating Activities are included in EBITDA.

Quarterly Financial Data



Quarterly Net Sales



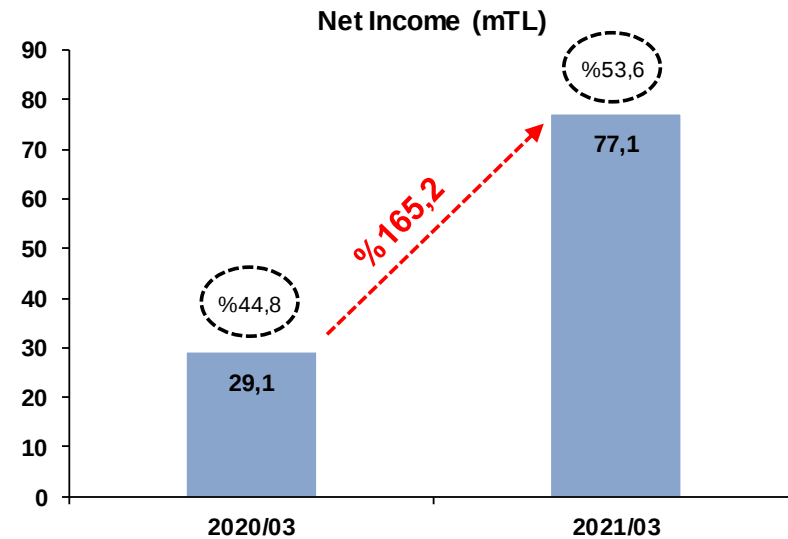
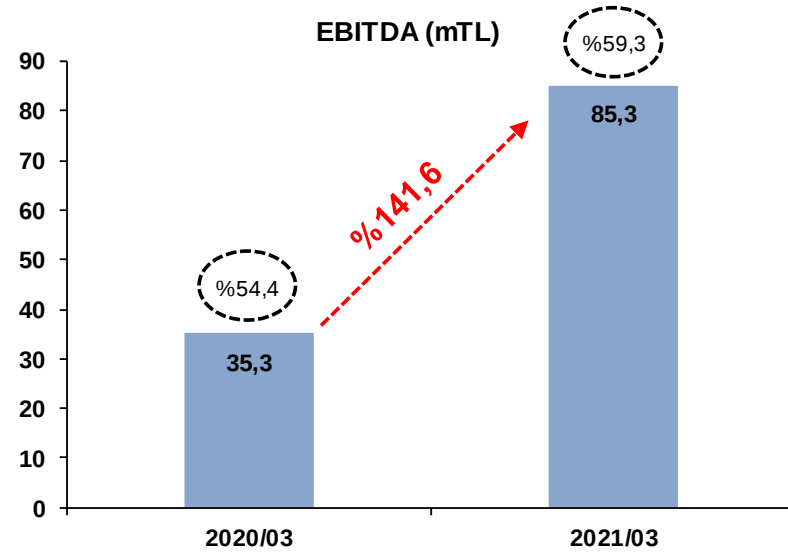
Robust Quarterly Performance

- Net Sales increased by 135.2% on a quarterly basis compared to the same period of previous year and reached TL 32.6 mn.
- EBITDA raised by 133.8% quarter-on-quarter to TL 18.9 mn.
- Net Income ascended by 170.1% on a quarterly basis compared to the same period of last year and reached TL 18.2 mn.

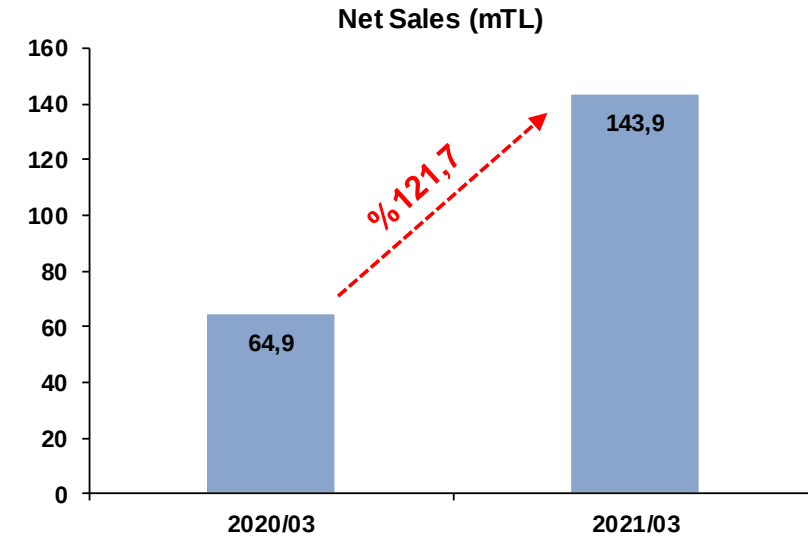


EBITDA and Net Income Margin

12M Trailing Financial Data



12M Trailing Net Sales



Strong 12M Trailing Performance

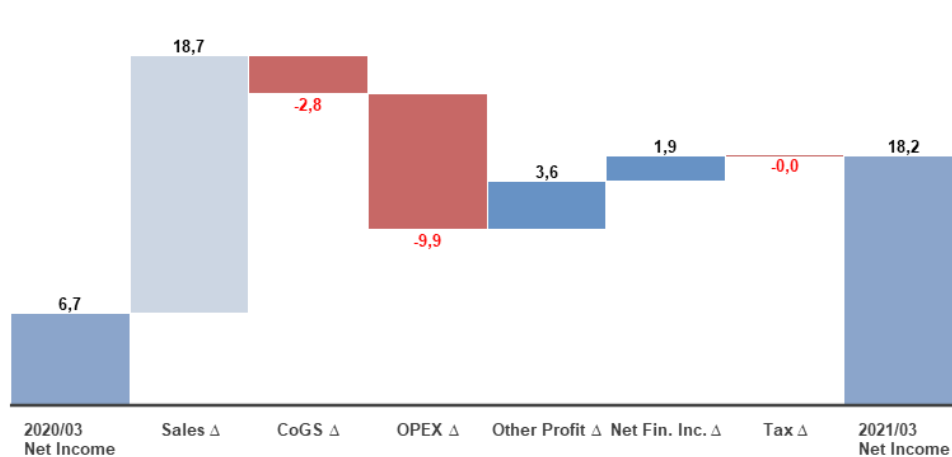
- 12M trailing Net Sales increased by 121.7% in 2021/03 compared to the previous year and reached 143.9 mn TL.
- 12M trailing EBITDA rose by 141.6% compared to the previous year in 2021/03 and reached 85.3 mn TL.
- 12M trailing Net Profit grew by 165.2% in 2021/03 compared to last year and reached 77.1 mn TL.



EBITDA and Net Income Margin

1Q21 Net Income Bridge

Net Income Bridge (mTL)



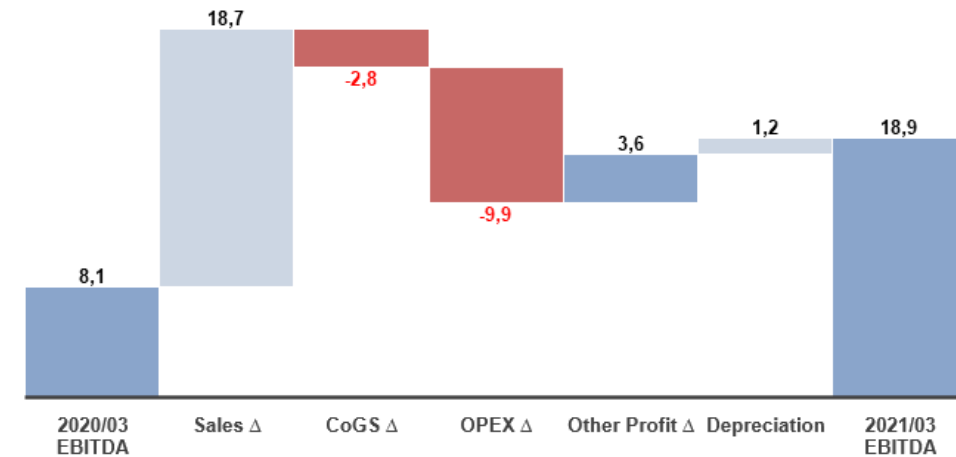
Δ : Change

Strong Growth in Net Income

- The net profit bridge reveals the improvement in net profit on a quarterly basis compared to 2020/03.
- The biggest source of net profit growth is seen as the 18.7 mn TL increase in sales in the 2021/03 period. Despite the strong growth in sales, the cost of sales increased by TL 2.8 mn and the growth in gross margin supported the net profit for the period.
- While operating expenses increased by TL 9.9 mn due to R&D expenditures, operating income supported the net profit for the period. As of 2021/03, the Company has a foreign currency surplus of TL 12.5 mn. Another important variable is that the Company has a tax advantage along with the high profit generated.

1Q21 EBITDA Bridge

EBITDA Bridge (mTL)



Δ : Change

EBITDA Grew Significantly

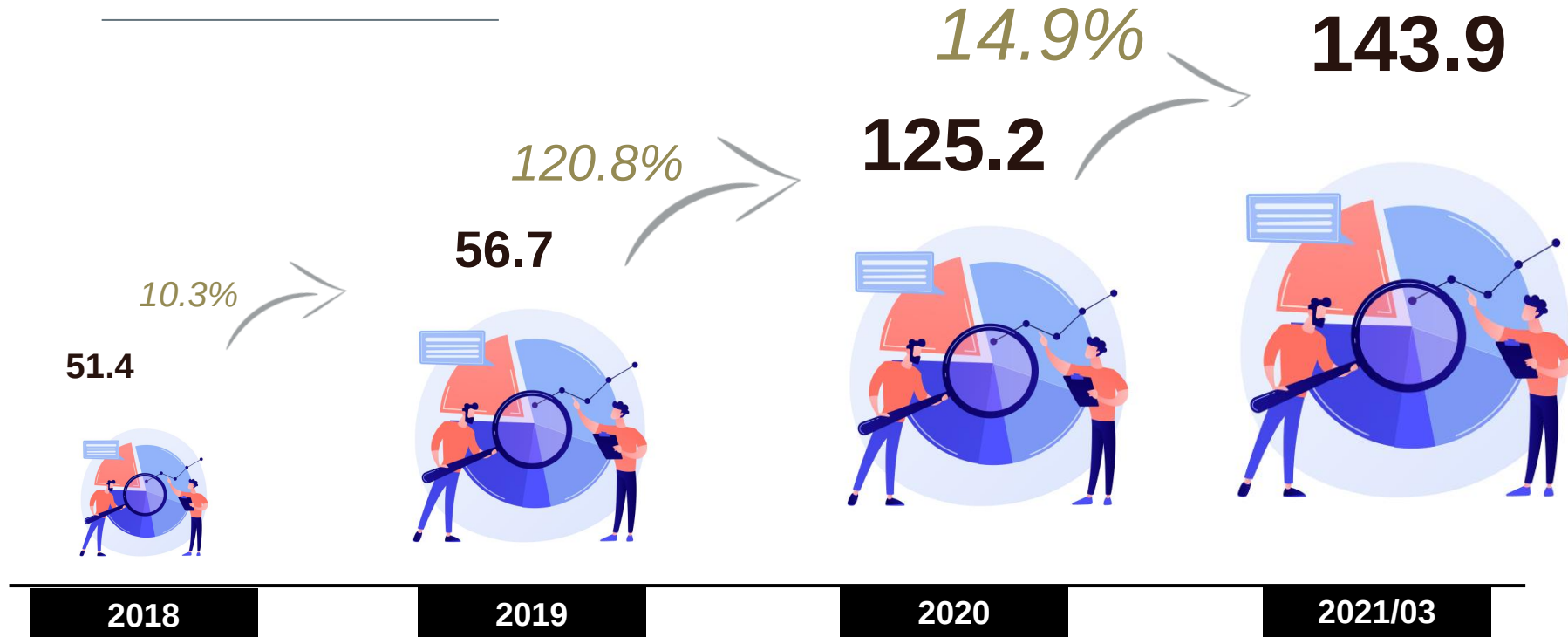
- The EBITDA bridge reveals the improvement in EBITDA compared to 2020/03 on a quarterly basis.
- The biggest source of EBITDA growth is seen as the 18.7 mn TL increase in sales in the 2021/03 period.
- Together with the high growth in sales, the increase in total expenses below the sales growth is an important efficiency indicator. R&D expenditures to increase the future EBITDA figure play an important role in the strong increase in operating expenses.
- The increase in the exchange rate in the relevant period generated income from the main activities and supported the quarterly EBITDA.

Net Sales Development (mTL)

143.9 mTL 12m trailing net sales at 1q2021

58% CAGR

2018– 2021/03



CAGR : Compounded Annual Growth Rate

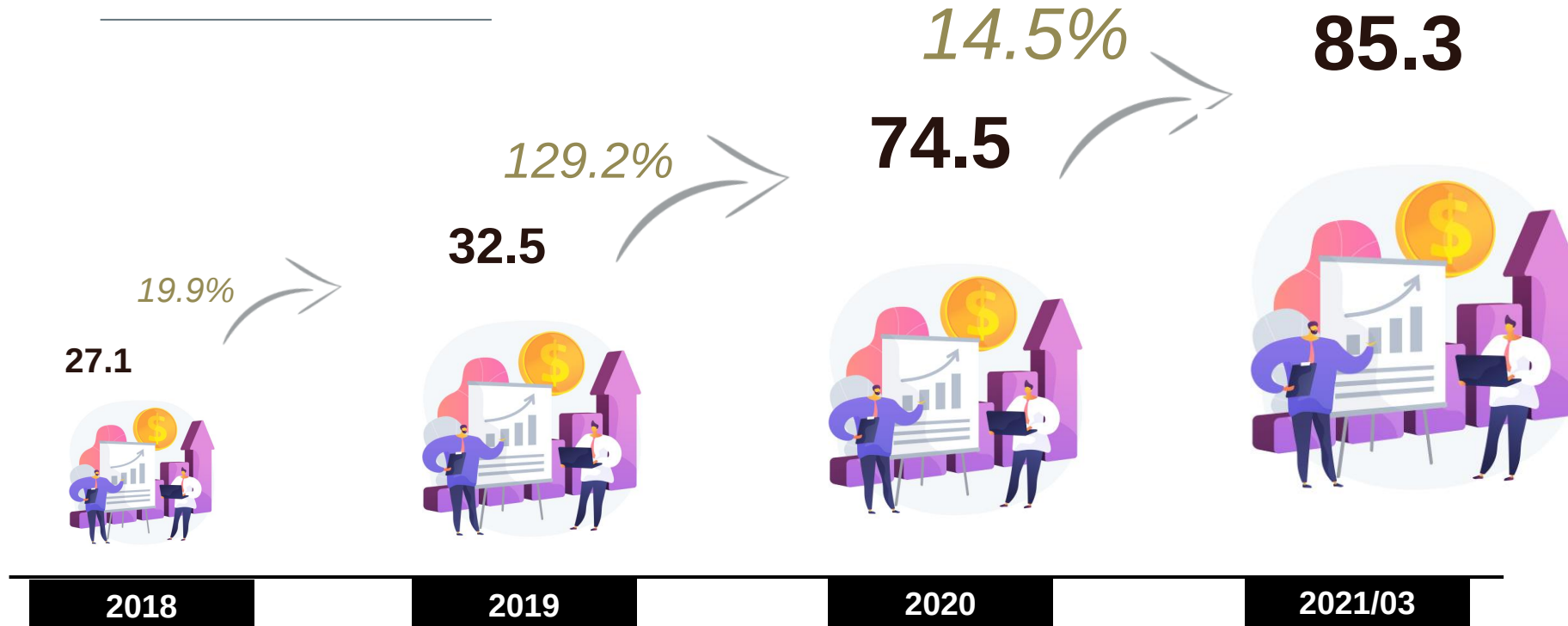
Total Income TL M

EBITDA Development (mTL)

85.3 mTL 12m trailing EBITDA at 1q2021

66% CAGR

2018– 2021/03



CAGR : Compounded Annual Growth Rate

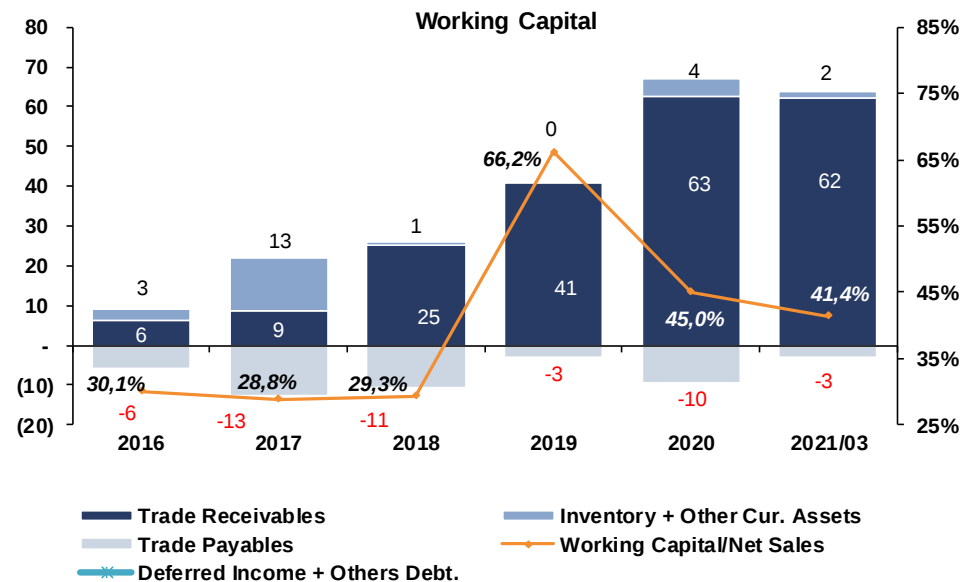
EBITDA TL M

Working Capital

Working Capital Analysis

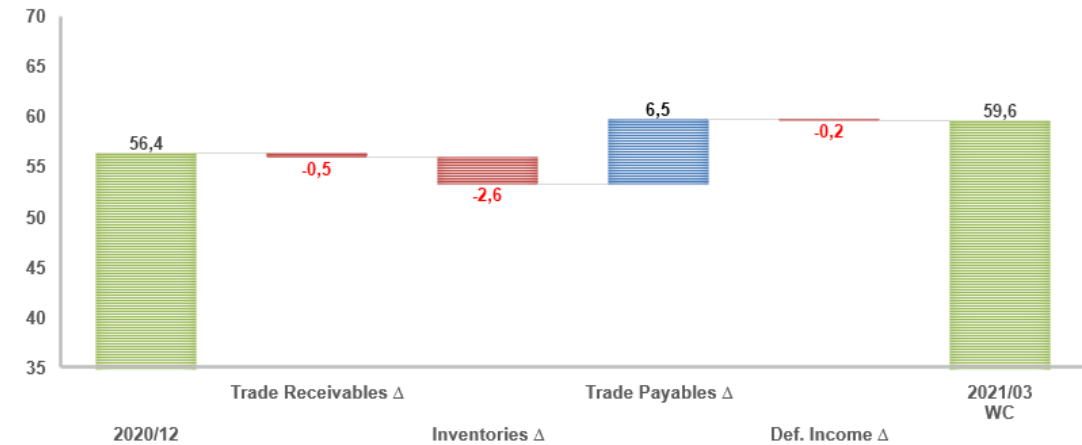
TLm	2016	2017	2018	2019	2020	2021/03
Trade Receivables	6,1	8,8	25,0	40,9	62,6	62,0
Inventory + Other Cur. Assets	2,9	13,0	0,8	0,4	4,4	1,9
Trade Payables	(5,7)	(12,8)	(10,7)	(3,2)	(9,6)	(3,1)
Deferred Income + Others Debt	(0,1)	(0,1)	(0,1)	(0,5)	(1,0)	(1,2)
Working Capital/Net Sales	30,1%	28,8%	29,3%	66,2%	45,0%	41,4%
Net Sales	10,5	30,8	51,4	56,8	125,2	143,9

*As of 2021/03 trailing net sales have been considered



Working Capital Bridge

WORKING CAPITAL BRIDGE (MTL)



The Share of Private Sector in Client Portfolio Rises

- While the public sector sales increase the working capital relatively, the growing share of the private sector in the portfolio improves the working capital day by day.
- The minimum stock level positively affects the working capital. While the decline in receivables and stocks in the relevant period supported the working capital, the decrease in commercial debts has a relatively negative effect on working capital.
- Although the working capital to net sales ratio saw a high rate of 66.2% at the end of 2019, it declined steadily for the next 3 periods and realized as 41.4% in 2021/03. In a period of robust growth in sales, the decline in working capital to sales ratio is seen as a crucial productivity indicator.

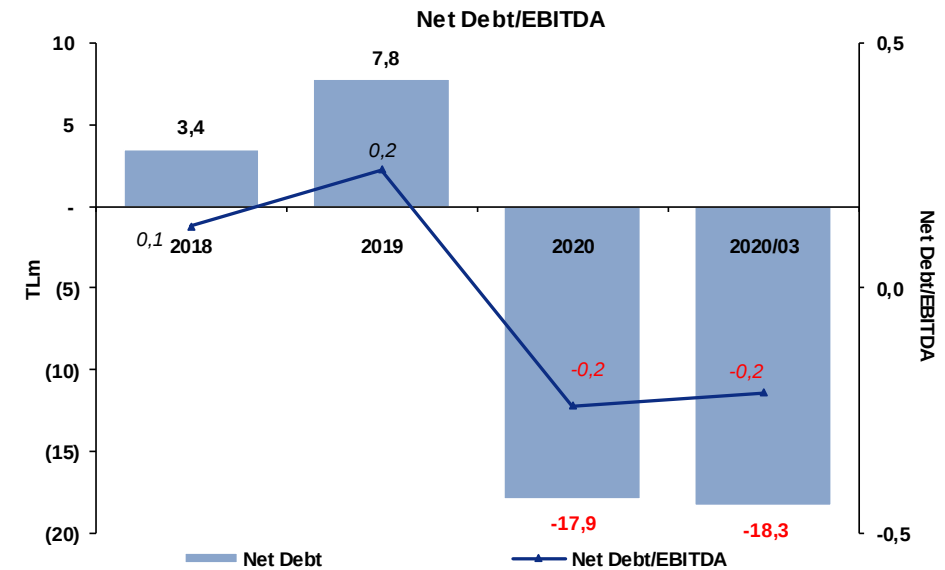
Net Cash Position

Net Cash & Equity & Financial Leverage

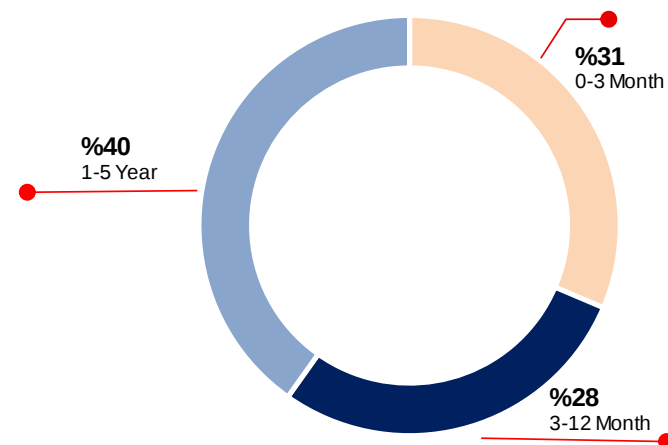
TLm	2018	2019	2020	2020/03
Cash and Cash Equivalents	0,1	1,7	27,3	27,6
Financial Investments	-	-	-	-
Other Receivables	4,4	-	-	-
Short Term. Fin. Debt	5,7	7,4	4,7	5,5
Other Debt	0,0	-	0,1	0,1
Long Term. Fin. Debt	2,2	2,1	4,6	3,7
Net Debt	3,4	7,8	(17,9)	(18,3)
Equity	46,1	72,5	173,5	191,8
Net Debt/Equity	7,4%	10,8%	-10,3%	-9,5%
Net Debt/EBITDA	0,1	0,2	-0,2	-0,2
EBITDA	27,1	32,5	74,5	85,3

* EBITDA is annualized for 2021/03.

Net Debt/EBITDA



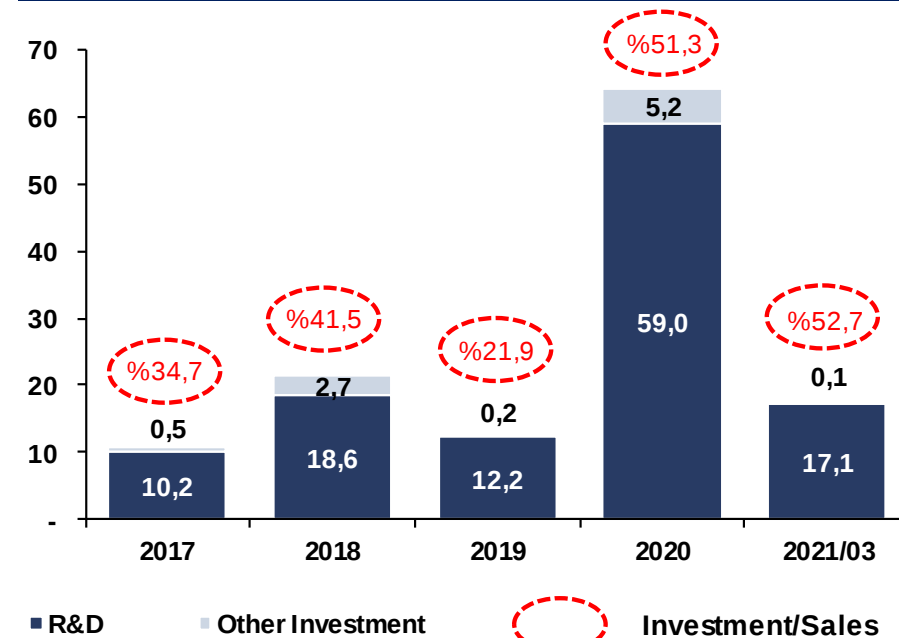
Maturity Breakdown (2021/03)



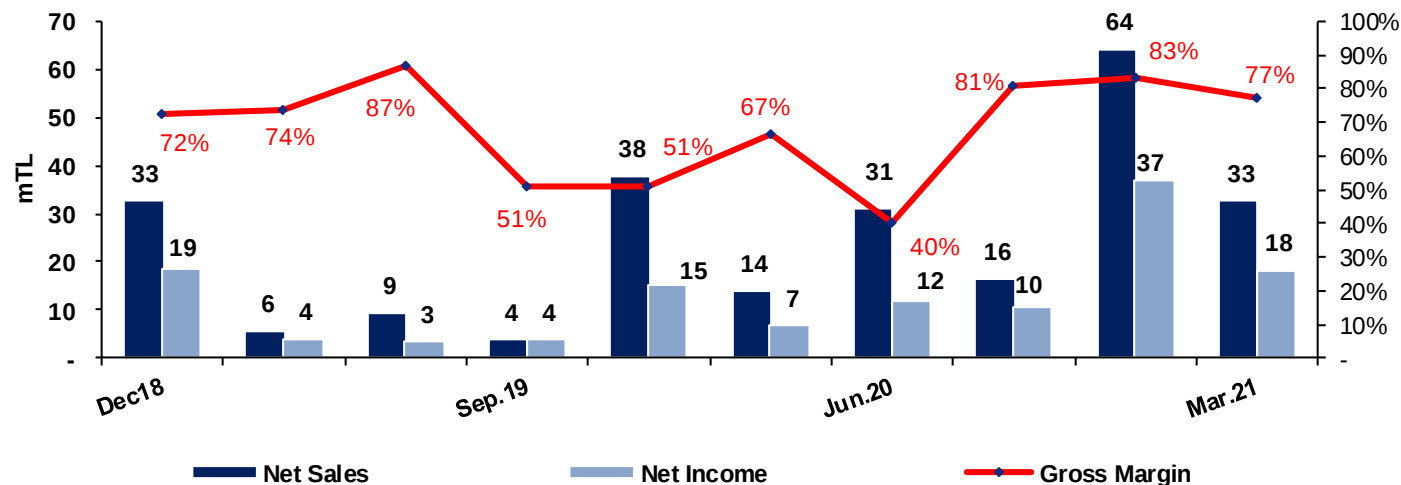
Foreign Exchange Position

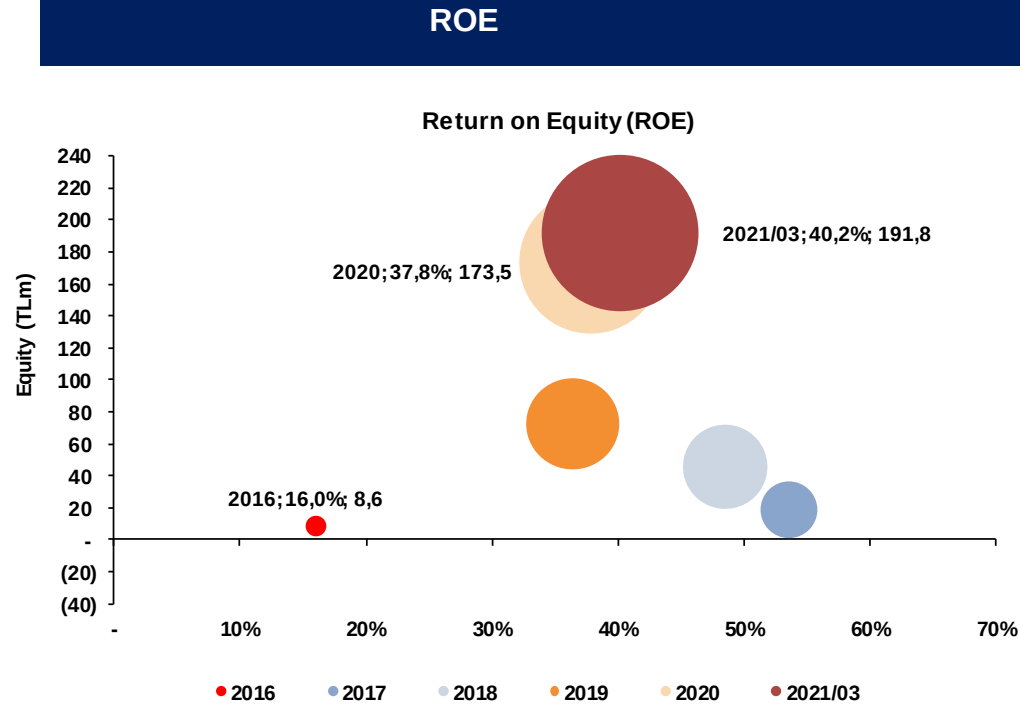
As of 2021/03, the company has **TL 12.5 mn long foreign exchange position**

Investments (mTL)



Seasonality (mTL)





Positive Economic Value Added (EVA) in the Last 3 Years

- The liquidation degree of the balance sheet continued to increase with each passing period meaning high dividend yield potential.
- Return on equity is above the annual Bond yield indicating that the capital is used efficiently.
- Low leverage points out that the company has a high borrowing capacity. EBITDA / Financing Expense and Net Debt / EBITDA ratios indicate an investment grade.

Financial Ratios

Liquidity Ratios	2021/03	2020/12	2019/12	Referans
Current Ratio	9,34	6,17	3,86	1,0-1,5
Liquidity Ratio	9,27	5,94	3,83	0,8-1,0

Debt Ratios	2021/03	2020/12	2019/12	Referans
Total Debts / Total Assets	6,9%	10,6%	16,0%	<%40
Short Term. Fin. Debt / Equity	2,9%	2,7%	10,3%	<100%
Coverage Ratio	-93,3	78,2	18,4	>3
Net Debt / EBITDA	-0,2	-0,2	0,2	<4
Short Term Liability / Assets	4,8%	7,9%	12,9%	Sektör
Long Term Liability / Assets	2,1%	2,8%	3,1%	Sektör
Equity / Assets	93,1%	89,4%	84,0%	>%60
Total Liabilities / Equity	7,4%	11,9%	19,1%	Sektör
Financial Debts / Total Debts	64,7%	45,0%	69,2%	Sektör

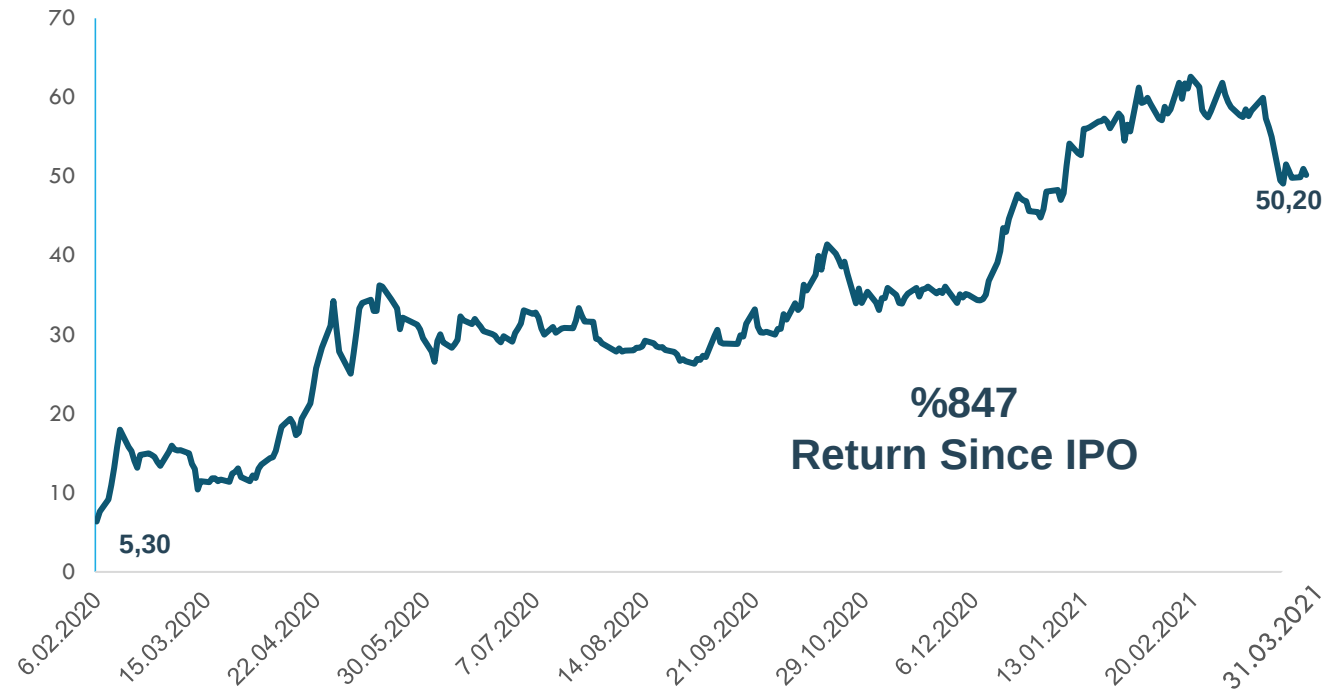
Profitability Ratios (Trailing)	2021/03	2020/12	2019/12	Referans
Gross Margin	72,2%	70,3%	59,2%	Sektör
EBIT Margin	53,2%	53,5%	49,5%	Sektör
EBITDA Margin	59,3%	59,5%	57,2%	Sektör
Net Income Margin	53,6%	52,5%	46,5%	Sektör
ROE	40,2%	37,8%	36,4%	>Tahvil Getirisi
Interest Exp. / Net Sales	-0,6%	0,8%	3,1%	<%3

Investment Ratios (Trailing)	2021/03	2020/12	2019/12	Referans
Investment / Depreciation	665,0%	850,3%	282,8%	>%100
Investment / Net Sales	52,7%	51,3%	21,9%	Sektör
EVA-TL	30.357.018	25.803.144	8.178.159	>0
ROIC	34,6%	33,6%	27,1%	>%17,0
CRR	120,1%	124,2%	142,2%	<%100

Stock Performance

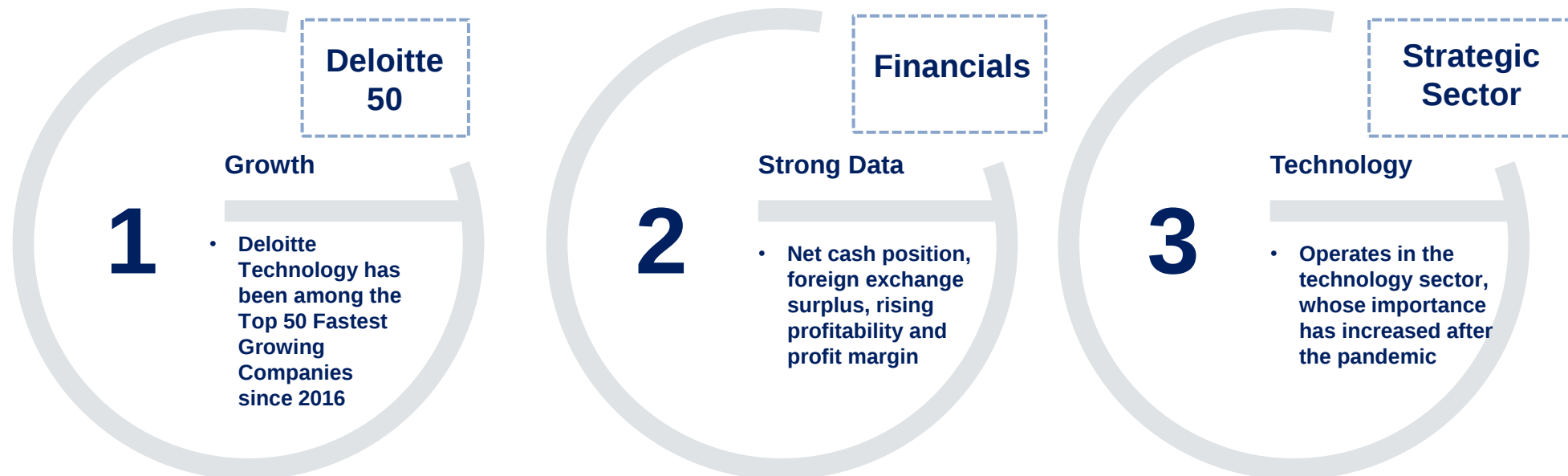
Robust Share Performance

- 847% return from the IPO until the first quarter of the year
- Strong financial data and compliance with corporate governance principles supported the performance
- The company has been selected among the top 50 companies in the "Deloitte Technology Fast 50 Turkey 2020" program held in February 2021, and was among the fastest growing technology companies in Turkey.



Investment Thesis

Rising software expenditure all over the world with the pandemic makes the sector strategic; R&D and Technocity incentives and low tax rate; Being one of the fastest growing technology companies in Turkey by the Deolitte Technology Fast 50 Turkey since 2016; Low indebtedness creates high borrowing capacity; Resilient financial structure in the period of increasing exchange rate with net cash position and foreign exchange surplus; Strong financials as of 2021/03; Strong cash position and liquid balance sheet means high dividend yield potential, R&D investments, which are made every year, will have a significant impact on EBITDA in the coming years.



ARD Informatics has a vital potential for the investors with its strong financial data, growth potential, incentives and operating in a strategic sector.

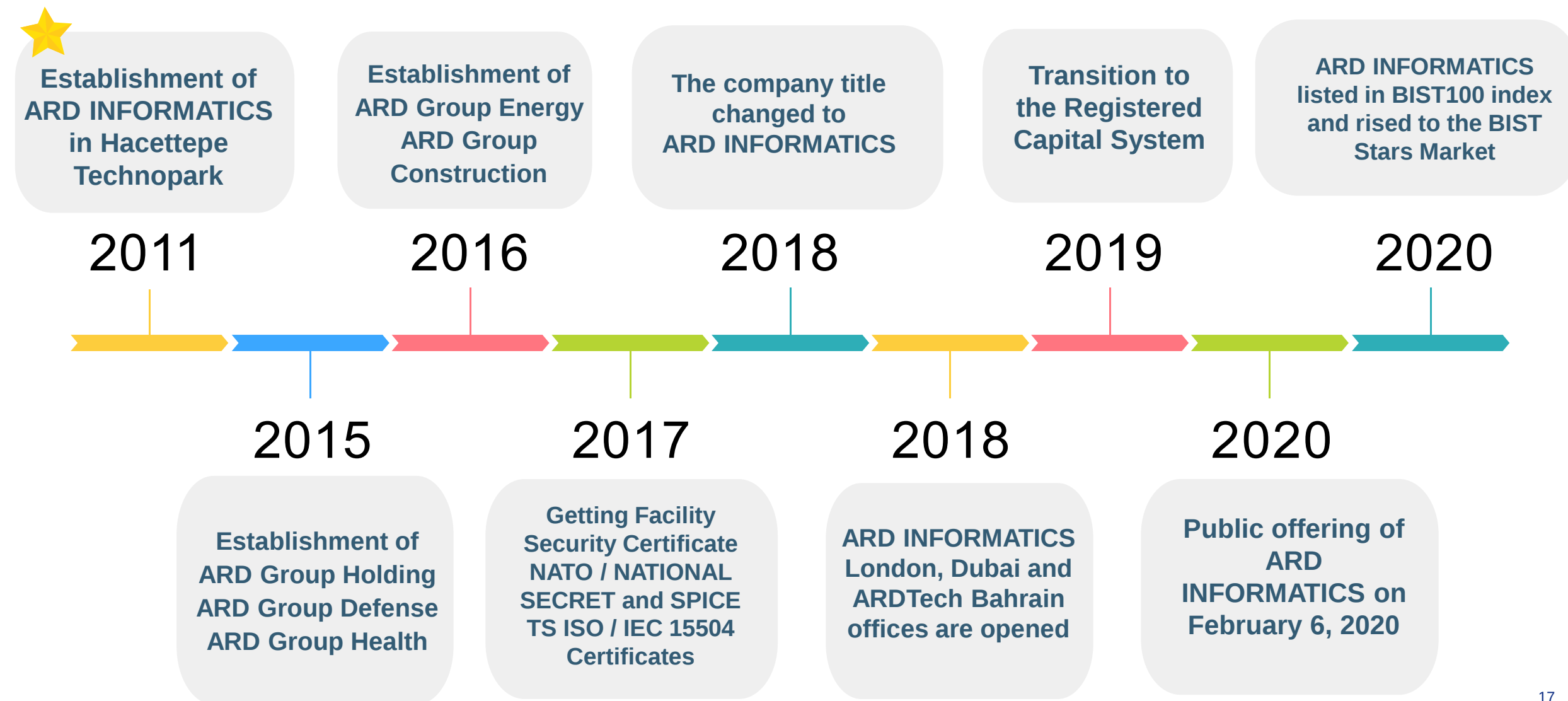


ARD INFORMATICS

APPENDIX



MILESTONES OF ARD GROUP



FINANCIALS

Balance Sheet			
TL	2020/12 Realized	2021/03 Realized	2021/2020
ARD Informatics	Audited	Non-Audited	FUNDING
Assets	194.182.794	205.975.803	
Cash and Equivalents	27.282.062	27.562.238	280.176
Trade Receivables	62.550.745	62.021.868	(528.877)
Other Current Assets	853.786	1.216.247	362.461
Inventory	3.572.036	637.484	(2.934.552)
Current Assets	94.258.629	91.437.837	
Investment Property	26.200	26.200	-
Tangible Fixed Assets	6.192.120	5.836.275	(355.845)
Intangible Fixed Assets	93.705.845	108.675.491	14.969.646
Fixed Assets	99.924.165	114.537.966	
Equity and Liabilities	194.182.794	205.975.803	
Short Term. Debts	4.674.158	5.491.815	817.657
Trade Payables	9.562.520	3.098.410	(6.464.110)
Other Debts	115.021	101.588	(13.433)
Other Short-Term Liabilities	919.596	1.100.527	180.931
Short-Term Liabilities	15.271.295	9.792.340	
Long Term Debt	4.624.358	3.690.182	(934.176)
Other Long-Term Liabilities	766.164	714.266	(51.898)
Long-Term Liabilities	5.390.522	4.404.448	
Paid-in Capital	23.875.000	23.875.000	-
Emission Premium	30.961.672	30.961.672	-
Other Comprehensive Exp.	24.532	59.665	35.133
Profit Reserves	1.340.006	1.340.006	-
Retained Earning	51.650.507	117.319.767	65.669.260
Net Income	65.669.260	18.222.905	(47.446.355)
Equity	173.520.977	191.779.015	

Income Statements			
TL	2020/03 Realized	2021/03 Realized	2021-2020
ARD Informatics	Non-Audited	Non-Audited	Change (%)
Net Sales	13.865.939	32.614.170	135,2%
Change		135,2%	
CoGS	(4.640.132)	(7.415.577)	59,8%
Gross Profit	9.225.807	25.198.593	173,1%
Gross Margin	66,5%	77,3%	
General & Administrative Exp.	(921.690)	(1.051.620)	14,1%
Change		14,1%	
R&D	(910.475)	(10.677.104)	1072,7%
Change		1072,7%	
Other Opreating Profit	867.694	3.029.536	249,1%
Other Opreating Exp.	(1.567.494)	(172.260)	-89,0%
EBITDA	8.090.235	18.913.863	133,8%
Change		133,8%	
EBITDA Margin	58,3%	58,0%	
Depreciation	(1.396.393)	(2.586.718)	85,2%
EBIT	6.693.842	16.327.145	143,9%
Change		143,9%	
EBIT Margin	48,3%	50,1%	
Net Finance Income	2.862	1.870.201	65245,9%
Pre-tax Profit	6.696.704	18.197.346	
Tax	49.697	25.559	
Net Income	6.746.401	18.222.905	170,1%
Net Margin	48,7%	55,9%	

FACTSHEET

Shareholders	SHAREHOLDER STRUCTURE		
	Capital (TL)	Capital Ratio (%)	Voting Rights (%)
ARD GRUP HOLDİNG INC	12.115.000	50.74	67.22
FREE FLOAT	11.760.000	49.26	32.78
TOTAL	23.875.000	100	100

- ARD Group Informatics Technologies Inc. has been continuing its R&D software and system integrator activities within the headquarters of Ankara Hacettepe University Teknokent since 2011.
- Our Activity Areas ; To develop software programs for law, health, defense, logistics and warehouse process management. We supply traceability, cyber security, tracking system products to not only public institutions but also private sector.
- The voting right of the public portion is 32.78%
- As of 31.03.2021, 51 employees are working within the company.

Type of Quoted Capital Market Instrument	First Trading Date	The Country of The Stock Exchange Market	Name of the Stock Exchange Market	Name of the Market
Stock	6.02.2020	Türkiye	BORSA İSTANBUL A.Ş.	BIST STARS

Financial Data	2021/03
Net Sales	32,6 m TL
Net Income	18,2 m TL
Equity	191,8 m TL
Mcap	1,19 Bn TL
EBITDA	18,9 m TL

Preferred Stock & Subsidiaries	
Amount of Preferred Stock	3.000.000 TL
The company does not have any direct or indirect subsidiaries	

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