

INVESTOR PRESENTATION

4Q 2021 FIGURES

06.04.2022



ARD BİLİŞİM

- ✓ **Capital Raise:** Capital raise using internal resources by 612,04%.
- ✓ **Financials:** Growth and Strong Cash Position Continued
- ✓ **M&A:** Açılımsoft company was purchased for 12 mn TL

EXECUTIVE SUMMARY

DEBT LEVEL

Despite high sales growth, steady decline in working capital to sales since 2019 points out efficiency.

In a period of increasing exchange rates, Company's FX surplus position continued and its net cash position rose to TL 56.3 mn.

MARGINS

Quarterly gross margin, which was 83% in 4Q20, decreased to 67% in 4Q21, driven by turnkey projects and commodity cost increase.

Considering the new added values that can be achieved with the quarterly increase in R&D expenses, the expectation for operating profitability for the next period continues.



CAPITAL RAISE

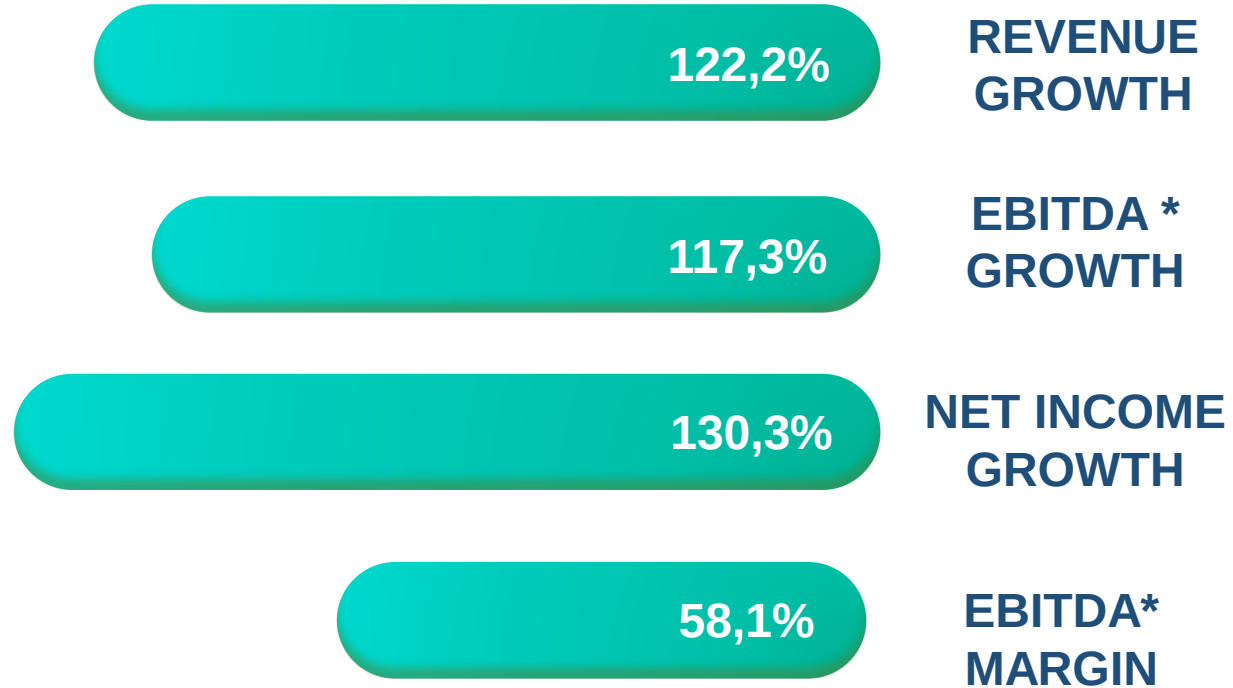
The capital raise application from 23,9 mn TL to 170 mn TL using internal sources was approved by the CMB on 25.11.2021. On January 18, 2022, with the approval of the CMB, the registered capital ceiling was increased from 80 mn TL to 500 mn TL.

GROWTH

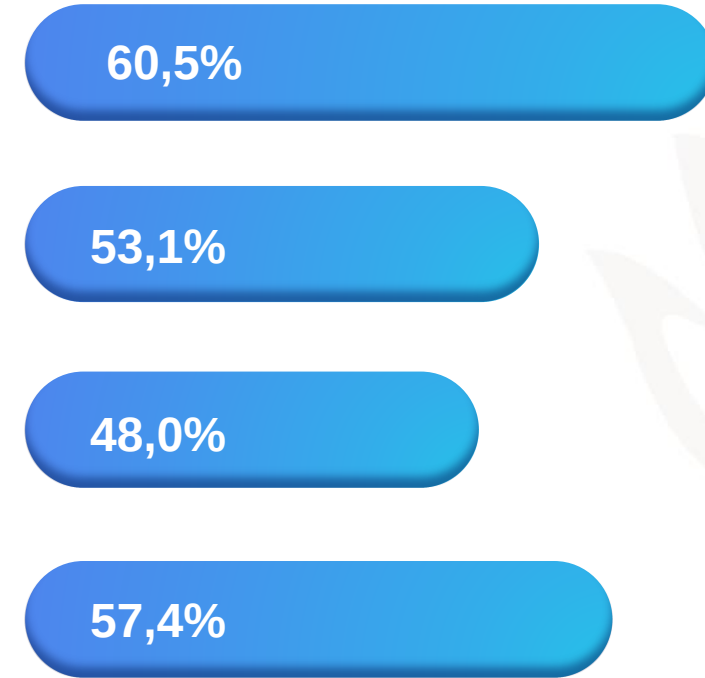
With the share purchase agreement signed on December 30, 2021, ARD Bilişim purchased all of Açılımsoft's shares for TL 12,000,000. Despite the significant increase in R&D expenses, rising revenues were effective in EBITDA growth, which increased by 53.1% in 4Q21 compared to 4Q20. The rise in net profit, which progressed in parallel with the increase in EBITDA, was also supported by the cash position and tax incentives.

SOLID PERFORMANCE

2021/12 & 2020/12 PERIODICAL



4Q21 & 4Q20 QUARTERLY



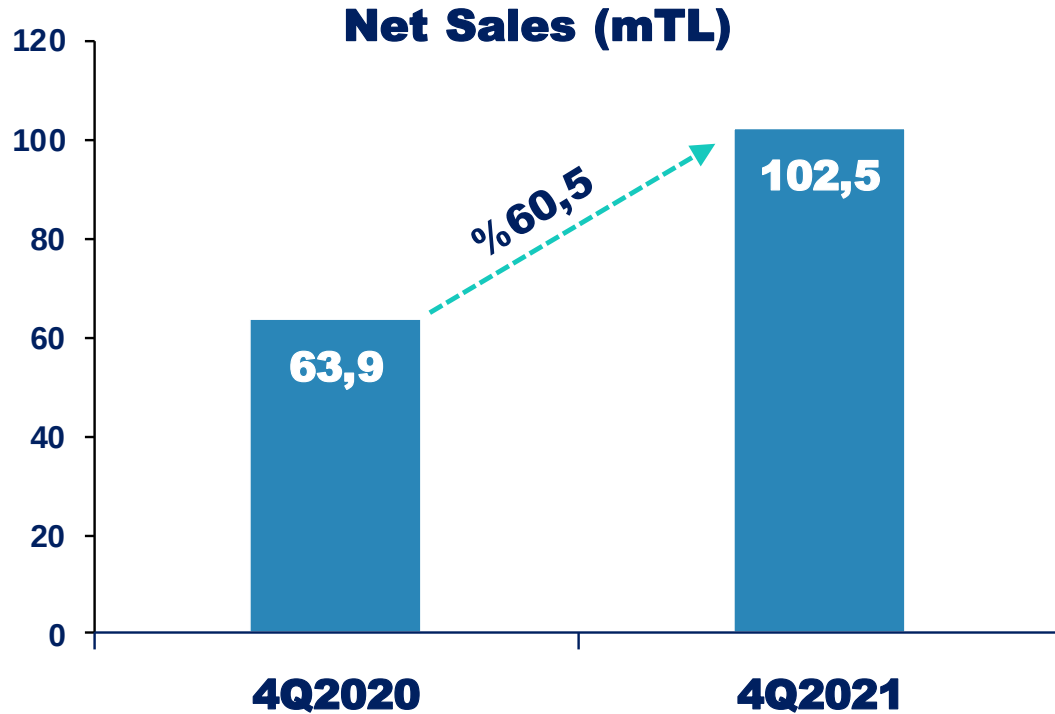
**Other Income / Expense from Operating Activities are included in EBITDA*

4Q 2021 RESULTS

5

Number and Size of Contracts Increasing

QUARTERLY FIGURES



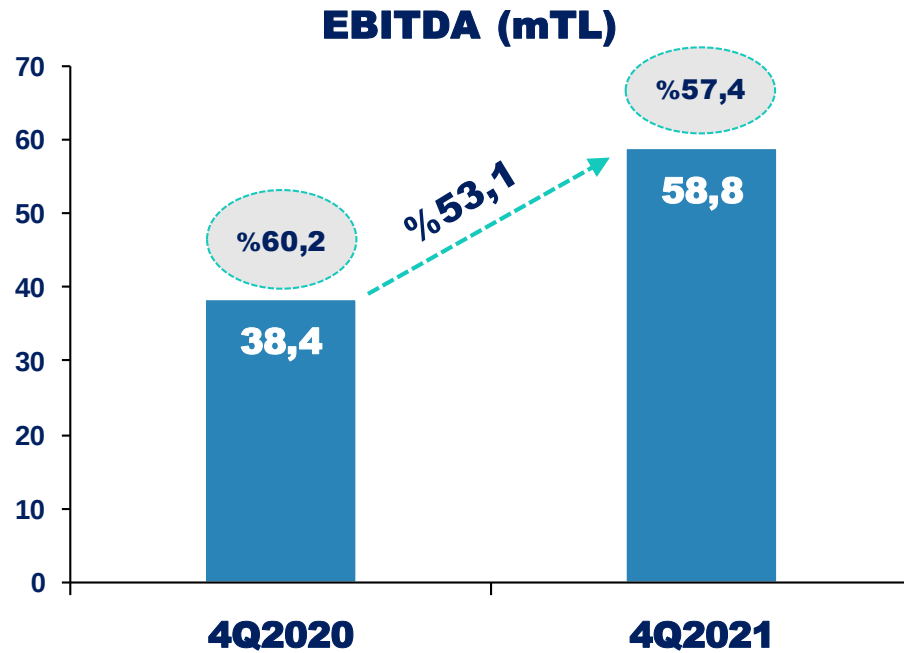
- Net sales raised by 60.5% on a quarterly basis compared to the same period of the previous year and amounted to 102.5 m TL.
- Compared to the previous quarter, net sales increased by 41.4% and the sales record for all periods was broken.
- Increasing number of contracts and contract size are the most important factors supporting revenue growth.

4Q 2021 RESULTS

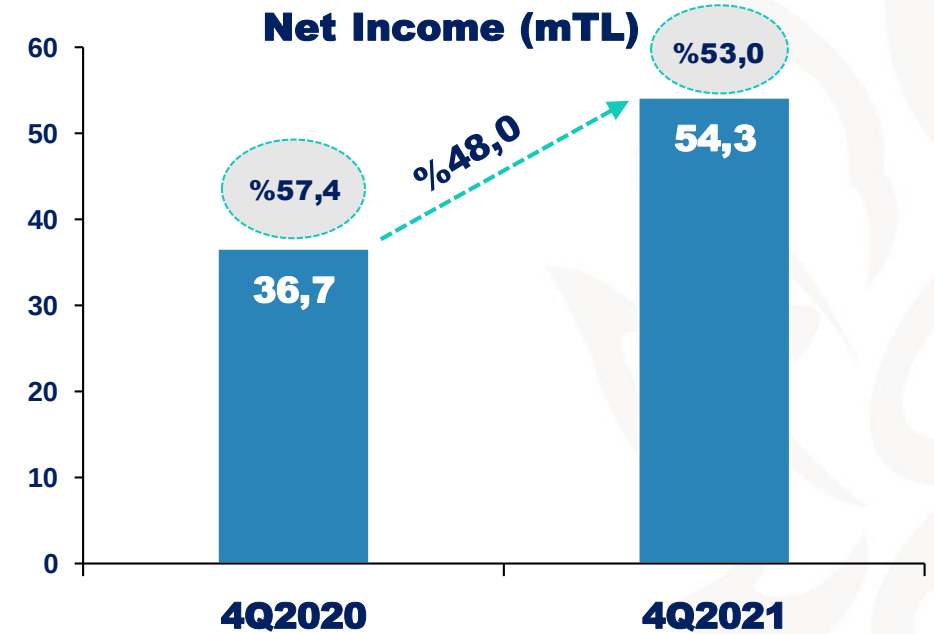
6

Rising Sales of Commercial Goods Caused a Decline in Margins

QUARTERLY FIGURES



- EBITDA improved by 53.1% QoQ to 58.8 mTL, while the EBITDA margin was slightly lowered by the cost of commercial goods required for turnkey projects.



- Net profit increased by 48.0% QoQ to 54.3 mTL. Strong stance in operating profitability was recorded as the most important factor supporting net profit for the period.

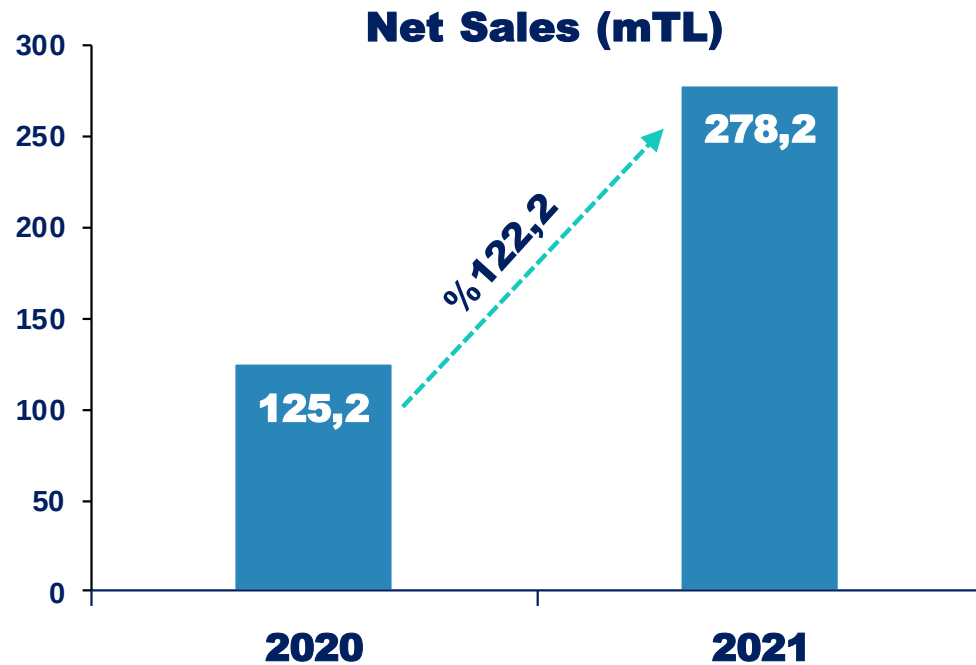
 EBITDA and Net Income Margin

4Q 2021 RESULTS

7

Net Sales Maintained Strong Growth Trend in 2021

PERIODICAL FIGURES



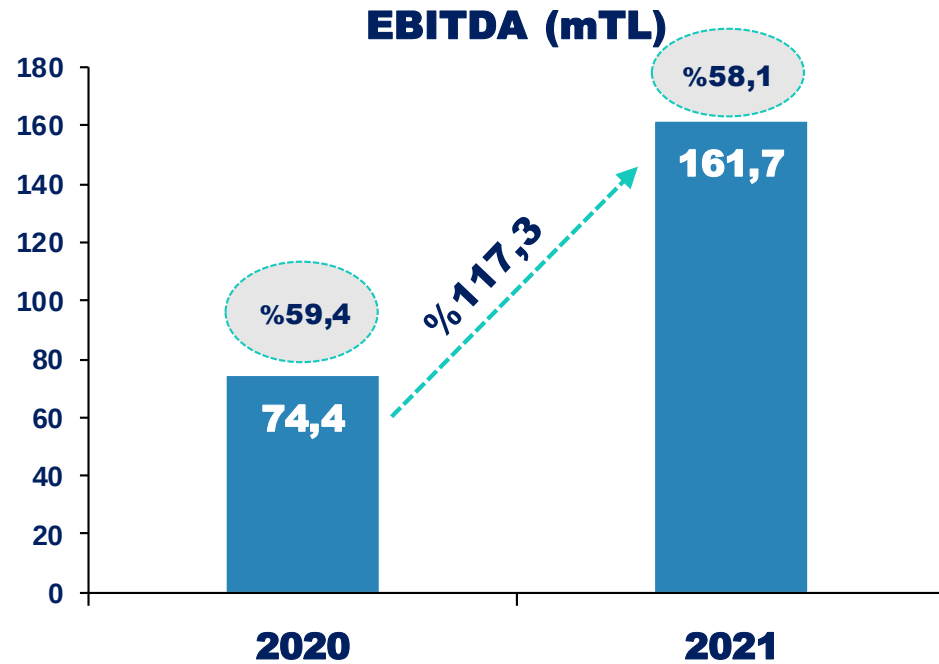
- Periodic net sales increased by 122.2% in 2021/12 compared to the same period of the previous year and amounted to 278.2 mTL.
- Value added projects were effective in the strong enhancement in revenues.
- Topline is stemmed from domestic operations in 2021/12.
- The pandemic increased customers' software and technology expenditures and this new normal contributed to the Company's revenues.
- The rise in the number and size of contracts supported revenues.

4Q 2021 RESULTS

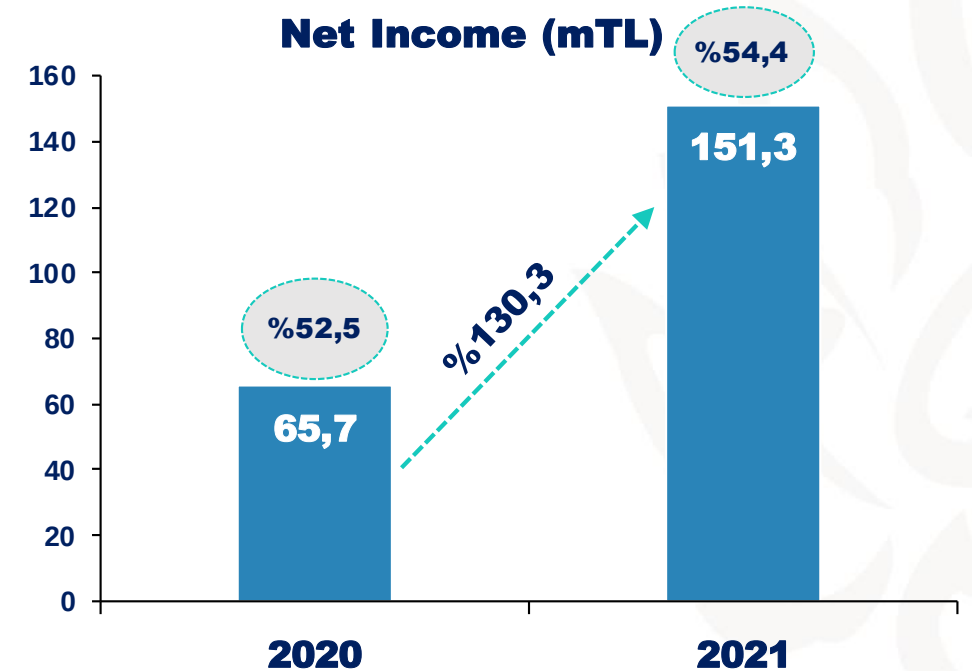
8

Cash Position and Low Taxes Supported Profitability

PERIODICAL FIGURES



- EBITDA augmented by 117.3% and reached 161.7 mTL periodically.



- Net Income increased by 130.3% and reached to 151.3 mTL periodically.

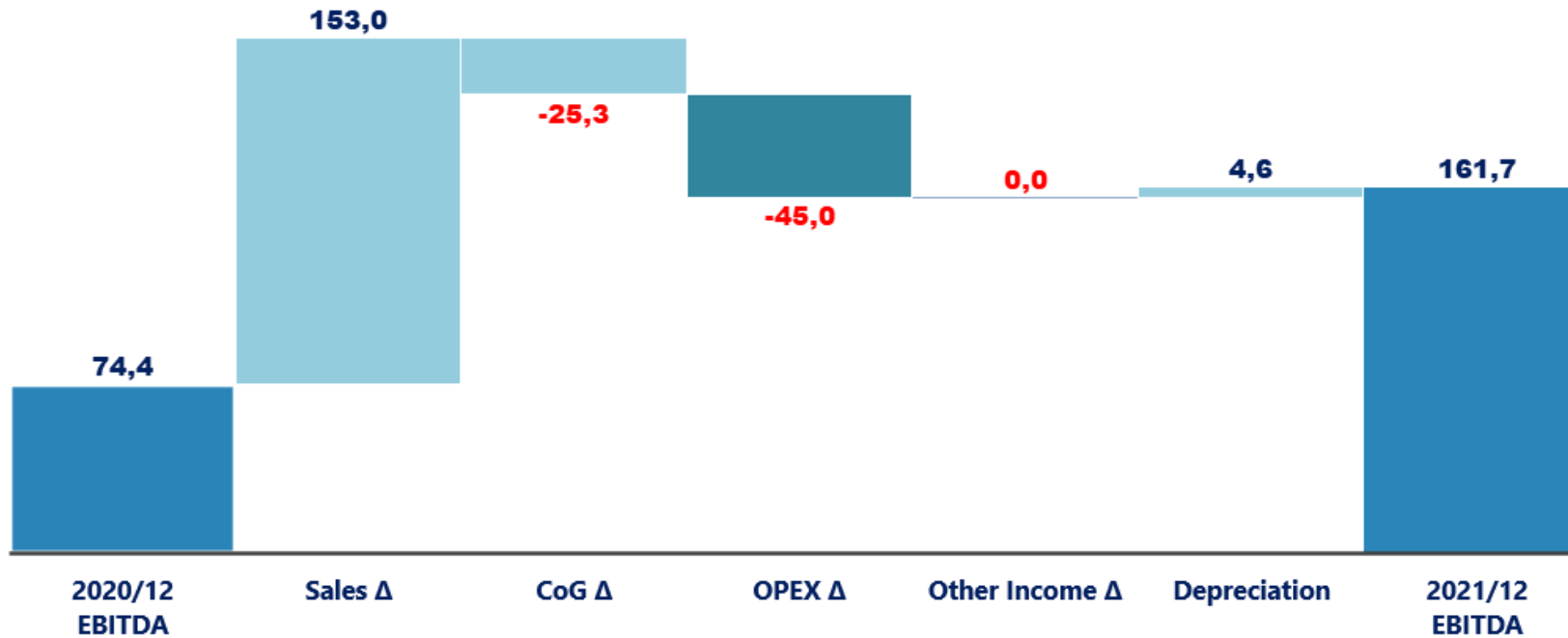
 **EBITDA and Net Income Margin**

4Q 2021 RESULTS

9

Turnkey Projects Increased Cost of Commercial Goods Sales in Q4

EBITDA Bridge (mTL)



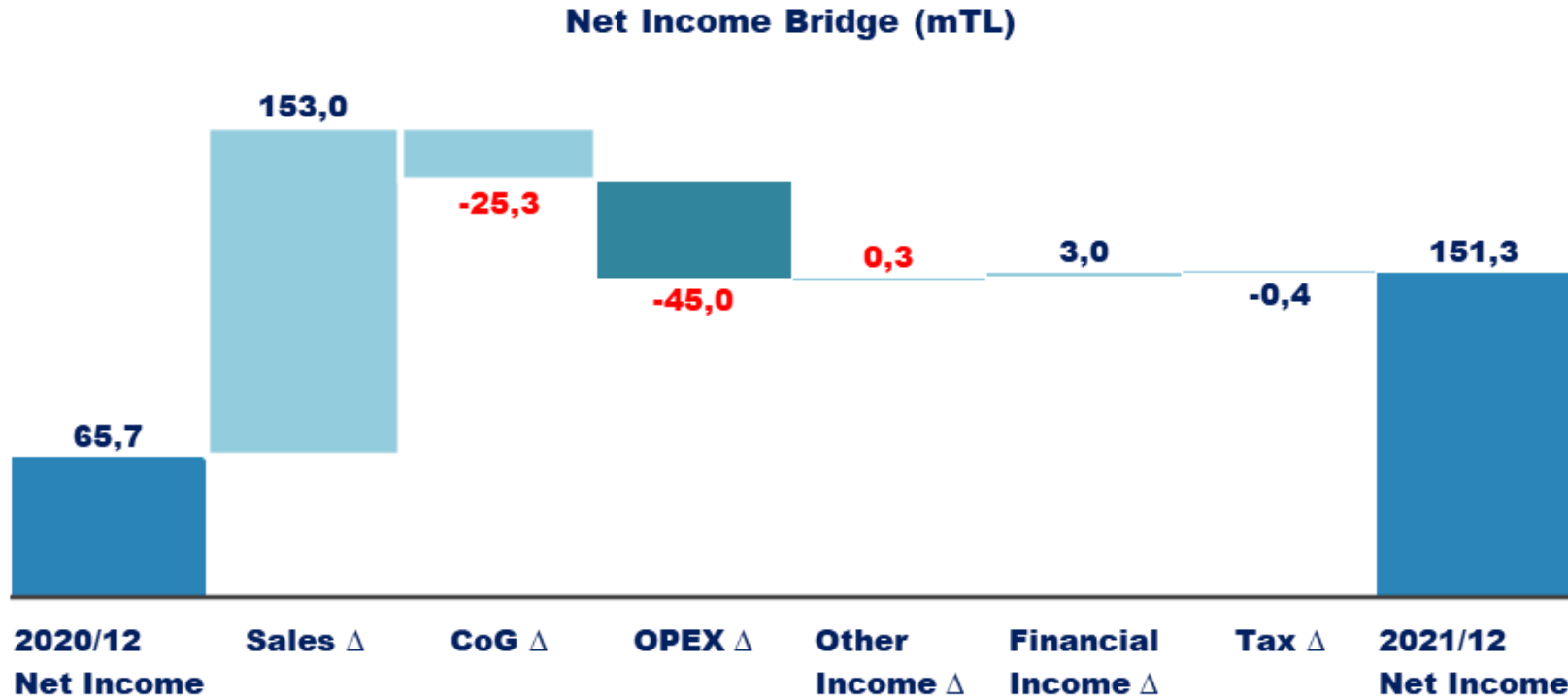
Δ : Change

- Sales growth, supported by the rise in the number and volume of contracts, was recorded as the main parameter in the EBITDA increase.
- The rise in the cost of commercial goods due to turnkey projects in the fourth quarter brought the EBITDA margin down relatively.
- The jump in the weight of added value projects in the portfolio was effective in the EBITDA growth.
- The rise in operating expenses driven by R&D expenditures partially normalised the EBITDA and margin growth.
- R&D expenditures create expectations for EBITDA growth in the coming period.

4Q 2021 RESULTS

10

Cash Position Supported Net Profit for the Period



- The strong increase in net profit continued thanks to the factors supporting the EBITDA growth.
- The cash position generated financing income and supported the jump in net profit for the period.
- Keeping a part of the cash position in foreign currency assets and increasing exchange rate positively affected the net profit for the period as financial income.
- In addition to all these effects, the tax advantage and deferred tax income supported the net profit for the period compared to the same period of the previous year.

Δ : Change

4Q 2021 RESULTS

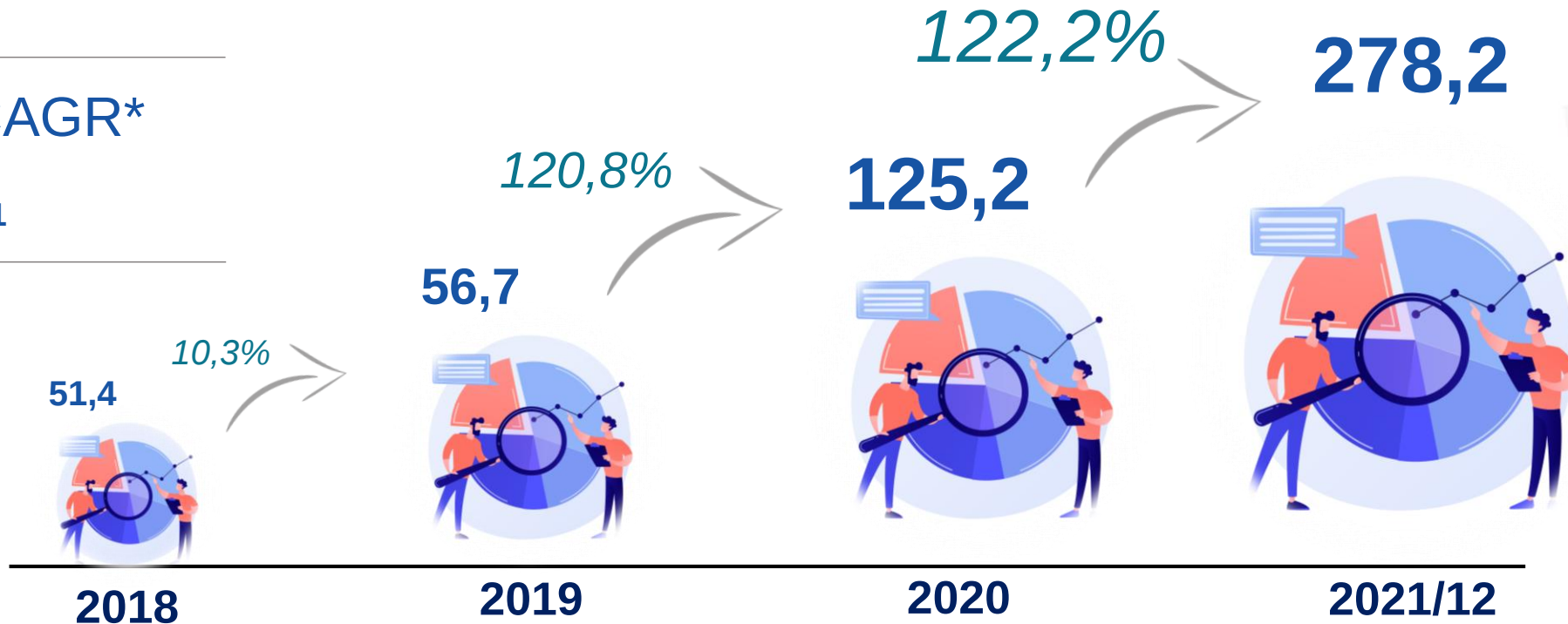
11

278.2 mTL of Annualized Revenue in 2021/12

ANNUAL NET SALES DEVELOPMENT (mTL)

76% CAGR*

2018– 2021



*CAGR : Compounded Annual Growth Rate

Total Sales TL M

4Q 2021 RESULTS

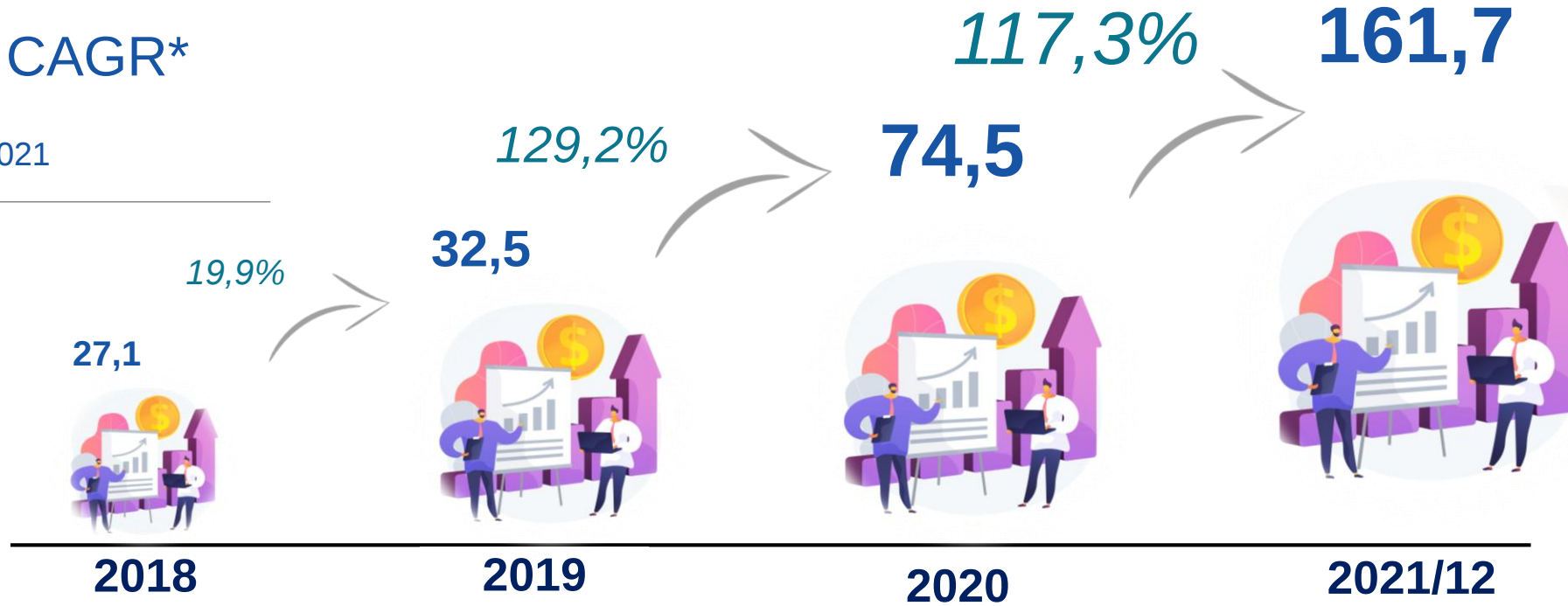
12

161.7 mTL of Annualized EBITDA in 2021

ANNUAL EBITDA DEVELOPMENT (mTL)

81% CAGR*

2018– 2021



*CAGR: Compounded Annual Growth Rate

EBITDA TL M

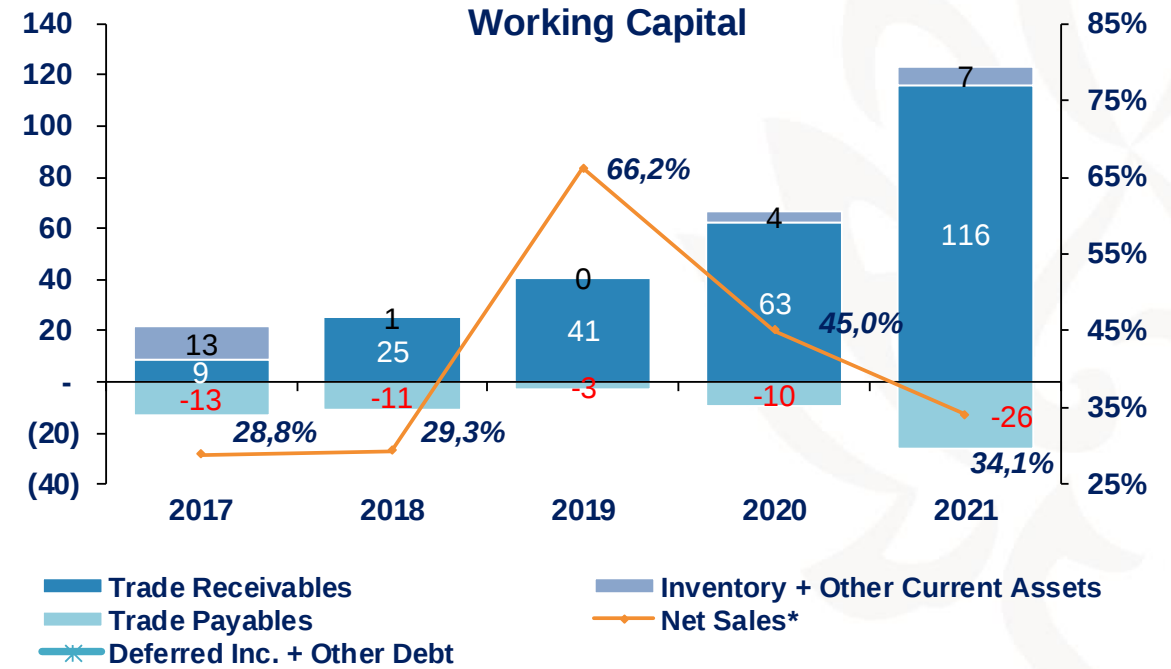
4Q 2021 RESULTS

13

Improvement in Working Capital Continued Despite Rising Revenue

Working Capital

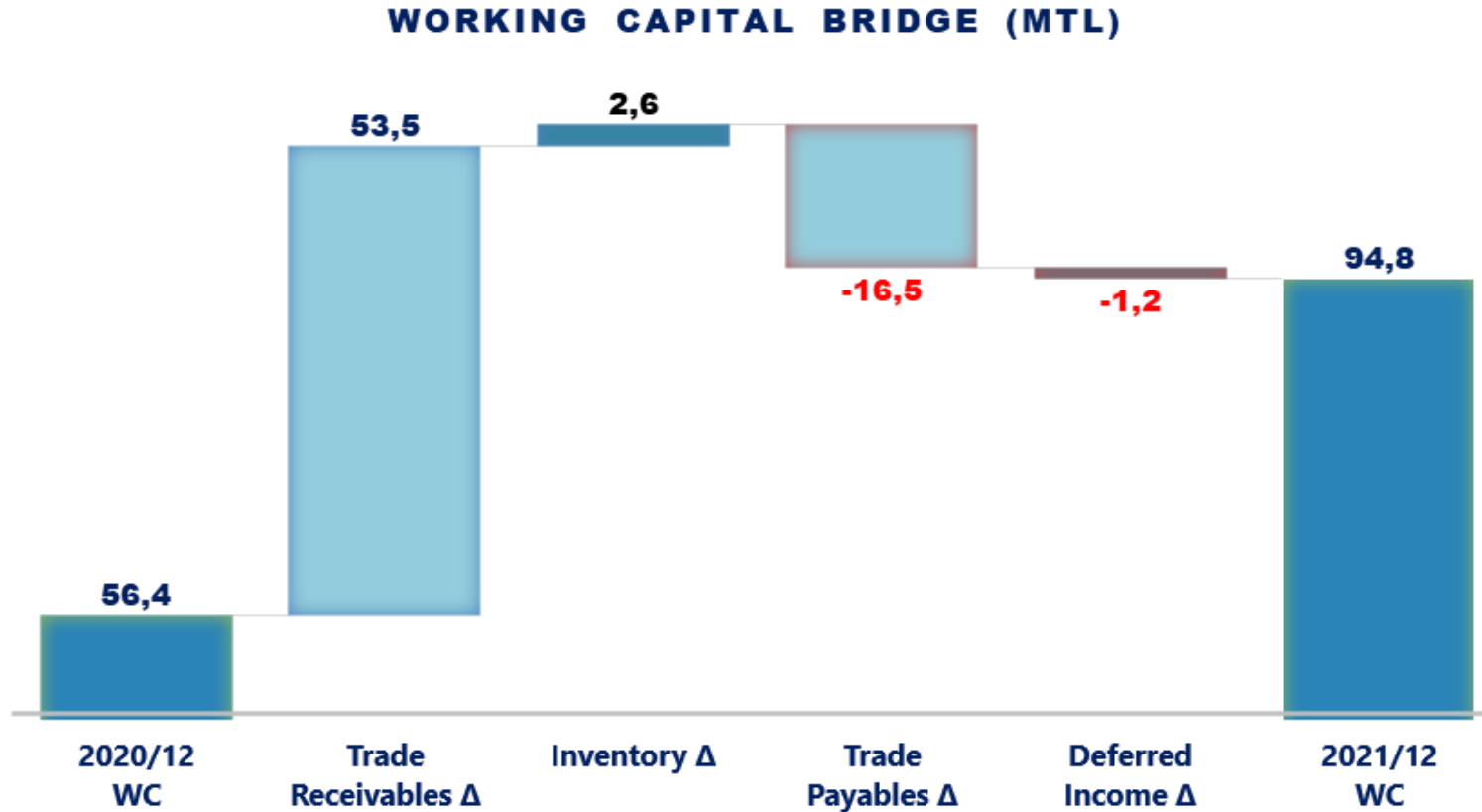
Working Capital Analysis					
TLm	2017	2018	2019	2020	2021
Trade Receivables	8,8	25,0	40,9	62,6	116,1
Inventory + Other Current Ass	13,0	0,8	0,4	4,4	7,0
Trade Payables	(12,8)	(10,7)	(3,2)	(9,6)	(26,0)
Deferred Inc. + Other Debt	(0,1)	(0,1)	(0,5)	(1,0)	(2,3)
Working Capital/Sales	8,9	15,0	37,6	56,4	94,8
Net Sales*	28,8%	29,3%	66,2%	45,0%	34,1%
Net Satışlar	30,8	51,4	56,8	125,2	278,2



4Q 2021 RESULTS

14

Converging 2018 Level in Working Capital to Sales Continues



- With the effect of net sales growth, the increase in trade receivables and inventories created the need for working capital, while normalization in trade payables continued.
- Working capital, which was 56.4 mTL at the end of 2020, augmented to 94.8 mTL in 2021/12.
- Although there is a significant growth in working capital, the rise in revenues above this level is an important productivity indicator.

Δ : Change

4Q 2021 RESULTS

15

Low Financial Indebtedness Creates Significant Borrowing Capacity

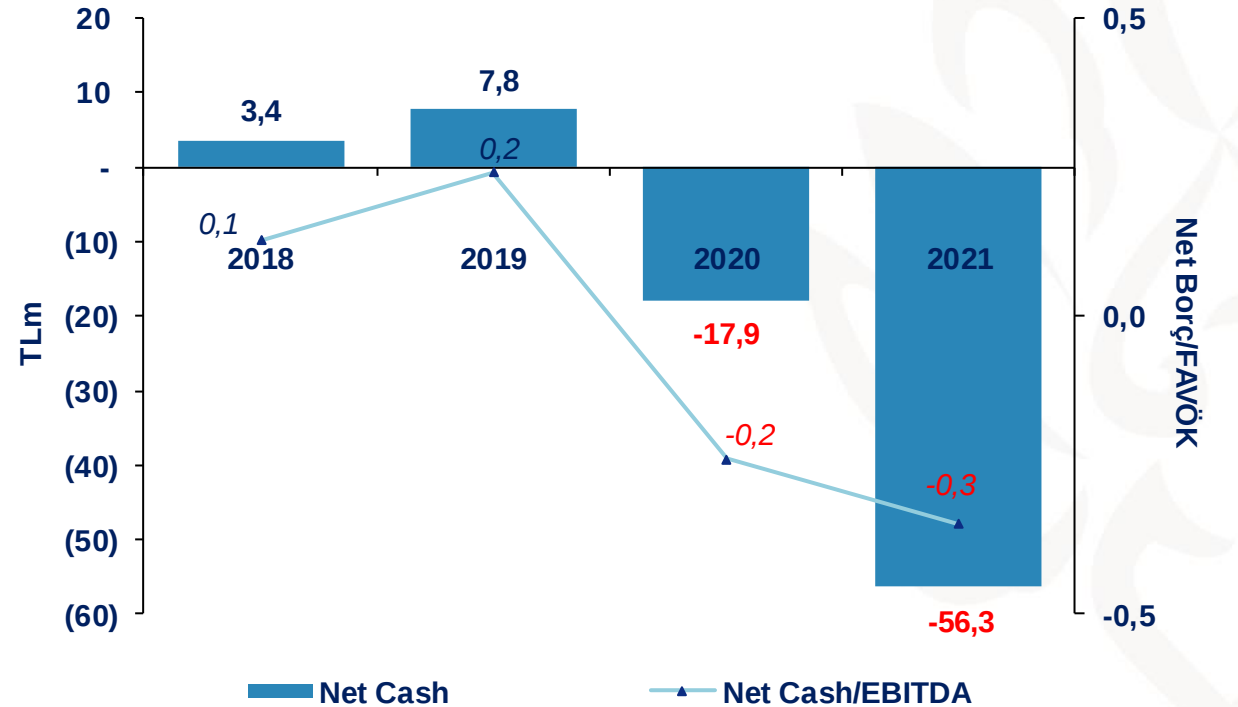
Net Cash Position

Net Cash & Equity & Financial Leverage

TLm	2018	2019	2020	2021
Cash and Cash Equivalents	0,1	1,7	27,3	64,0
Other Receivables	4,4	-	-	0,0
Short-Term Financial Debt	5,7	7,4	4,7	5,5
Other Debt	0,0	-	0,1	0,7
Long-Term Financial Debt	2,2	2,1	4,6	1,4
Net Cash	3,4	7,8	(17,9)	(56,3)
Equity	46,1	72,5	173,5	324,7
Net Cash/Equity	7,4%	10,8%	-10,3%	-17,4%
Net Cash/EBITDA	0,1	0,2	-0,2	-0,3
EBITDA	27,1	32,5	74,5	161,7

*As of 2021/12 EBITDA is annualized

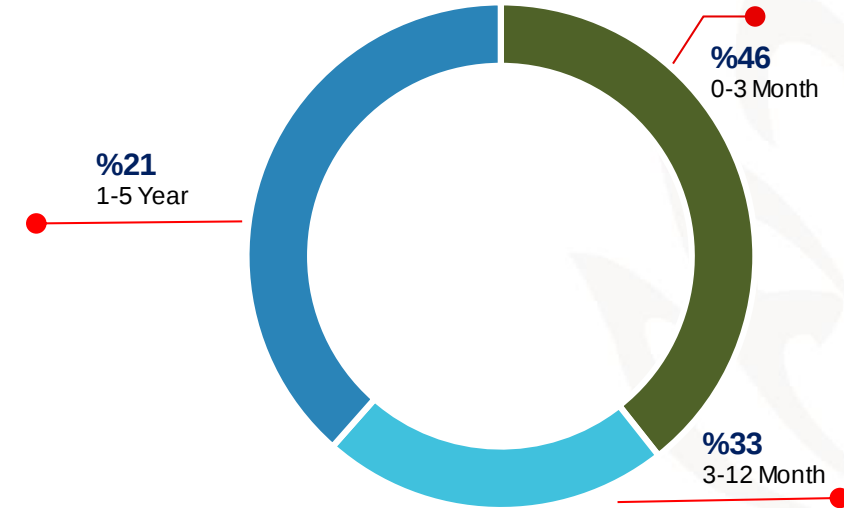
Net Cash/EBITDA



Foreign Exchange Position



Credit Maturity Breakdown



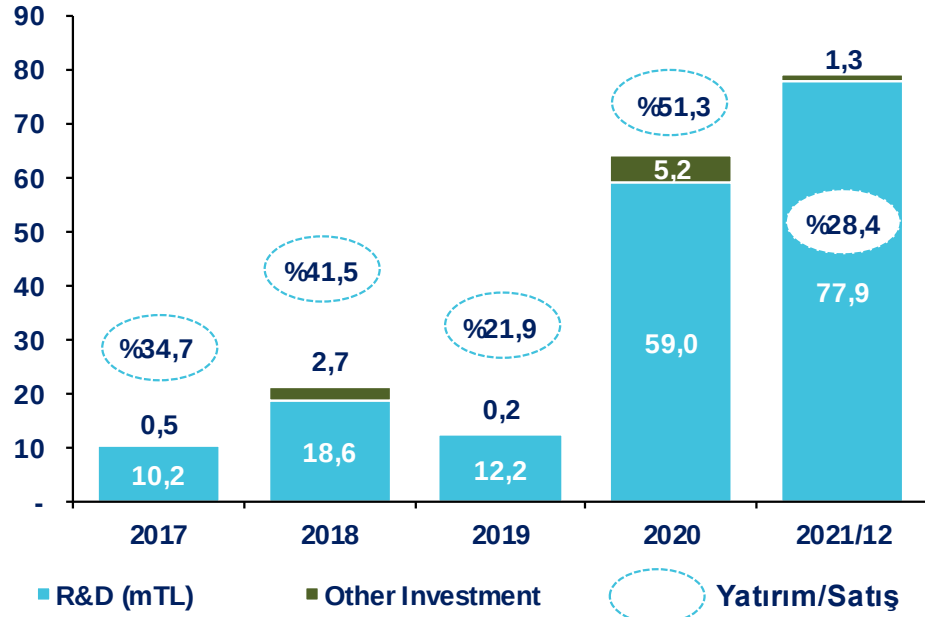
- As of 2021/12 the Company has foreign currency surplus of 46,9 mTL. As of the end of the period, all loans are in TL denominated and the effective interest rate fluctuates in the band of 10-27%. Although a significant portion of the financial debts are short-term, the Company has a significant borrowing capacity with low financial indebtedness.

4Q 2021 RESULTS

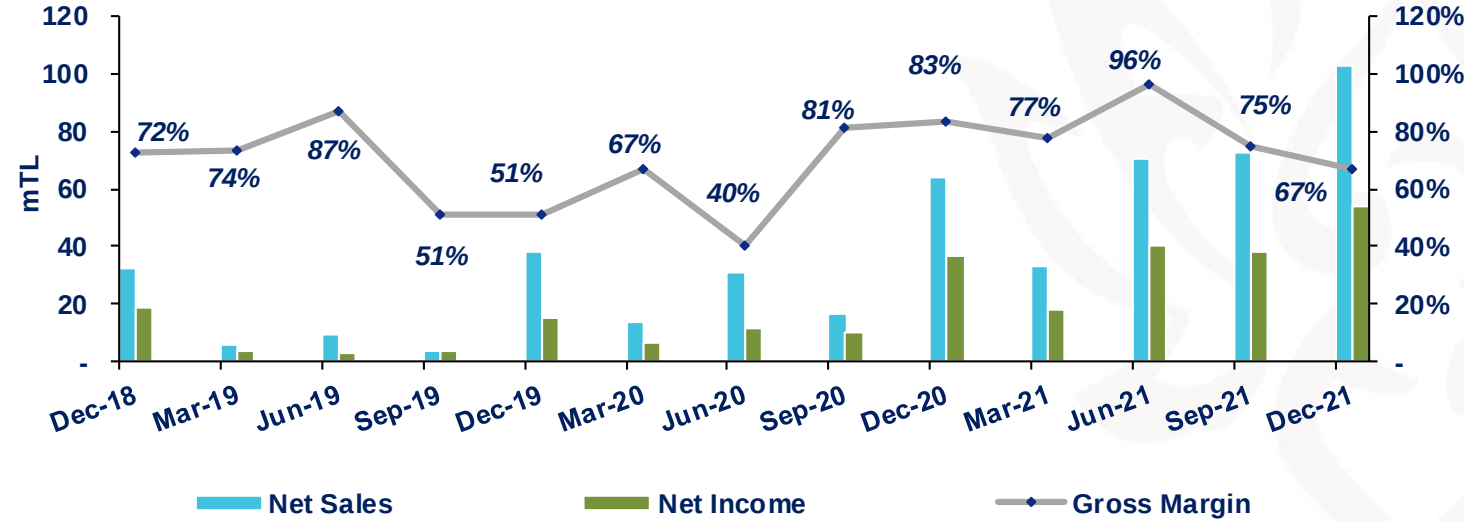
17

Increased Cost of Commercial Goods Due to Turnkey Projects Drives Profitability Down

Investments (mTL)



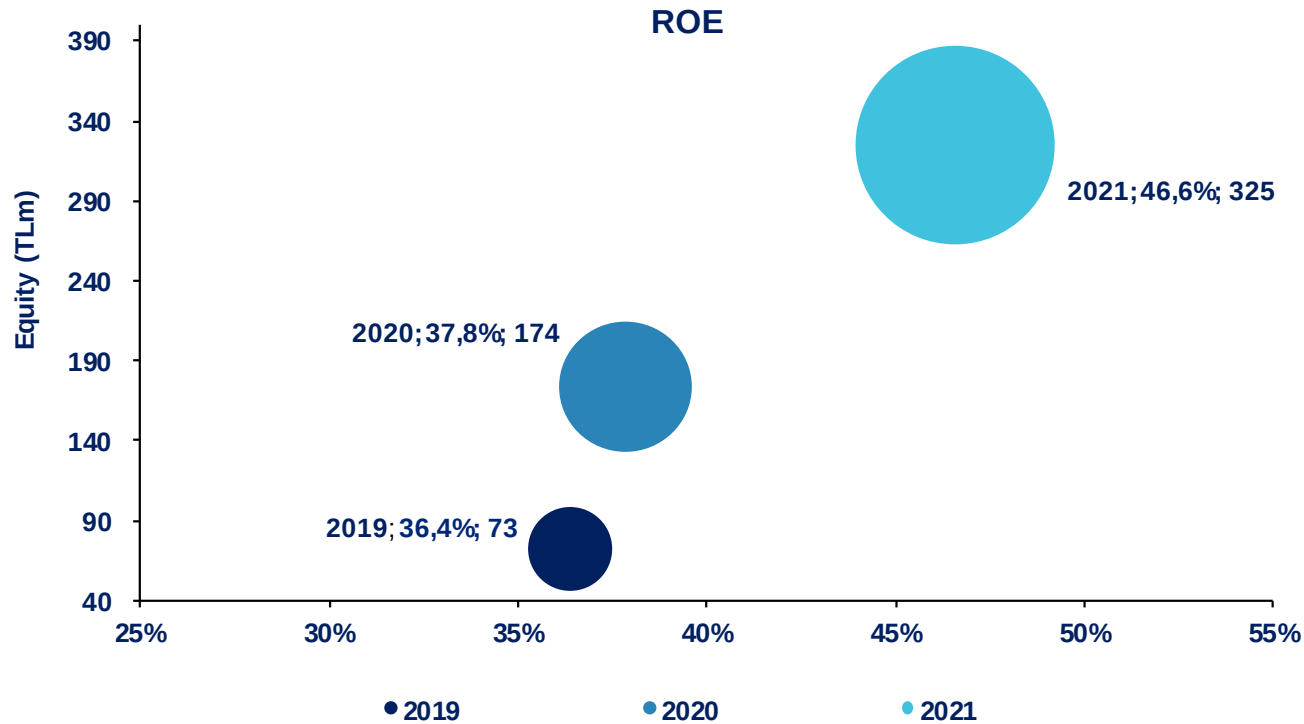
Seasonality



4Q 2021 RESULTS

18

46.6% ROE Well Above Interest Yield



- The liquidity level of the balance sheet continued to increase with each period.
- The return on equity is above the bond yield, indicating that the capital is being used efficiently.
- Low indebtedness means that the Company has high borrowing capacity, and the coverage ratio and Net Debt/EBITDA ratios indicate investment grade.

Financial Ratios

Liquidity Ratios	2021/12	2020/12	2019/12	Reference
Current Ratio	5,53	6,17	3,86	1,0-1,5
Liquidity Ratios	5,40	5,94	3,83	0,8-1,0
Investment Ratios (12M Trailing)	2021/12	2020/12	2019/12	Reference
Investment/Depreciation	652,8%	850,3%	282,8%	>%100
Investment/Net Sales	28,4%	51,3%	21,9%	Sektör
EVA-TL	68.078.813	25.803.144	8.010.822	>0
ROIC	43,2%	33,6%	26,8%	>%18,5
CRR	93,2%	124,2%	143,9%	<%100

Financial Ratios

Debt Ratios	2021/12	2020/12	2019/12	Reference
Total Debt/Total Assets	10,1%	10,6%	16,0%	<%40
Short Term Fin. Debt/Equity	1,7%	2,7%	10,3%	<100%
Coverage Ratio	-79,8	78,2	18,4	>3
Net Debt/EBITDA	-0,3	-0,2	0,2	<4
Short Term Liabilities/Asset	9,4%	7,9%	12,9%	Sektör
Long Term Liabilities/Asset	0,8%	2,8%	3,1%	Sektör
Equity/Asset	89,9%	89,4%	84,0%	>%60
Total Liabilities/Equity	11,3%	11,9%	19,1%	Sektör
Financial Debt/Total Liabilities	19,0%	45,0%	69,2%	Sektör

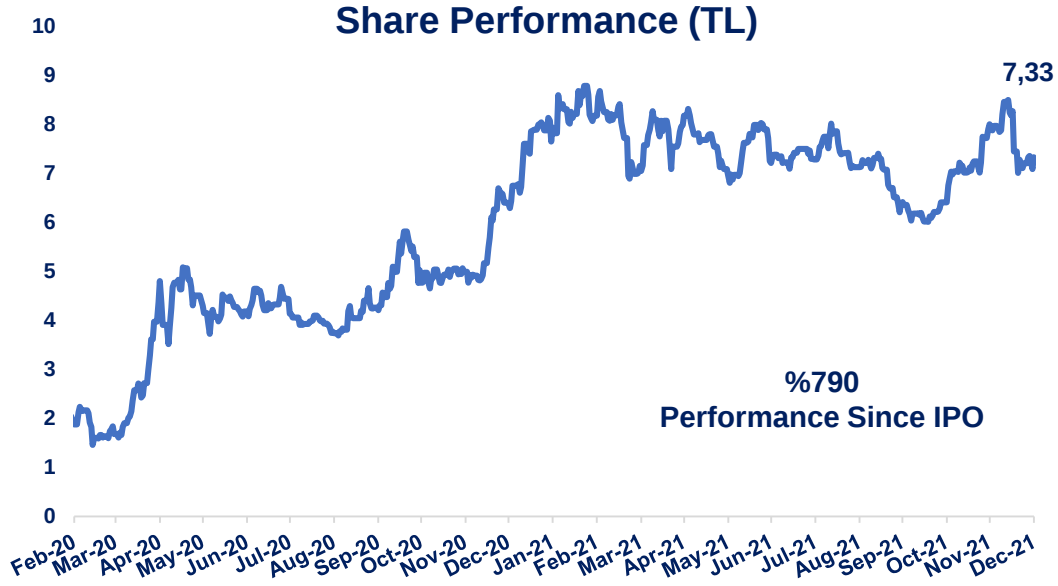
**As of 2021/12 Net Debt/EBITDA and Coverage Ratio are calculated negatively because of net cash position and net financial income*

Financial Ratios

Profitability Ratios (12MT trailing)	2021/12	2020/12	2019/12	Reference
Gross Margin	77,5%	70,3%	59,2%	Sektör
EBIT Margin	53,8%	53,5%	49,5%	Sektör
EBITDA Margin	58,1%	59,5%	57,2%	Sektör
Net Income Margin	54,4%	52,5%	46,5%	Sektör
ROE	46,6%	37,8%	36,4%	>Tahvil Getirisi
ROA	41,4%	34,5%	32,5%	Sektör
Operasyonel Nakit Akışı	124.336.693	57.070.252	8.103.599.008	>Faaliyet Karı
Operasyonel Nakit Akışı/Aktif	34,4%	29,4%	9380,2%	>ROA
Financial Exp./Net Sales	-0,7%	0,8%	3,1%	<%3
OPEX/Net Sales	23,8%	17,0%	8,2%	Sektör

4Q 2021 RESULTS

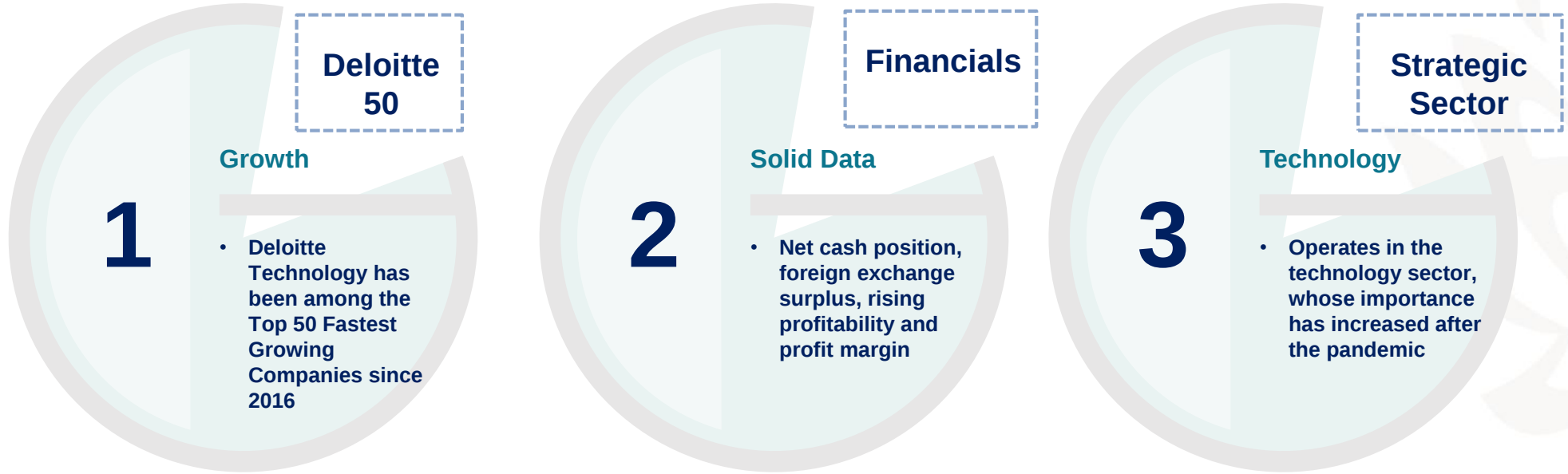
22



- Return of 790% from the date of the public offering until the end of June.
- Strong financial figures and corporate governance principles supported performance
- The company has been selected among the top 50 companies in the "Deloitte Technology Fast 50 Turkey 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 2021/12; 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.

APPENDIX



4Q 2021 RESULTS

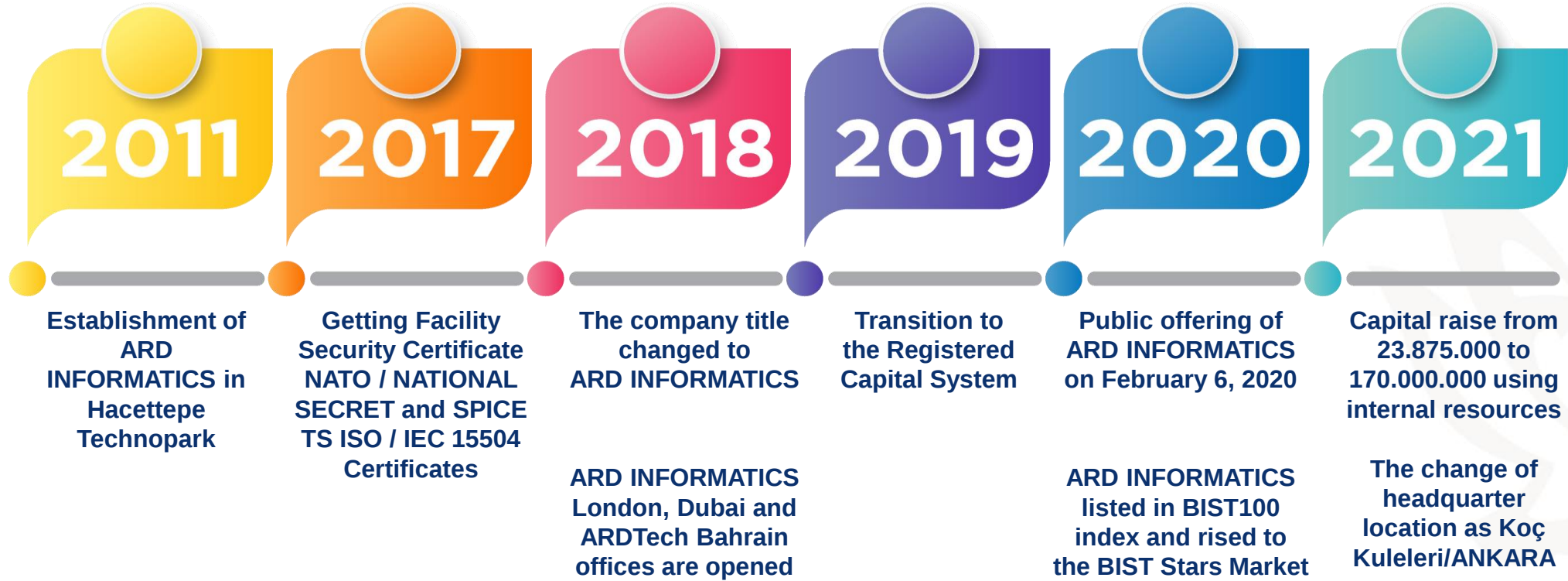
25

Balance Sheet (TL)	2020/12 Audited	2021/12 Audited
Assets	194.182.794	361.277.523
Cash & Cash Equivalent	27.282.062	64.022.150
Trade Receivables	62.550.745	116.087.883
Other Current Assets	853.786	2.626.735
Inventories	3.572.036	4.398.437
Current Assets	94.258.629	187.135.205
Investment Property	26.200	26.200
Tangible Assets	6.192.120	5.259.797
Intangible Assets	93.705.845	161.958.050
Goodwill	-	6.898.271
Fixed Assets	99.924.165	174.142.318
Equity and Liabilities	194.182.794	361.277.523
Short-Term Debt	4.674.158	5.520.842
Trade Payables	9.562.520	26.046.341
Other Debt	115.021	720.214
Other Short-Term Liabilities	919.596	1.531.522
Short-Term Liabilities	15.271.295	33.818.919
Long-Term Debt	4.624.358	1.434.849
Other Long-Term Liabilities	766.164	1.283.877
Long-Term Liabilities	5.390.522	2.718.726
Paid-In Capital	23.875.000	170.000.000
Emission Premium	30.961.672	-
Other Comprehensive Inc.	24.532	(21.279)
Profit Reserves	1.340.006	1.340.006
Retained Earning	51.650.507	2.156.440
Net Income	65.669.260	151.264.711
Equity	173.520.977	324.739.878

Income Statements (TL)	2020/12 Audited	2021/12 Audited	2021-2020 Change (%)
Net Sales	125.197.824	278.196.511	122,2%
Change		122,2%	
CoGS	(37.241.556)	(62.568.359)	68,0%
Gross Profit	87.956.268	215.628.152	145,2%
Gross Msrgrn	70,3%	77,5%	
General Administrative Exp.	(5.026.905)	(8.013.672)	59,4%
Change		59,4%	
R&D	(16.219.008)	(58.249.092)	259,1%
Change		259,1%	
Other Income	3.096.583	4.516.099	45,8%
Other Expenses	(2.939.278)	(4.311.023)	46,7%
EBITDA	74.419.323	161.690.259	117,3%
Change		117,3%	
EBITDA Margin	59,4%	58,1%	
Depreciation	(7.551.663)	(12.119.795)	60,5%
EBIT	66.867.660	149.570.464	123,7%
Change		123,7%	
EBIT Margin	53,4%	53,8%	
Income from Investment Activities	95.215	393.675	
Net Financial Income	(952.498)	2.026.156	
Profit Before Tax	66.010.377	151.990.295	
Tax	(341.117)	(725.584)	
Net Income	65.669.260	151.264.711	130,3%
Margin	52,5%	54,4%	

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26



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28

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