

# INVESTOR PRESENTATION

## 3Q 2022 FIGURES

01.12.2022



ARD BİLİŞİM

**01****Headlines****Page 3****02****Summary****Page 4****03****Financials****Page 8****04****Investment  
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**255** Net Sales  
mTL

Annually\* %45 Growth

01.01.2022-30.09.2022 financial period



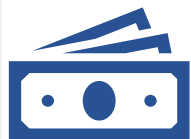
**165** EBITDA  
mTL

Annually\* %61 Growth



**%65** EBITDA  
Margin

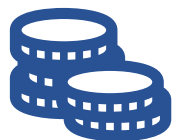
Annually\* 628 Basis Point



**9**

**\$ Long Position**  
mTL

31.12.2021 → 47 mTL



**1,9** Mcap  
billion TL

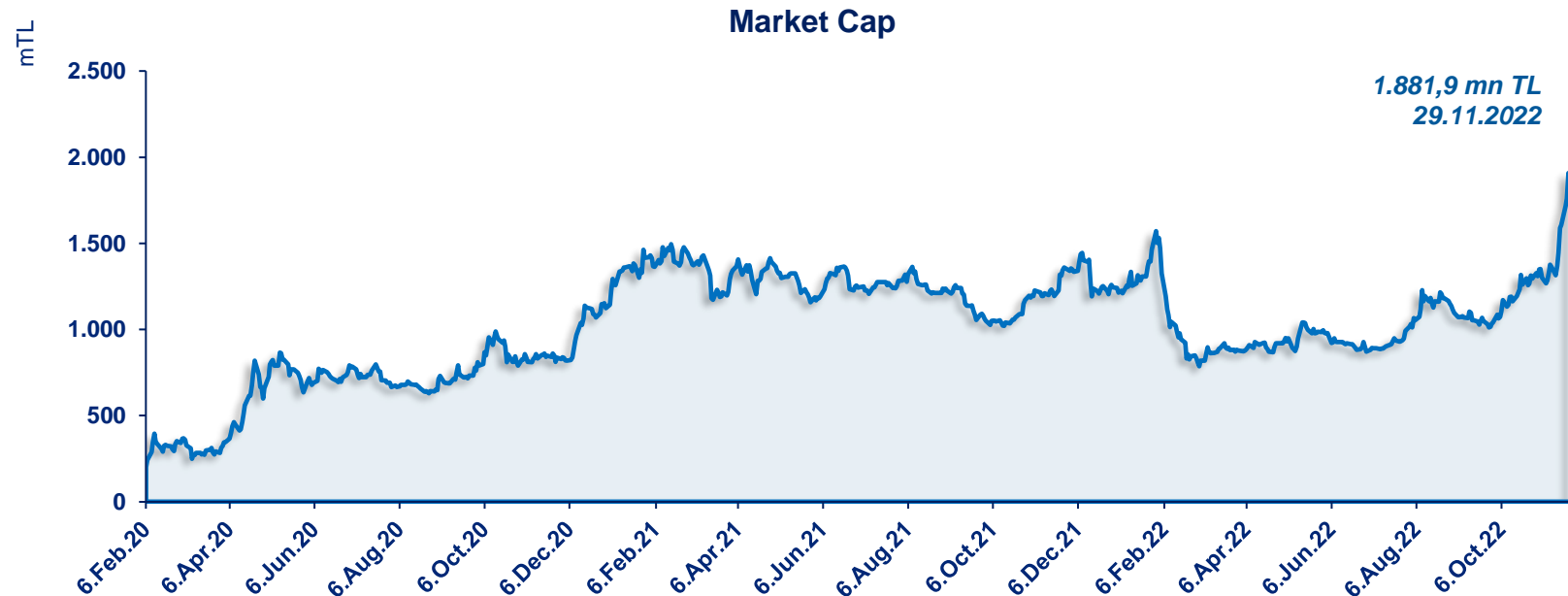
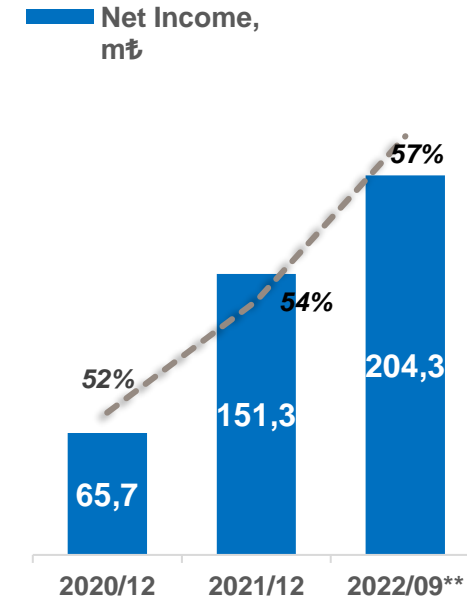
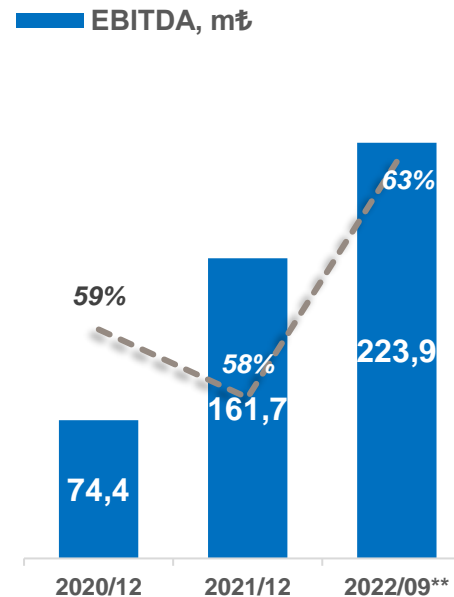
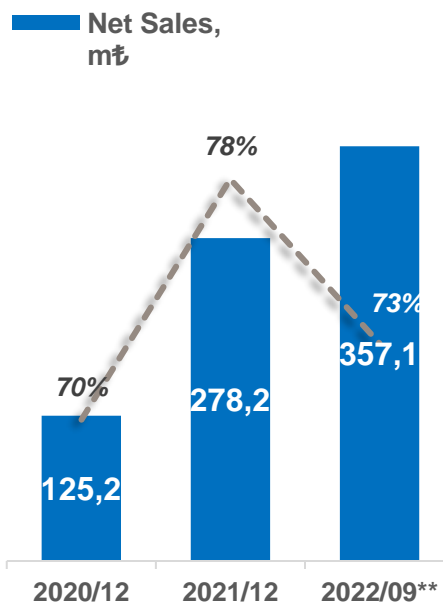
As of 30.11.2022



**103** # of Staff

31.12.2021 → 82

\* Compared to the same period of the previous year



\*\* Annualized figures are used as of 2022/09.



**Capital Yield:** 43% of ROE\* beating market interest rate



**Financials:** Sustainable growth continued



**Leverage:** Low Indebtedness Creates Significant Borrowing Capacity



**Exchange Position:** Foreign exchange surplus in the rising exchange term

*\* Return on Equity*

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# EXECUTIVE SUMMARY

## DEBT LEVEL

Despite the rising sales between 2019 and 2021, the decline in the working capital sales share indicates efficiency. However, the relative increase in the need for working capital in the third quarter of 2022 draws attention.

In a period of rising exchange rates, the Company's foreign currency surplus position continued, while its net debt position was realized as TL 23.3 mn.



## FINANCIAL ASSET

"Dallmeier Turkey Elektronik Sanayi ve Ticaret A.Ş." as a 100% subsidiary under ARD Grup Bilişim Teknolojileri A.Ş. on 11.05.2022 was established.

Dallmeier Turkey will produce innovative services and products in the field of proactive security solutions in parallel with the cooperation with Dallmeier Electronic GmbH & Co.KG.

## MARGINS

Quarterly gross margin, which was 75% in 3Q21, increased to 89% in 3Q22.

## GROWTH

Rising revenues-margins and declining opex were effective in EBITDA growth, which increased by 61% in 3Q22 compared to 3Q21. The increase in net profit, which progressed in parallel with the increase in EBITDA, was also supported by tax incentives.

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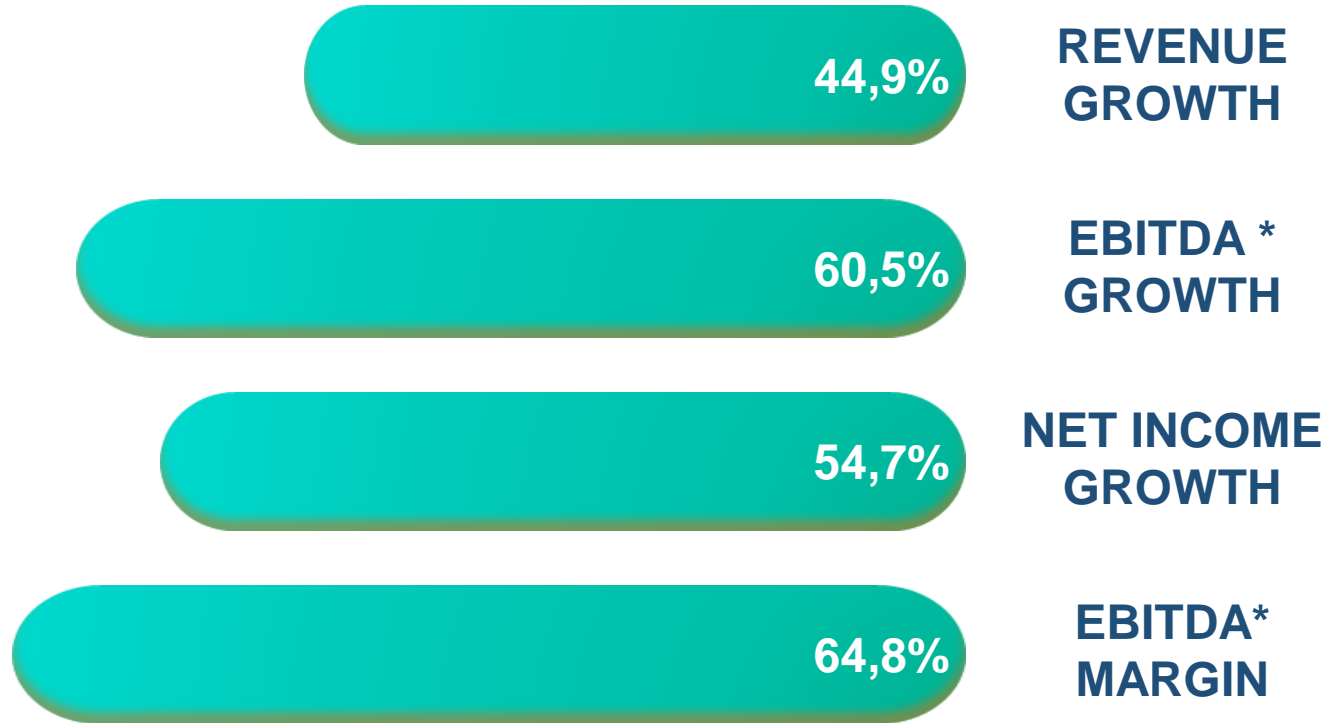
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# SOLID PERFORMANCE

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## 2022/09 & 2021/09 PERIODICAL



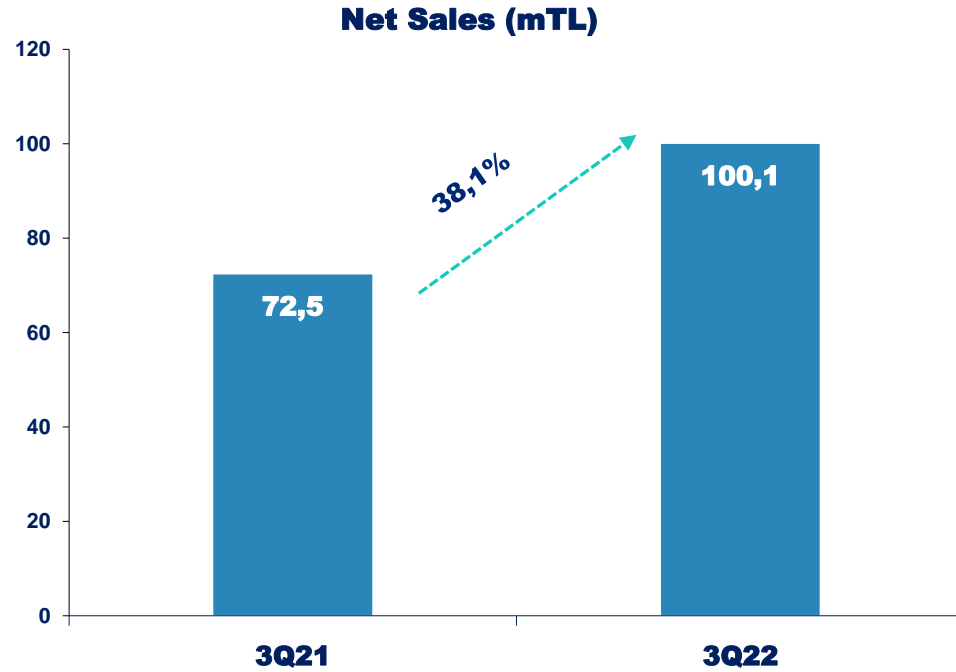
## 3Q22 & 3Q21 QUARTERLY



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



## Stable Growth in Sales



## QUARTERLY FIGURES

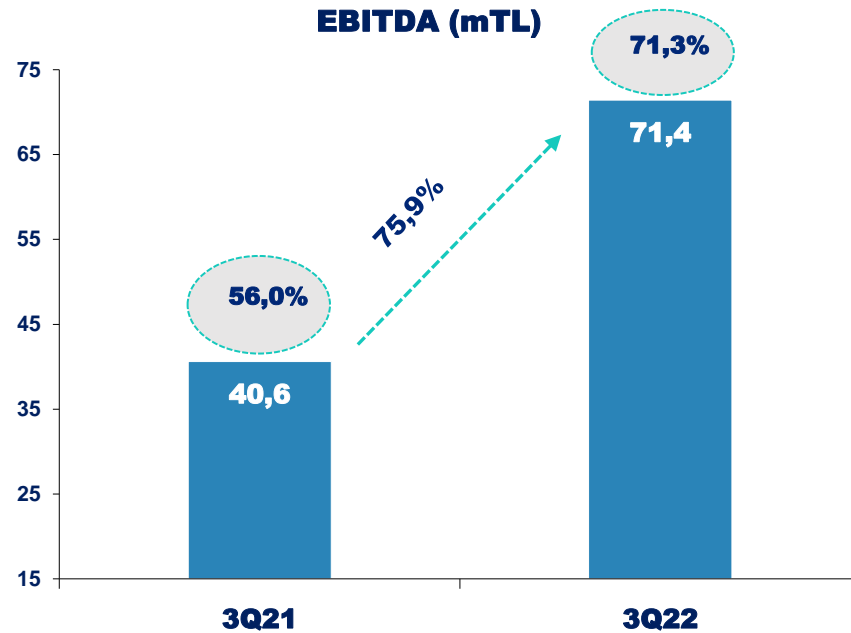
- Net sales raised by 38.1% on a quarterly basis compared to the same period of the previous year and amounted to 100.1 m TL.

# 3Q 2022 RESULTS

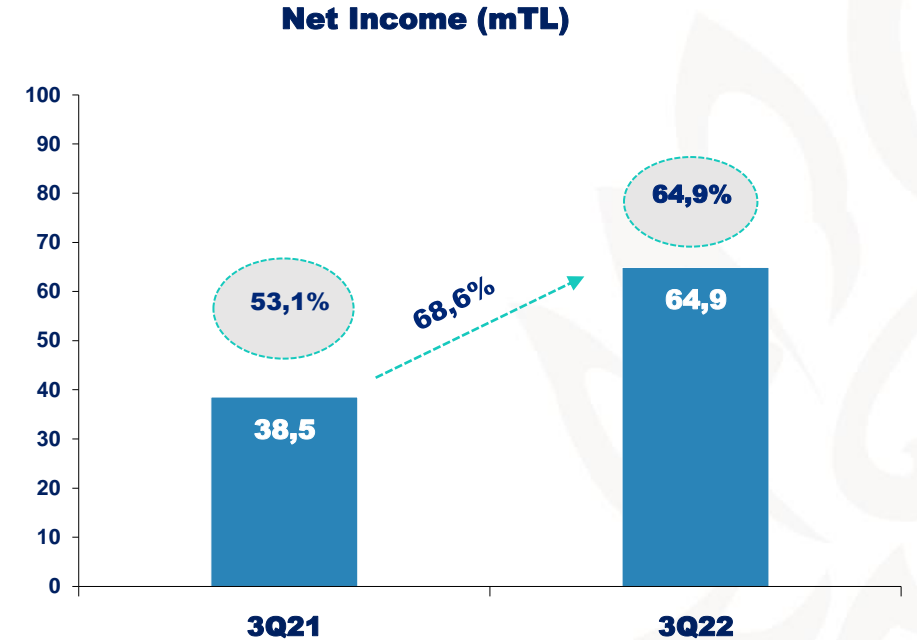
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## Improvement in Sales Supported Profitability

### QUARTERLY FIGURES



- EBITDA improved by 75.9% QoQ to 71.4 mTL, while the EBITDA margin increased from 56.0% to 71.3%

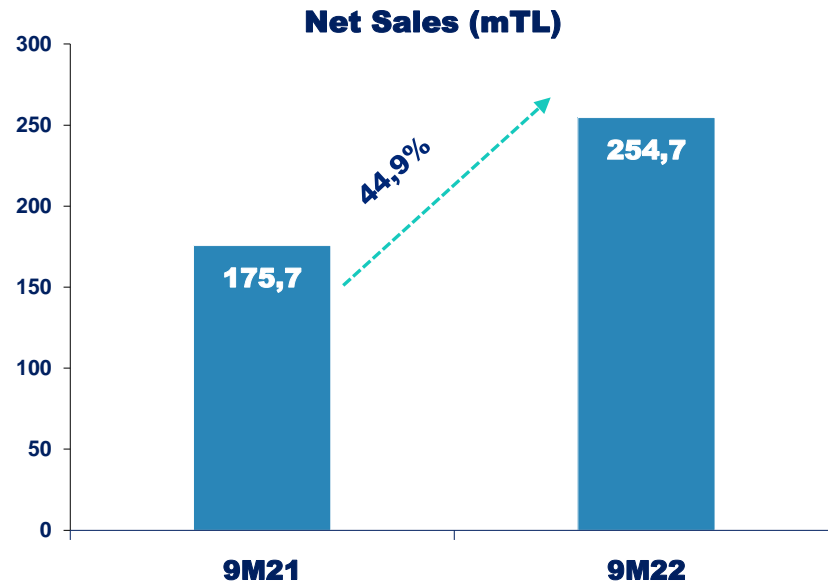


- Net profit increased by 68.8% QoQ to 64.9 mTL. Strong stance in operating profitability was recorded as the most important factor supporting net profit for the period

 EBITDA and Net Margin

## Net Sales Maintained Growth Trend in 2022

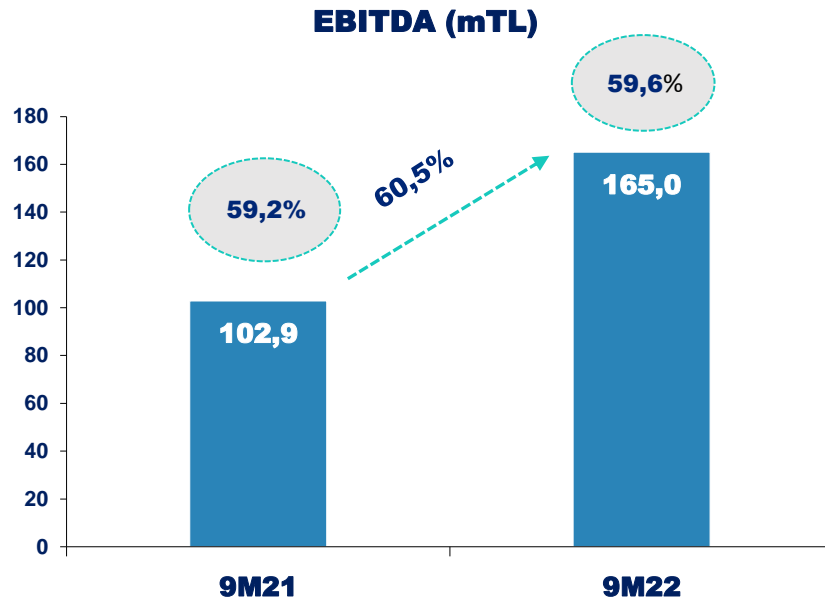
### PERIODICAL FIGURES



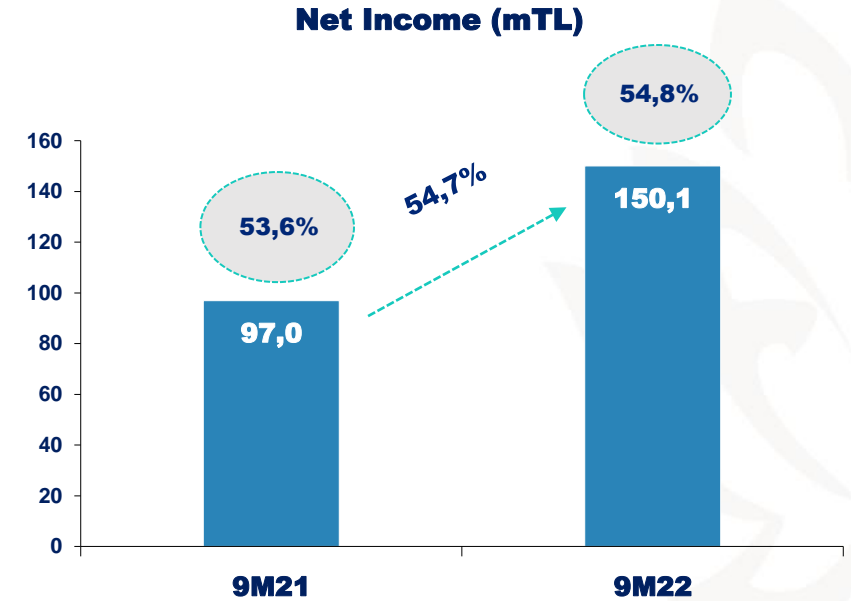
- Periodical net sales increased by 44.9% in 2022/09 compared to the same period of the previous year and amounted to 254.7 mTL.
- The pandemic increased customers' software and technology expenditures and this new normal contributed to the Company's revenues.

## Sustainability in Margins Continued

### PERIODICAL FIGURES



- Periodical EBITDA augmented by 60.5% and reached 165.0 mTL.



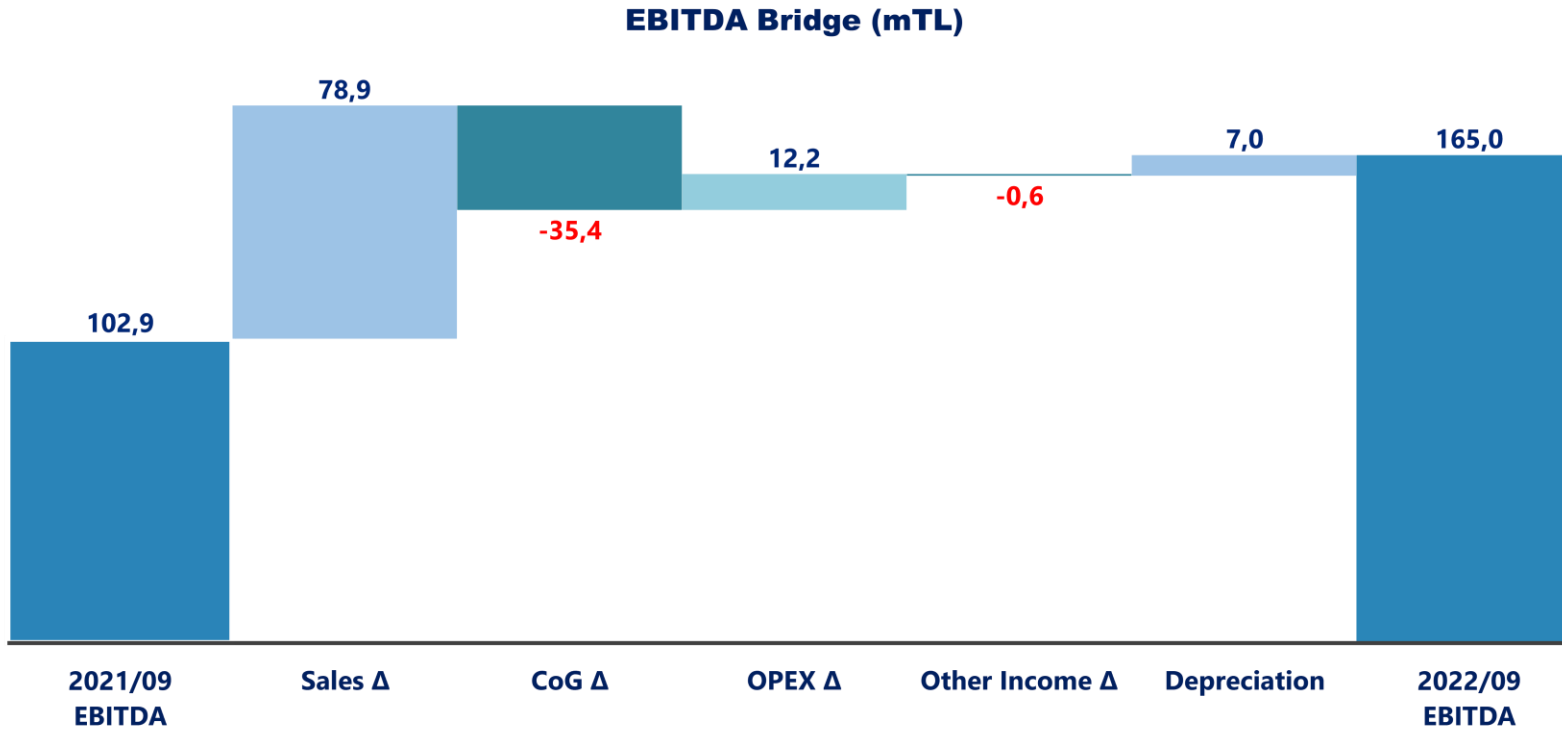
- Periodical Net Income increased by 54.7% and reached to 150.1 mTL periodically.

 FAVÖK ve Net Kar Marjı

# 3Q 2022 RESULTS

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## The Rise in Sales and Low Opex Supported EBITDA



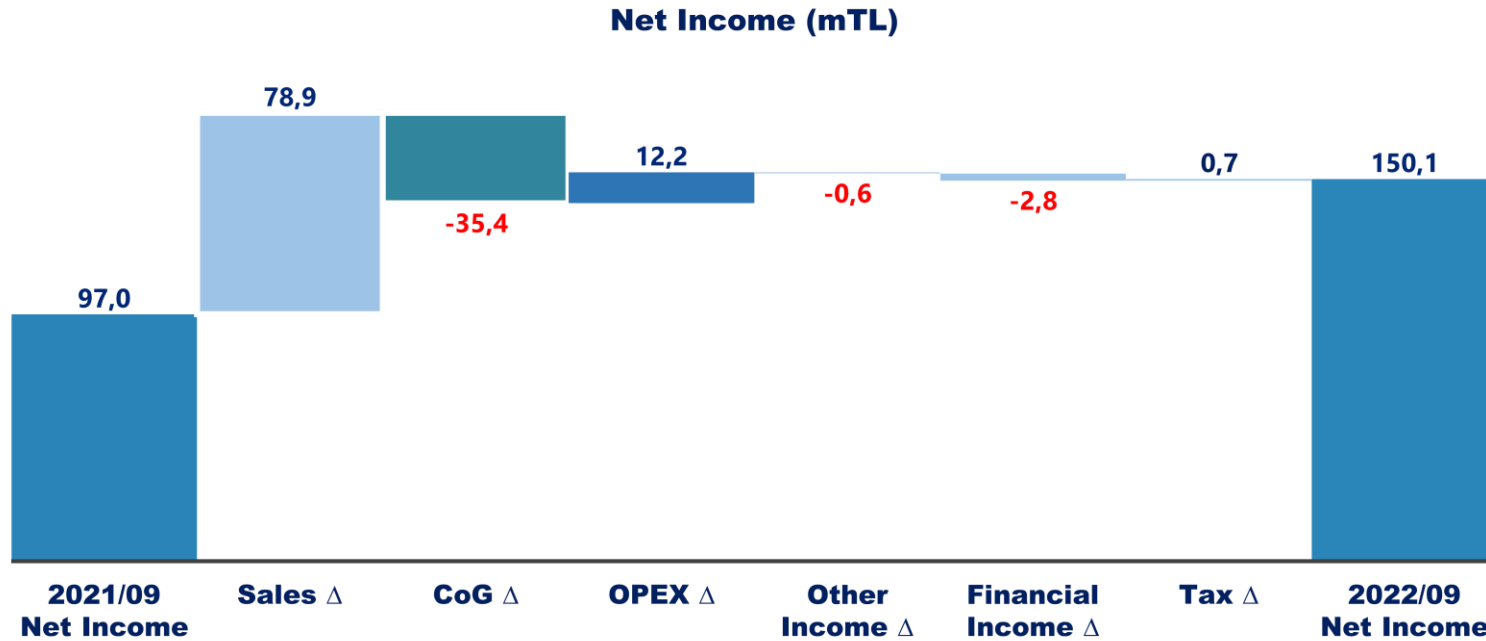
- The rising revenue and margins and low opex supported EBITDA.
- R&D expenditures create expectations for EBITDA growth in the coming period.

Δ : Change

# 3Q 2022 RESULTS

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## Sustainable Net Income Growth Continued



- The rise in net profit continued thanks to the factors supporting the EBITDA growth.
- Increasing R&D investments and the change in working capital put downward pressure on the cash position. This situation created the net financing cost.
- In addition to all these effects, the tax advantage supported the net profit for the period compared to the same period of the previous year.

Δ : Change

# 3Q 2022 RESULTS

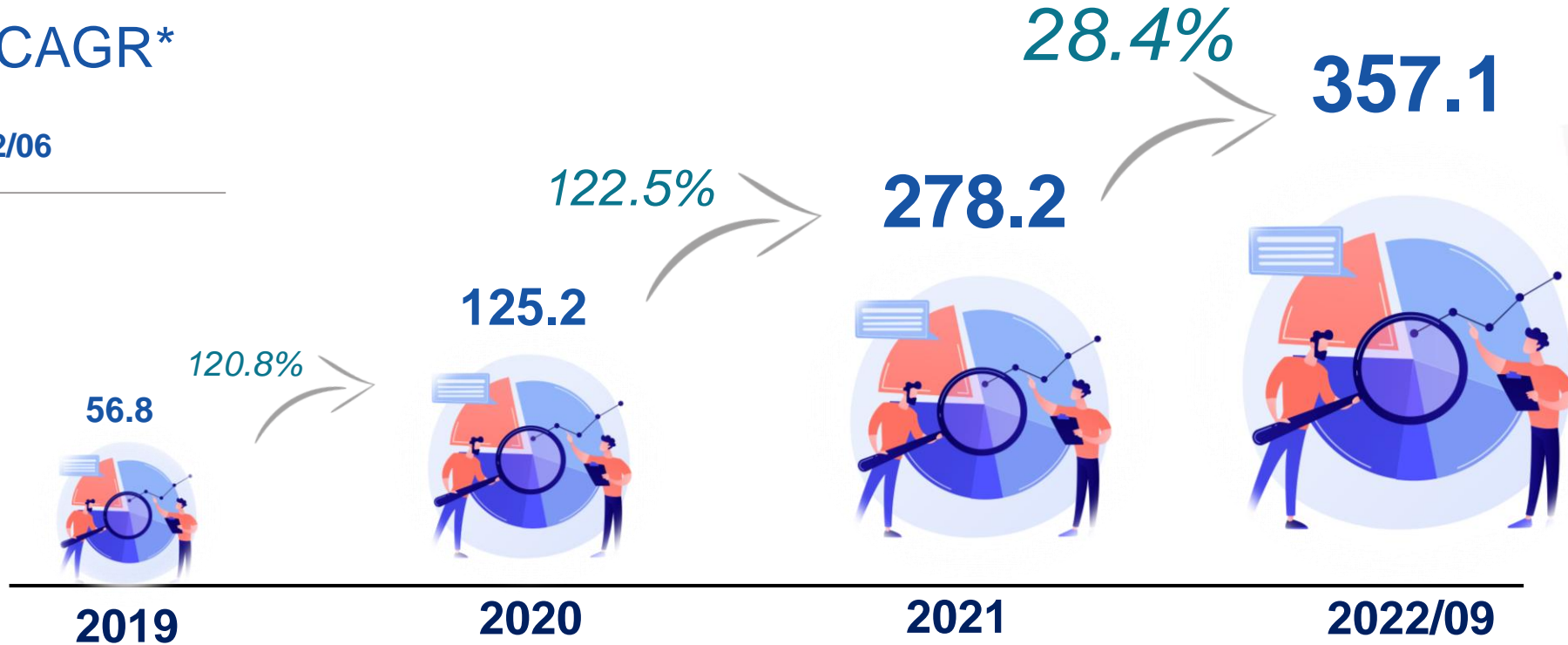
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357.1 mTL of Annualized Revenue in 2022/09

## ANNUAL NET SALES DEVELOPMENT (mTL)

126% CAGR\*

2019– 2022/06



\*CAGR : Compounded Annual Growth Rate

Total Sales TL M

# 3Q 2022 RESULTS

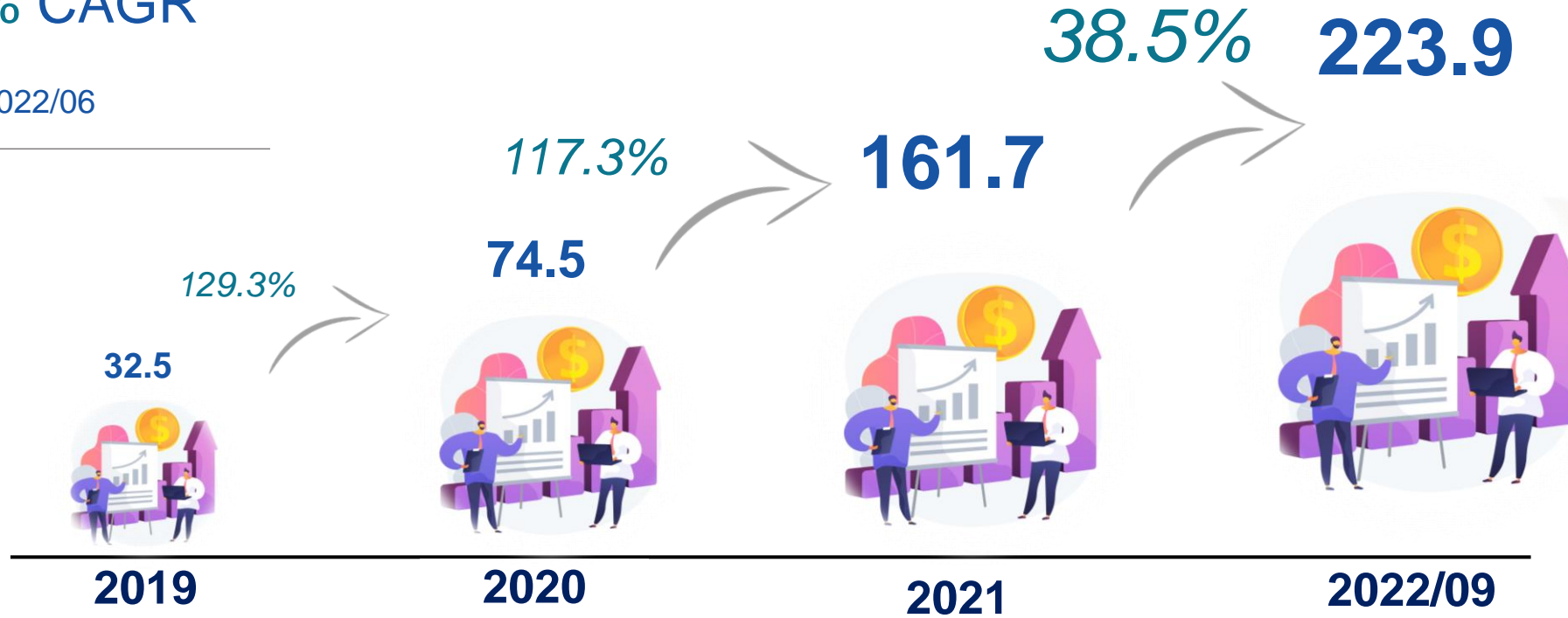
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223.9 mTL of Annualized EBITDA in 2022/09

## ANNUAL EBITDA DEVELOPMENT (mTL)

136% CAGR\*

2019– 2022/06



\*CAGR: Compounded Annual Growth Rate

EBITDA TL M



# 3Q 2022 RESULTS

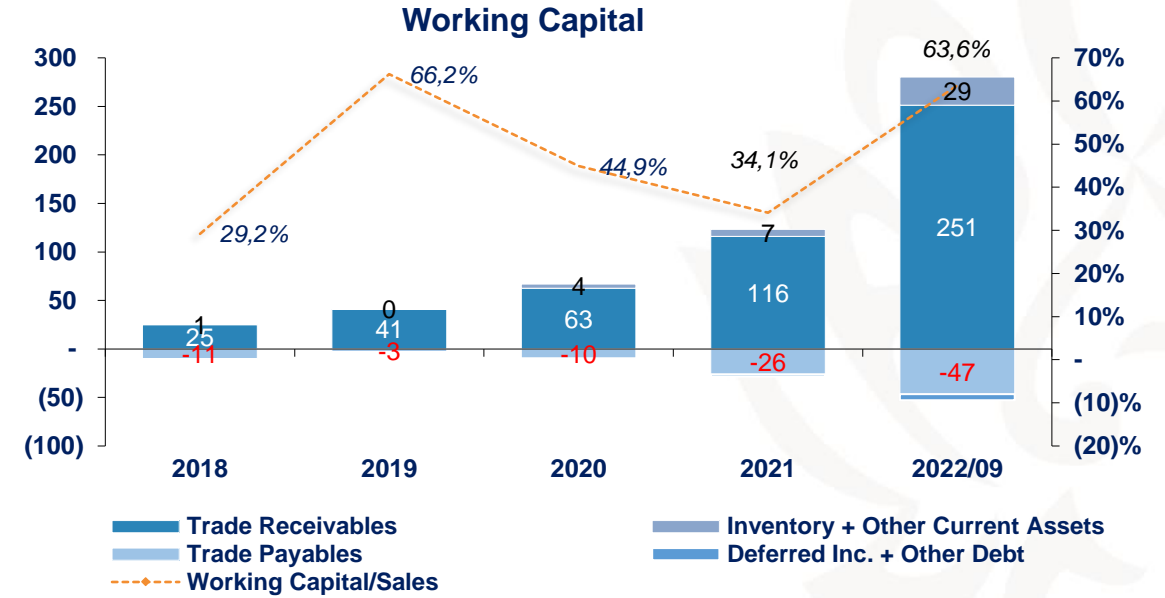
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## The Rising Receivables with Solid Top-Line Augmented Working Capital

### Working Capital

Working Capital Analysis					
mTL	2018	2019	2020	2021	2022/09
Trade Receivables	25,0	40,9	62,6	116,1	251,3
Inventory + Other Current Assets	0,8	0,4	4,3	7,0	28,9
Trade Payables	(10,7)	(3,2)	(9,6)	(26,0)	(46,6)
Deferred Inc. + Other Debt	(0,1)	(0,5)	(1,0)	(2,3)	(6,3)
<b>İşletme Sermayesi</b>	<b>15,0</b>	<b>37,6</b>	<b>56,3</b>	<b>94,8</b>	<b>227,3</b>
<b>Working Capital/Sales</b>	<b>29,2%</b>	<b>66,2%</b>	<b>44,9%</b>	<b>34,1%</b>	<b>63,6%</b>
<b>Net Sales*</b>	<b>51,4</b>	<b>56,8</b>	<b>125,2</b>	<b>278,2</b>	<b>357,1</b>

\*As of 2022/09, net sales for the last 12 months are taken into account.

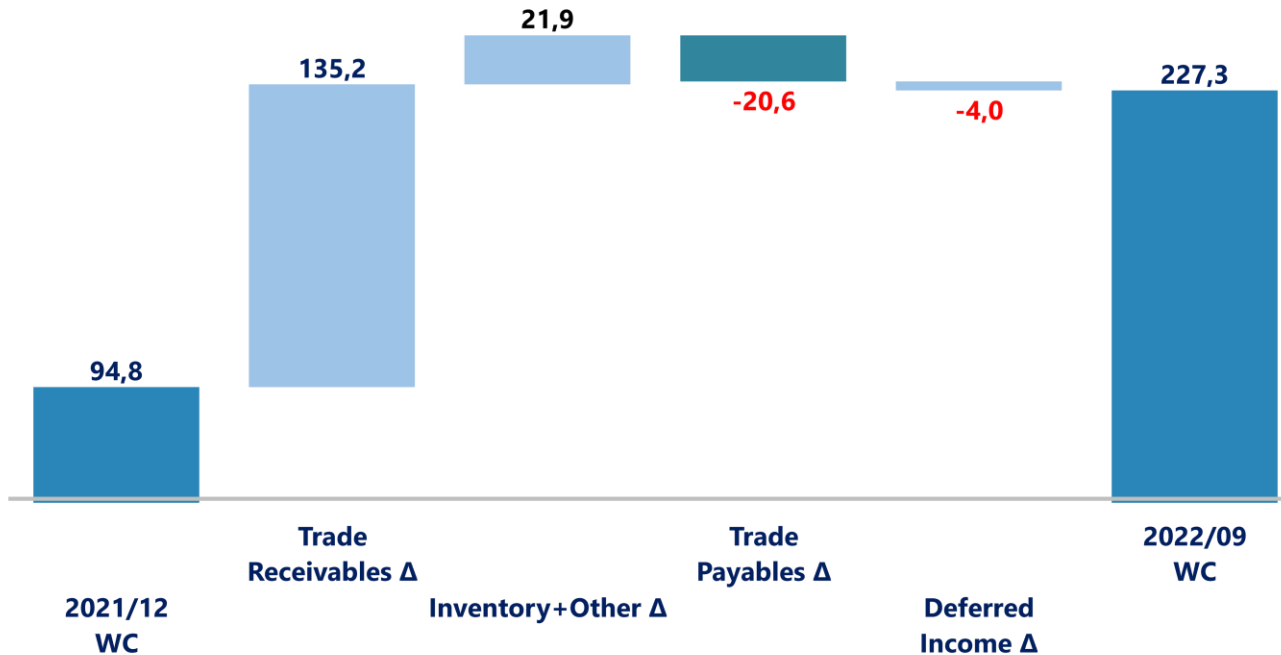


# 3Q 2022 RESULTS

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## Rising Trade Receivables and Stocks Created Working Capital Need

WORKING CAPITAL BRIDGE (MTL)



- Along with the increase in sales in the first three quarters of the year, there was a significant increase in trade receivables due to project software and EDS projects. This increase increased the working capital requirement.
- Working capital, which was 94.8 mTL at the end of 2021, augmented to 227.3 mTL in 2022/09.
- Working capital to sales ratio, which declined continuously between 2019 and 2021, rose slightly in the third quarter of 2022.

Δ : Change

# 3Q 2022 RESULTS

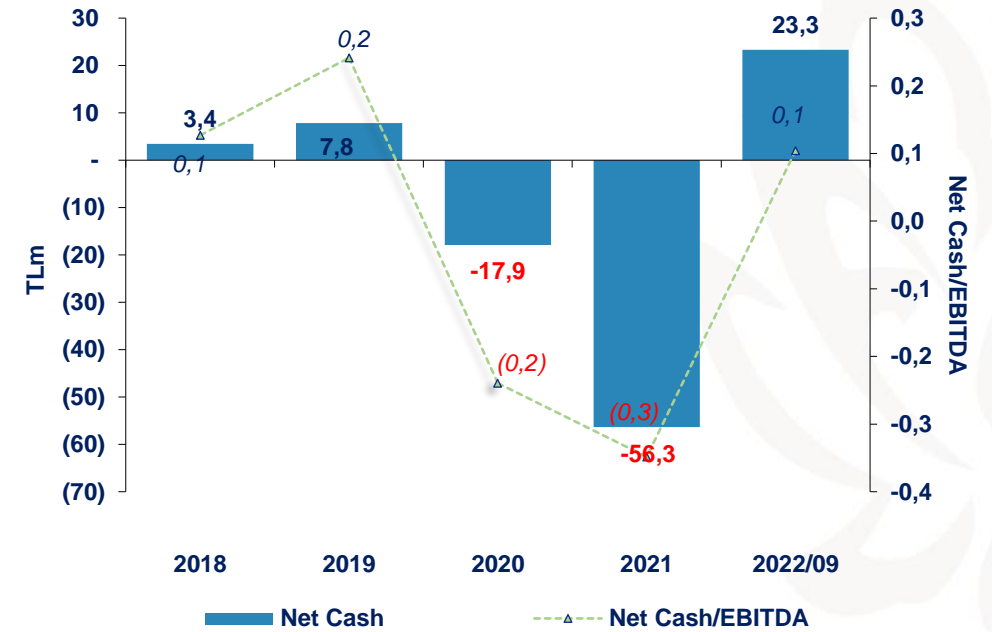
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## Rising R&D Investments and Working Capital Downward Pressure on Cash Position

### Net Cash Position

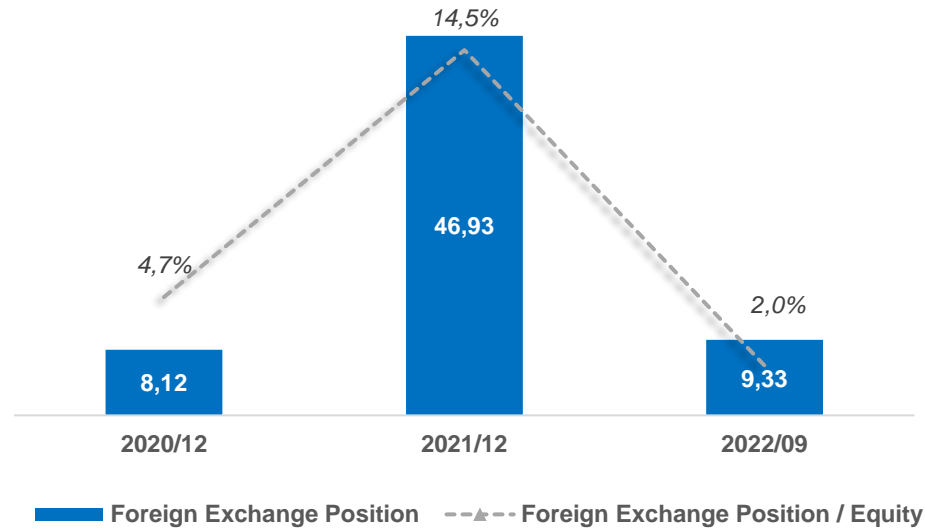
Net Cash & Equity & Financial Leverage					
TLm	2018	2019	2020	2021	2022/09
Cash and Cash Equivalents	0,1	1,7	27,3	64,0	18,8
Other Receivables	4,4	-	-	0,0	0,2
Short-Term Financial Debt	5,7	7,4	4,7	5,5	33,4
Other Debt	0,0	-	0,1	0,7	0,6
Long-Term Financial Debt	2,2	2,1	4,6	1,4	8,3
<b>Net Cash</b>	<b>3,4</b>	<b>7,8</b>	<b>(17,9)</b>	<b>(56,3)</b>	<b>23,3</b>
Equity	46,1	72,5	173,5	324,7	474,9
<b>Net Cash/Equity</b>	<b>7,4%</b>	<b>10,8%</b>	<b>-10,3%</b>	<b>-17,4%</b>	<b>4,9%</b>
<b>Net Cash/EBITDA</b>	<b>0,1</b>	<b>0,2</b>	<b>(0,2)</b>	<b>(0,3)</b>	<b>0,1</b>
EBITDA	27,1	32,5	74,4	161,7	223,9

### Net Cash/EBITDA

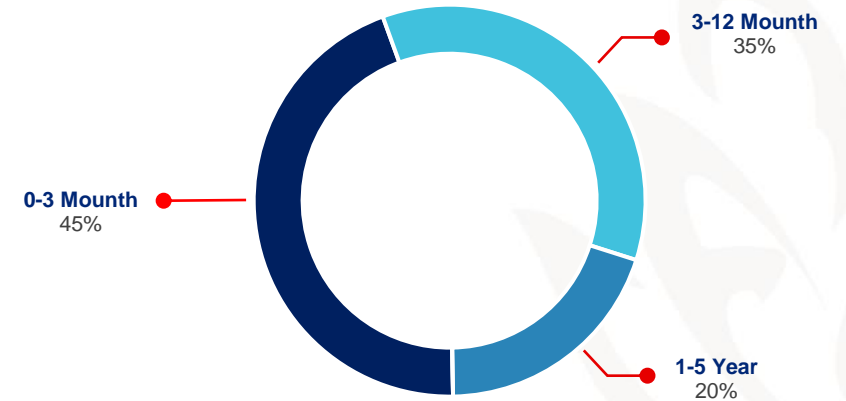


\*As of 2022/09 EBITDA is annualized

## Foreign Exchange Position



## Credit Maturity Breakdown



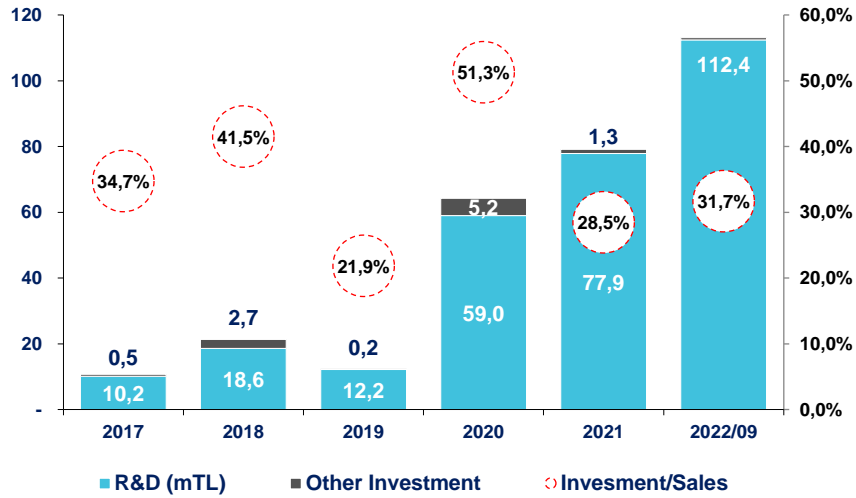
- As of 2022/09 the Company has foreign currency surplus of 9.3 mTL. As of the end of the period, all loans are in TL denominated and the effective interest rate fluctuates in the band of 20-35.5%. Although a significant portion of the financial debts are short-term, the Company has a significant borrowing capacity with low financial indebtedness.

# 3Q 2022 RESULTS

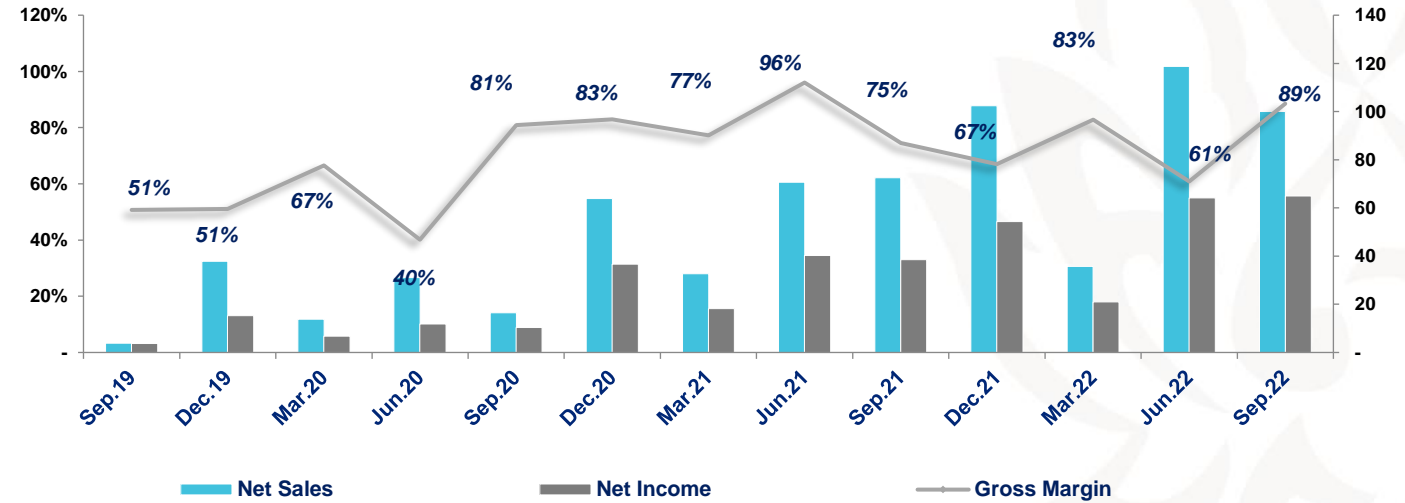
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R&D Investments Made in Previous Periods Will Be Reflected on Profitability

## Investments (mTL)



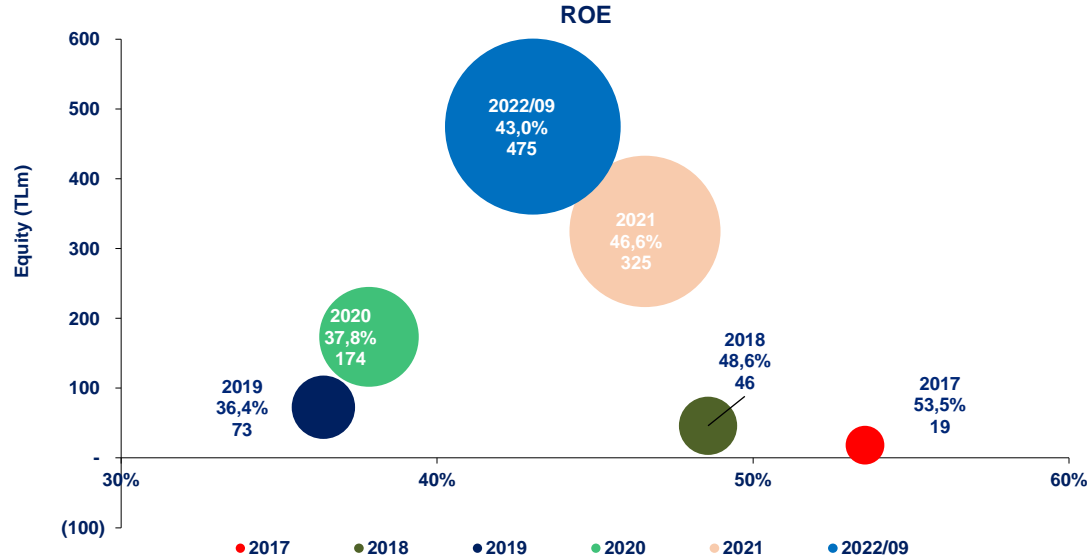
## Seasonality (mTL)



# 3Q 2022 RESULTS

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## 43% ROE Well Above Interest Yield



\*The size of the bubble represents equity.

- 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.

\* Return on Equity

## Financial Ratios

Liquidity Ratios	2022/09	2021/12	2020/12	Reference
Current Ratio	3,46	5,53	6,17	1,0-1,5
Liquidity Ratios	3,39	5,40	5,94	0,8-1,0
Investment Ratios (12M Trailing)	2022/09	2021/12	2020/12	Reference
Investment/Depreciation	591,9%	653,2%	850,3%	>%100
Investment/Net Sales	31,7%	28,5%	51,3%	Sector
Trade Receivable/Asset	44,0%	32,1%	32,2%	Sector
EVA-TL	72.653.215	71.180.426	25.475.208	>0
ROIC	32,3%	43,6%	33,2%	>WACC
CRR	133,3%	96,2%	125,4%	<%100

CRR (Capital Requirement Ratio): Investment Requirement Ratio shows the investment required by the firm to generate 1 unit of income.

EVA (Economic Value Added): It is the difference between the after-tax cash flow generated by the company on its investments and the cost charged to the capital used in the company. If this ratio is positive, it is interpreted that the firm produces value from its investments. EVA measures whether the company creates an added value from its investments by calculating the portion of the return on investment that exceeds the cost of capital.

## Financial Ratios

Debt Ratios	2022/09	2021/12	2020/12	Reference
Total Debt/Total Assets	16,8%	10,1%	10,6%	<%40
Short-Term Fin. Debt/Equity	7,0%	1,7%	2,7%	<100%
Coverage Ratio	248,0	-79,8	78,1	>3
Net Debt/EBITDA	0,1	-0,3	-0,2	<4
Short-Term Liabilities/Assets	15,1%	9,4%	7,9%	Sector
Long-Term Liabilities/Assets	1,7%	0,8%	2,8%	Sector
Equity/Assets	83,2%	89,9%	89,4%	>%60
Total Liabilities/Equity	20,2%	11,3%	11,9%	Sector
Financial Debt/Total Liabilities	43,4%	19,0%	45,0%	Sector

\*Coverage Ratio and Net Debt/EBITDA are calculated negative due to the net cash position and positive financial net income as of 2021/12.



## Financial Ratios

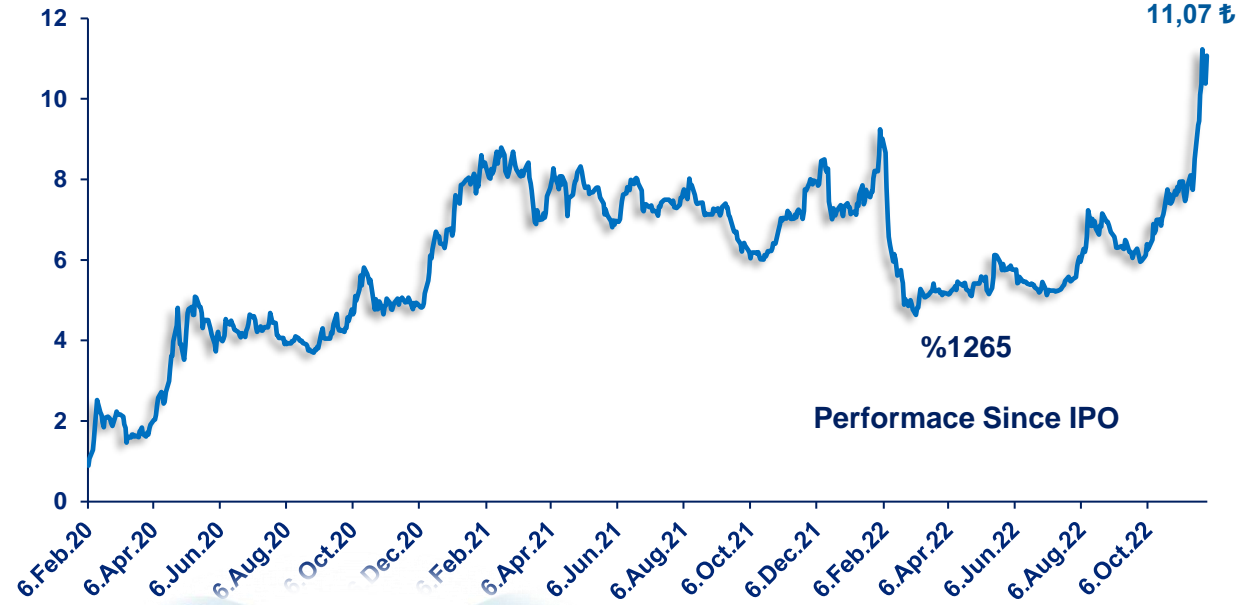
Profitability Ratios (12MTrailing)	2022/09	2021/12	2020/12	Reference
Gross Margin	72,6%	77,5%	70,3%	Sector
EBIT Margin	57,3%	53,8%	53,4%	Sector
EBITDA Margin	62,7%	58,1%	59,4%	Sector
Net Margin	57,2%	54,4%	52,5%	Sector
ROE	43,0%	46,6%	37,8%	>Bond Yield
ROA	35,9%	41,4%	34,4%	Sector
Financial Exp./Net Sales	-0,3%	0,7%	-0,8%	<%3
OPEX/Net Sales	15,1%	23,8%	17,0%	Sector

ROA (Return on Assets) is obtained by the Operating Profit / Total Assets.

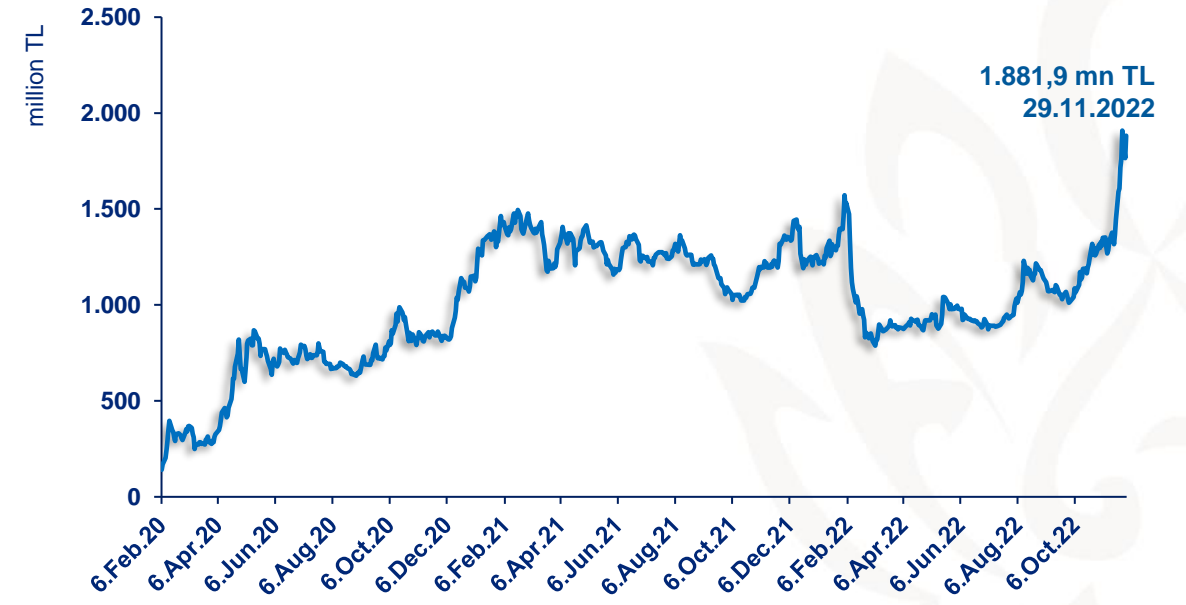
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## Share Performance (TL)



## Mcap (TL)



- Return of 1265% from the date of the public offering until the 29th November
- 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.



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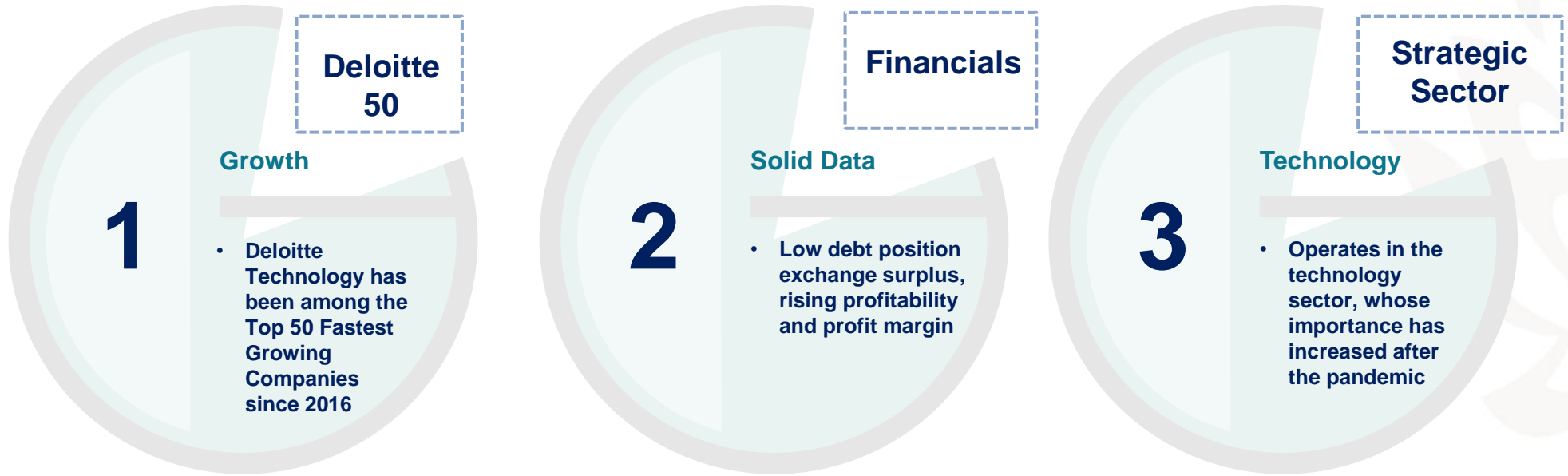
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## Investment Thesis

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 low net debt position and foreign exchange surplus; Strong financials as of 2022/09; 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.

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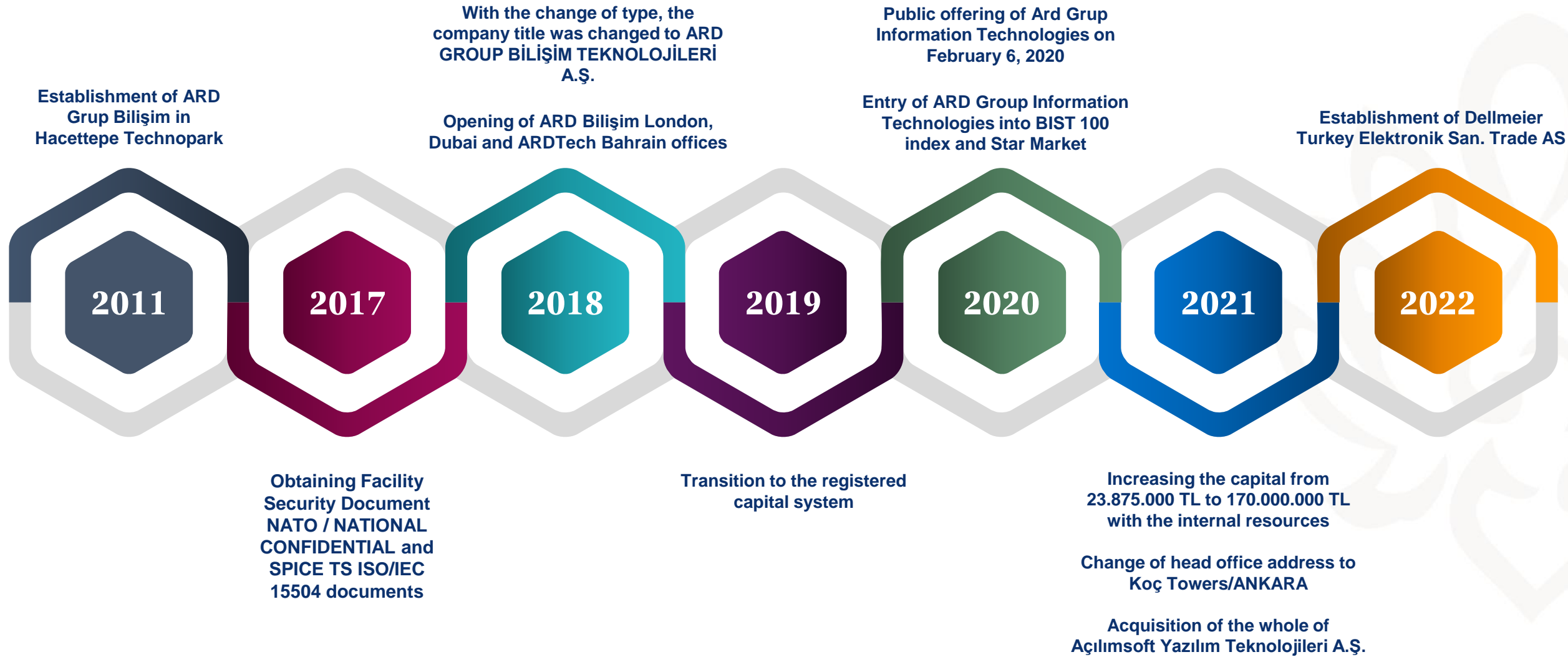
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Balance Sheet (TL)	2021/12 Audited	2022/09 Unaudited
<b>Assets</b>	<b>361.277.524</b>	<b>570.918.785</b>
Cash & Cash Equivalent	64.022.152	18.765.142
Trade Receivables	116.087.883	251.275.389
Other Current Assets	2.626.735	23.000.024
Inventories	4.398.437	5.912.730
<b>Current Assets</b>	<b>187.135.207</b>	<b>298.953.285</b>
Investment Property	26.200	26.200
Tangible Assets	5.259.797	4.470.201
Intangible Assets	168.856.320	267.255.961
<b>Fixed Assets</b>		
<b>Equity and Liabilities</b>	<b>361.277.524</b>	<b>570.918.785</b>
Short-Term Debt	5.520.842	33.424.470
Trade Payables	26.046.341	46.621.095
Other Debt	1.531.522	5.725.943
Other Short-Term Liabilities	720.214	570.217
<b>Short-Term Liabilities</b>	<b>33.818.919</b>	<b>86.341.725</b>
Long-Term Debt	1.434.849	8.260.924
Other Long-Term Liabilities	998.543	-
<b>Long-Term Liabilities</b>	<b>2.718.726</b>	<b>9.721.445</b>
Paid-In Capital	170.000.000	170.000.000
Other Comprehensive Inc.	(21.278)	38.192
Profit Reserves	1.340.006	12.257.592
Retained Earning	2.156.439	142.503.565
Net Income	151.264.712	150.056.266
<b>Equity</b>	<b>324.739.879</b>	<b>474.855.615</b>

Income Statements (TL)	2021/09 Unaudited	2022/09 Unaudited	2022/09-2021/09 Change (%)
<b>Net Sales</b>	<b>175.717.620</b>	<b>254.650.856</b>	<b>(31,0%)</b>
Change	0,0%	44,9%	
CoGS	(28.713.847)	(64.122.100)	(55,2%)
<b>Gross Profit</b>	<b>147.003.773</b>	<b>190.528.756</b>	<b>(22,8%)</b>
Change	0,0%	29,6%	
Gross Margin	83,7%	74,8%	
General Administrative Exp.	(4.894.335)	(9.736.278)	(49,7%)
Change	0,0%	98,9%	
R&D	(48.562.323)	(31.484.932)	54,2%
Change	0,0%	(35,2%)	
Other Income	3.465.663	2.675.694	29,5%
Other Expenses	(2.805.426)	(2.582.740)	8,6%
<b>EBITDA</b>	<b>102.853.102</b>	<b>165.044.595</b>	<b>(37,7%)</b>
Change	0,0%	60,5%	
EBITDA Margin	58,5%	64,8%	
Depreciation	(8.645.750)	(15.644.095)	(44,7%)
<b>EBIT</b>	<b>94.207.352</b>	<b>149.400.500</b>	<b>(36,9%)</b>
Change	0,0%	58,6%	
EBIT Margin	53,6%	58,7%	
Income from Investment Activities	41.851	128.337	
Net Financial Income	2.411.775	(517.059)	
Profit Before Tax	96.660.978	149.011.778	
Tax	1.044.488	324.279	
<b>Net Income</b>	<b>96.985.257</b>	<b>150.056.266</b>	<b>(35,4%)</b>
Change		54,7%	
Margin	55,2%	58,9%	

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**THANK YOU**

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